

Government should see that women get the proper protection of the law of the land.

SHRI H.K.L.BHAGAT: I will convey the observations of the Hon. Members to the Business Advisory Committee.

12.18 hrs.

ELECTION TO COMMITTEE

Coffee Board

[English]

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R.DAS MUNSI) : I beg to move:

"That in pursuance of sub-section (2) (b) of Section 4 of the Coffee Act, 1942 read with rule 4(1) of the Coffee Rules, 1955, the members of the House do proceed to elect, in such manner as the Speaker may direct, two members of the Coffee Board, subject to the other provisions of the said Act and the Rules thereunder."

MR. CHAIRMAN: The question is:

"That in pursuance of sub-section (2) (b) of Section 4 of the Coffee Act, 1942 read with rule 4(1) of the Coffee Rules, 1955, the members of the House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Coffee Board, subject to the other provisions of the Said Act and the Rules made thereunder."

The motion was adopted.

MR. CHAIRMAN: Now discussion on the Finance Bill.

12.19 hrs.

FINANCE BILL, 1988—*CONTD*

[English]

DR. DATTA SAMANT (Bombay South Central): While presenting the Budget in this House, the hon. Finance Minister announced a lot of concessions to the fertiliser factories, cement factories, textiles and the hon. Members went on thumping the desks as if socialism is going to come and prices are going to come down. The concession was given to the textiles, Rs. 27 to polyester fibre Rs. 10 to filament yarn, 50 per cent to nylon. Two months after the presentation of the Budget, when I made enquiries in the market, I found that the rates of cloth had not come down. If the same concessions were passed on to the consumers, the per metre cost of the polyester cloth must have gone down by Rs. 2 to Rs. 10. Immediately a monitoring committee was appointed and something was published. Even Mr. Dhirubhai Ambani gave a press statement that he had reduced the prices from Rs. 187 to Rs. 157. When I made enquiries from Bhiwandi, which is a complex of power-looms, I found that he had sold cloth to his agents, his own relations, and then made this publicity. I am not particular about any individual. But is it the way this Government is going to function? Everyday they are giving new concessions to private mill-owners, forgetting about workers. They are not caring for them. Already 1.6 lakh workers are dying. Even for the consumers they are not bothered. So, I really feel that this Government is not bothered about the average public.

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Take the Reliance Industries. Ten thousand tonnes capacity has been allowed to them, but by underhand dealings they are producing about twenty-five thousand tonnes. They have imported the machinery without paying the taxes. An enquiry was also conducted about this but nothing has been done. Gradually the Government is encouraging them. Today I have read in the Press that their turn-over has gone up to Rs. 1,500 crores and their profits have gone up to Rs. 117 crores. But our NTC and other mills are gradually dying. As a result of such type of textile policies and various other economic policies adopted by this Government, the average mill owner, the poor workers and the consumers are dying. Only 5-6 big industrial houses of this country are progressing. The Finance Minister, at the Congress session at Madras, has already given a warning to the fertiliser factories. He has said that if they are not going to pass on the concessions to the average consumer, then he is going to withdraw those concessions. He has been talking in this language but nothing is being done.

Same is the case with cement. Rupee one per bag must go down but it is not being done. Similarly, on nylon, 50 per cent concession should be given, but that has not been done. Therefore, it is a total failure of the Government. Black-money is generated because of such policies of the Government. All concessions have gone only to the big business houses.

The inflation rate has touched the double digit. In March end, the index has gone up to 417.7, which is 10.4 per cent more than the last year. Last year it was six per cent more than the previous year, and before that it was three per cent more than the previous year. So, the inflation is going on at double the rate just within two months after the Budget. So, it is the economic failure of the country. In the mid-term report

on the last three years of the Seventh Plan, the Price Index is shown to have gone up by 20.6 per cent. This is about the Wholesale Price Index. So, the Consumer Price Index must have gone up by about 30 per cent. The average poor man in the village may be paying even higher prices. Therefore, in the last three years of the Seventh Plan, since the Rajiv Gandhi Government has come into power, the prices in this country, as per the official index, has gone up by more than 30 per cent.

Coming to the workers, all the M.Ps. on your side as well as on our side are unanimous on one point that the income-tax exemption limit for the salaried people should be increased from Rs. 18,000 to Rs. 30,000. But the Government is not bothered about this. The corporate people are amalgamating their losses with the profit-making units. All the concessions in income-tax have been given to the big business houses. But for the salaried people of this country, who are the honest tax-payers, this Government has failed to increase the income-tax limit, in spite of requests from all the M.Ps. in both the Houses. Therefore, once again I appeal to them that the time has not gone and they should raise the limit up to Rs. 30,000.

Coming to the closure of industries, out of fourteen lakh industries in this country, 1.5 lakh industries are closed. That means about ten per cent industries are closed. How is the Government going to account for that? Now, what are the reasons for their closure? The hon. Industry Minister always blames me that the workers are responsible for this. The workers are only two per cent. It is the fraud, mismanagement, not taking interest and going from old to new industries, which are responsible for the closures. Now another ten per cent of the industries are on the verge of closure. Rs. 5,000 crores bank money is lost. Maharashtra, particularly Bombay, is the biggest area where maximum industries are closed. There is a ten-

dency to shift the industries from there to outside, and both the State Government and the Central Government are encouraging it. They want to shift the textile workers and other workers of Bombay, who are the backbone of all the workers of Bombay, away from there and thus make it easy for the business magnates, for black-marketeers to sell their lands. I strongly protest this type of attitude of the Government. I am not against starting industries in the backward areas, but it should not be the policy that the existing good industries should be closed and new bad industries should be started.

Now, what is the function of the Bombay Sick Industries Board? There is no office of this Board. Already 1,50,000 industries have been closed. Already 700 big industries have been closed. This Board is having good teeth and weapons. It can change the Director if he is going to make the unit sick. It can club the sick units with the healthy units. Take the cases of Tata and Birlas. Their assets have gone up to many fold, about Rs. 42,000 crores. But they are making the units sick and handing over them to the Government and the Minister, Shri Mirdha and the Government say that they are not going to take over them. But don't make scape-goat of these workers. Therefore, I would request the Government to make use of the provisions of the Act and use the powers against the Boards and remove the Directors. You try to club the sick units with the healthy units. You stop giving further loans to them. I ask you that this Bill was passed about three years ago. But have you acted against a single employer of this country using such type of provisions which you are having in your hands? I say you have miserably failed in that. You are going to allow them to close the units. This is going to butcher the national economy.

Sir, in regard to the private sector, what is their contribution to the country's economy? It is not even 10% share of the

country's total economy. With only Rs. 2 crores or Rs. 3 crores, they are cornering the share capital worth of Rs. 200 to Rs. 300 crores has gone up. Both ways they are gaining. It is the private sector which is run with the public money. It is not the question of bank money. The logs are not incurred by the banks when the unit is closed. When it is closed it is the workers who are affected. Now, there are about 50 lakh workers who are out of job. Sir, this is a big drain on the national economy. It is a big gain to the black-marketeers who are collecting money on which the Government is totally silent. Sir, as per the Companies Act, about 39,386 prosecutions were lodged all over the country. About 8,000 employers were prosecuted. But did anybody go behind the bar? They were imposed a fine of Rs. 300 or Rs. 400 for diversifying the funds, for making money and not holding meetings, deceiving shareholders etc. For such type of offences, you are going to impose on them a fine of Rs. 399 or Rs. 400. That shows how lenient you are with these big business people in this country. They are just fooling you and they are asking every time concessions. The textile people have come to you and asked for some concessions and I am sure you are going to give them some concessions very shortly.

Sir, in regard to the unemployment I would like to point out that the industrial houses are employing thousands of workers. According to the mid-term survey, the employment potential has gone up by 1.5%. I will take up big houses employing more than thousand workers. Their assets have gone up, their profits have gone up and their turn-over has gone up. But the employment potential of these big houses has gone down by 1.5%. In the public sector, there are about 21 lakh workers. Appointment on temporary basis is stopped. From the Mazagon Dock workers have been removed. Voluntary employment scheme was stopped and about one lakh workers were removed. In

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the Railways the employment potential remained static, that is, remained at 16 lakh workers for the last four years. Due to the closure of so many factories, lakhs of workers have been put out of job. Now, about one crore workers are without job for no fault of theirs. In the Textile mills about 1.60 lakh workers have been removed and in the jute industry about 80,000 workers have been without job. On what basis? I have nothing against the Prime Minister. You declared in Madras the slogan of 'bekari hatao'. But I have given these figures from your own statistics.

Now, Sir, for the employment guarantee scheme and poverty removal scheme, whatever amount you are giving is not at all sufficient. About 50 lakh workers will get the job for 100 days per year. Is it going to remove unemployment in this country? Sir, only the small industries have been able to give a little more jobs and therefore the whole planning of this country, as far as employment potential is concerned, has miserably failed and in spite of such failure, you talk of 'bekari hatao'. All right I admit it. But at least you do it in 10 years to come, that is, by 2000 A.D. Can you remove employment from this country by 2000 A.D.? I strongly protest against such policies of the Government.

Sir, this Government has made a lot of raids in the big houses of business people, like Kirloskar, Thapars, etc. But what happened to those raids? When Shri V.P. Singh was the Minister, they were arrested. I am not against them. But those blackmarket-eers who are making a lot of money, what will happen to them and what action have you taken against them? Sir, about Rs. 2.4 lakh crores are shown as internal and external debts. You know that about Rs. 80,000 crores are there in the country's economy as black money. What will happen to the country's economy? You are heading for

privatisation and you are encouraging the big houses and those who are committing FERA violation and income-tax evasion and they are collecting black money. You should take some stern action against them. I am asking the Minister what concessions were given and what cases were dealt with in regard to big industrial houses. Our Prime Minister recently said:

[*Translation*]

We are Second to none.

[*English*]

What happened regarding the raids on Goenka? What happened further in this regard, I do not know.

I would like to give one instance. One day a havildar has taken the gangster of a village to the police station. So, everybody in that village was happy. But the gangster was neither arrested nor taken to the court. Then everybody started suspecting that the havildar had taken some bribe. Similar things are happening regarding the raids here. Because Mr. Goenka is supporting CPI(M) and Hinduja's want to enter in the Haldilia project and Malliah is supporting Jayalalitha, these raids are there. The Hinduja's are having Rs. 14000 crores as their assets and properties, which is three times more than those of Tatas and Birlas. In Bombay the building should be constructed 500 meters from the sea, but Hinduja has constructed the building 500 metres in the sea flouting all the laws. I am not against this. But somebody says that he wants to enter into the Haldilia project and that is why the raid is there. These people are making black money and spoiling the economy. Therefore, I appeal to the Government to take some concrete steps and see that all these things are set right.

Regarding the textile mills, Lakhs of

workers are massacred and with whatever concessions are given to these big houses. I think the textile industry will go into the hands of these few people. There is a lot of potential in cotton yarn, India is having a lot of cotton and therefore, use this potential and improve these NTC mills so that the farmers of the country will get some relief. The whole policy of this Government is to give concessions to these private people and big houses who are going to ruin the economy of this country. That is what is happening as far as unemployment is concerned, as far as poverty is concerned and as far as inflation is concerned. The growth of population is now 2 per cent every year.

In the end, I am totally to this Finance Bill and the Budget. Thank you very much for giving this opportunity to speak.

SHRI S. JAIPAL REDDY (Mahbubnagar): Mr. Chairman, Sir, our Finance Minister, Mr. N.D. Tiwari, is a man of captivating charms and disarming cheerfulness and his genius for public relations has been put to devastating effects in the Budget. Sir, he packaged the budget so nicely that minor reliefs have been prominently revealed and major problems totally concealed. Sir, the economic filament of the nation has been darkened not by one, but many a cloud, but the Government insists on adopting an ostrich-like attitude and refuses to see the aggravating problems. The people of India are sought to be treated like so many children who can be tackled with lollipops. The Government is today hit by insolvency. The economy is hit by stagnation and people are hit by inflation. To overcome these multi-dimensional problems, the Ruling Party is resorting to horde of slogans and shibboleths without any philosophical commitment or programmatic content or even financial support.

The state of economy, Sir.... (*Interruptions*) is disturbing from whatever angle that

may be looked.

PROF. K.K. TEWARY (Buxur): That is neither sound, nor fury, but utterly vacuous.

SHRI S. JAIPAL REDDY: Starting from the Budget, it should be noted that the Central Government expenditure has gone up from only 18% of the GDP in 1980-81 to about 23% over the past three years. Secondly, Sir, the plan outlay as a percentage of total expenditure has declined from 41% in 1980-81 to only 35% in 1988-89. Thirdly, Sir, the Defence expenditure and interest payment together have gone up from 28% of total expenditure in 1980-81 to 37% in 1988-89. You may ask me as to why I am picking on this year, 1980-81. This was the year which marked the return of the prodigals, the second reign of Mrs. G. and Congress-I and glorious descendants.

Fourthly, there is steep increase in deficit on revenue accounts from Rs. 2,000 crores in 1980-81 to Rs. 9,800 crores in 1988-89. In other words, throughout the decades of '80s, the Government had to borrow even to meet its revenue expenditure. We may not, as yet, have been caught in what is called 'internal debt trap' but we are fast heading towards it. The interest payment and repayment of principal may soon equal or even exceed our gross borrowings. 70% of the new domestic borrowings will from now on be spend on repayment of old domestic borrowings. The external debt service charges of Rs. 2085 crores amount to debt service ratio of 24%. This means, almost one-fourth of the total external earnings of our country are going to be spent on repayment of loans.

The Budget shows that at the end of the financial year 1988-89, we are likely to close with a huge public deficit of Rs. 1,40,000 crores and Rs. 84,000 crores as other liabilities. These have doubled. Our liabilities have doubled in the last 4 years from Rs.

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113,000 crores in 1984-85. If these liabilities were to be backed up by assets, they would not have caused us so much anxiety and worry. It is not so. It was so up to 1979-80. But by 1988-89 end, nearly 17% of the liabilities will have no back-up of assets.

Sir, I may bring to your notice two other features of the public debt. The increase in external debt had been less than that of total liabilities. Since 1979-80, it has increased 2 1/2 times. The average rate of interest on interest bearing obligations and debate have increased from 4.42% in 1980-81 to 7.24% in 1988-89.

In 1987-88, more than Rs. 2,100 crores worth of public sector bonds were floated. This is in addition to other borrowing. A similar performance is bound to be repeated this year. The important factor to note is this: the public sector helped the Government in keeping down the increase in public debt. We must remember that the public sector debt is also under-written eventually by the Government. The quantum of deficit that we have from year to year up to Seventh Plan bodes ill for the price front. If the deficit in 1985-86 was only Rs. 3,439 crores, the deficit this year will be, even according to of the Budget, Rs. 8,120 crores. In four years, our Budget deficit has touched the dizzy figure of Rs. 26,000 crores while in the Seventh Plan, the ceiling was only Rs. 14,000 crores. This kind of reckless deficit financing is bound to have its deleterious effect on the price situation.

With a view to controlling the price situation, the Government was compelled to resort to many such measures as reduced credit for food, greater imports of commodities in short supply like oil, sugar and pulses and drawal of foreign exchange reserves to meet heavy trade deficits. But there is a limit to which we can take recourse to these factors. We cannot indefinitely go on count-

ing on these factors. We must, therefore, make a major determined effort to reduce our deficit levels.

But in spite of this, even the Government admits that the wholesale price index shows 10% rise this year. Even this wholesale price index is deceptive because the situation is much worse in terms of retail price index. Apart from this, the wholesale price index through its aggregation conceals the tremendous havoc caused to agricultural workers in the rural sector. For the agricultural workers in rural sector, the food and non-food increases in terms of price, range from 13 to 23%.

The Budget, no doubt, makes some flamboyant claims. First it is agriculture-oriented. Secondly, it has given a push to rural housing. The third is that it provides consumer relief. But, we know from experience that Budget provisions per se mean nothing. We have the experience of large Budget provisions being made for bold and new programmes at a Budget for which no funds are released. Revised estimates merely show either a token outlay or sometimes none at all. There is no point whatsoever in starving worthwhile on-going programmes, only to initiate new glittering schemes.

MR. CHAIRMAN: Please conclude.

SHRI S. JAIPAL REDDY: Sir I am the only person speaking for my party. I want you to give some more time. I will now give a few examples. Last Year's budget speech by the Prime Minister earmarked Rs. 125 crores in 1987-88 for Indira Awas Yojana. But, Sir, one does not find any mention of this—if the Finance Minister could help, I would be grateful to him immensely—in the budget papers of either 1987-88 or 1988-89. Apparently, the buck has been quietly passed on to the Reserve bank of India which will become a favourite whipping boy.

Let us now see what the budgetary allocation under Demand No.74, Major Head 4216 'National Housing Bank' is stated to be. I am referring to the Head 15.03 - National Housing Bank. In 87-88, the Budget allocation was Rs. 4 crores in 87-88, the Revised Estimate was Zero. In 88-89, the budget allocation is 0.01. whatever that might mean. Our Finance Minister may be a mathematical wizard, but I am not. Let me also refer to another new scheme of theirs. They are very good at coining phrases. They called 'thrust Projects' for oil-seeds development. I do not understand where is the need for this new thrust project is the National Oil-seeds Development projects has not been working well? If it has not been working well, then why have you increased the Revised Estimates for 1987-88 to more than double the budget figure? I will read from this year's speech of Shri.N.D.Tiwari. I quote him verbatim.

He has said:

"Last Year, the Prime Minister emphasised the high priority of the housing sector and had announced a decision to set up a National housing bank with an initial capital of Rs. 100 crores and necessary legislation has been passed."

Similarly, the revised expenditure for the National Watershed Development programme is less than 1/4th of the budgeted outlay for 1987-88. So, by jacking up the proposed outlay five times, are we not merely showing a high budgeted figure which we are not inherently capable of spending or sparing?

Coming to the allotments under the Anti-Poverty programmes, if you look at the figures of IRDP, RLEGP and NREP you will find the figures under RLEGP are getting reduced each year, the figures under NREP

are getting increased. The idea is simple. The idea is to increase the burden on the States and lessen the burden on the Central Government and yet project the impression that thrust is being given to the rural sector. Our finance Minister has announced the fertilizer discount in a flamboyant fashion. I would like to know for whose benefit this discount has been given. I charge with a full sense of responsibility that the discount has been given in response to the pressure of the fertilizer lobby because it is not going to be passed on to the consumer and if you are really earnest about passing on the benefit to the consumer or the farmer, you should have decreased the price. You should not have resorted to this clever subterfuge on discount. We have had the experience of your 'Garibi hatao' slogan. Now you have come up with a new slogan, 'Bekari Hatao'. About 'Garibi Hatao' Programme, it will suffice for me to say that the mid-term appraisal of the Seventh Plan document is so shy about its performance on this account that it has not even dared to mention the figure. The objective of the Seventh Plan was to reduce the number of people living below the poverty line from 36.9 per cent to 25.8 per cent, but the mid-term appraisal does not refer to this at all.

Coming to their new slogan 'Bekari Hatao', our experience is not going to be any different. On the contrary it may be even more painful. According to the mid-term appraisal of the Seventh Plan, the casual male labour in the country's total labour force male force has increased from 22.04 per cent in 1972-73 to 28.83 per cent in 1982-83. In other words, unemployment in the rural sector has been growing with the passage of time. During the same period-I am referring to another kind of employment now- the regular salaried-cum -wage male labour in the country's total male labour force has declined from 12.6 per cent to 10.77 per cent. The bulk of the increased industrial production in the coming decade is bound to

[Sh. S. Raipal Reddy] come from modernisation which, eventually, in reality, would mean labour-displacing technology. Already a negative employment trend in the private organized sector can be witnessed by the mere fact that the decline took place by 1.2 per cent between June 1986 and June 1987.

I may also refer to another relevant figure. The monthly average vacancies notified during April-November 1987 were 6.8 per cent less than those notified in the corresponding period of the previous year. With this kind of unemployment problem, rising both in the rural sector and in the urban-cum-industrial sector, I do not know what schemes you have up your sleeves to meet this menace.

I would like to say one word about State Plans. In the Budget one does not find any mention how the State Plans are faring, Nor does one find how their total and sectoral allocations are made. the Finance Minister should note that this reference used to be there in the Budget earlier in the document called 'Budget at a Glance'. I do not know why this deletion has taken place now. The picture that emerges in respect of State Plans is rather disturbing. Whereas the Centre spent in money terms 72 per cent of the approved Plan outlay in only three years, the States are estimated to have spent only 60 per cent. The approved Plan outlay for the States for 1988-89 is only eight per cent more than in 1987-88. This marginal increase in the total plan outlay of all the States in the country will not be enough to neutralise later the price rise. Therefore, I would like the Government to turn its attention to the question of State Plans. I would expect the Minister to answer this aspect of the problem.

Sir, won't take much of your time. My only request to the Finance Minister would be that in addition to dangling the electoral

carrot, the Finance Minister must also spare time and apply his mind to the larger problem of addressing himself to the economy and not merely to the electorate.

PROF. K.K.TEWARY (Buxar): Mr. Chairman, Sir deliberately I will make a very brief speech.

PROF. MADHU DANDAVATE: Scenario should be clarified.

PROF. K.K. TEWARY: I would not like to respond to my esteemed friend Shri Jaipal Reddy's home manufactured statistics and data for it was an exercise in barking up the wrong tree. If you look at the...*(Interruptions)*

SHRI S. JAIPAL REDDY: Mr. Chairman, I am not capable of manufacturing statistics. They were manufactured by the Finance Ministry. I have made one mistake, that is, to rely upon their figures...It is a tribute addressed to Mr. N.D.Tiwari.

PROF.K.K.TEWARY: If you would have noted the frequency of certain words occurring in his speech, you must have seen that most of what he said was based on depression, sadness and a kind of blinkered approach to very major problems that the economy faces today. Therefore, I would not like to waste my time in refuting or meeting his simulated, pretended enthusiasm which he was demonstrating or quoting figures and portraying a very gloomy picture of the economy. Economy, as it is today, is in a very sound health. And Mr. Jaipal Reddy and his friends will do well to analyse it in greater depth rather than indulge in irrelevant polemic as he has done today.

Sir, after dismissing his very...*(Interruptions)*

SHRI S.JAIPAL REDDY: He has nothing to contribute, he is only speaking about me. Obviously, Mr. Tewary and Finance are contradictory in terms.

PROF. K.K. TEWARY: After his very raucous speech and very disappointing performance, I will prefer to talk about my State of Bihar. I come from a State which had a history of millennia right from the time of Vedehas, thousands of years ago to present time... (*Interruptions*)

SHRI S. JAIPAL REDDY: From Videhas to Dubeys.

PROF. K.K. TEWARY: Bihar has always been in the forefront of our national effort and our national history. But when I look at my State, I feel sorry for it. We, in terms of population and potential, are the second largest State in the country. The mineral resources available in Bihar are enormous. 42 per cent of the total mineral wealth is found in Bihar and is exploited in the national interest. Our land and water resources are also in abundance. Bihar supplies manpower to rest of the country. In spite of the rich potential and a sound base the State has been sliding down. Since independence, from the 3rd position in terms of total development today we are at the rock bottom bracketed with Nagaland and Tripura. This is the sad situation and this has led to a very glaring instance of regional imbalance.

13.00 hrs.

If you take the figures of fresh investments anywhere in any sector, you will feel that Bihar has not been treated well. There has been a lack of effort and seriousness in looking to the problems of the State. The result is that Bihar seems to sit on a dump of explosives today. Socio-agrarian unrest, violence and naxal activities are growing by leaps and bounds. Many areas in my State today have parallel set of government. In many areas, in many districts we hear of blocks having been liberated. A whole set of administrative machinery including the system of dispensing justice has been set

up. This is a very grim situation.

Therefore Therefore I would like to draw the attention of the Minister to this problem because roughly if you look at North Bihar, it is always in the grip of uncontrollable floods. In South Bihar where 42% of the mineral wealth of the nation is deposited and is exploited by the Central Government and other agencies, is in the grip of violent agitation. South Central Bihar has been the field of operation of socio-agrarian agitationists for nearly 1 1/2 decades. I hope the Central Government will have a fresh look at the problems which Bihar as a State is facing.

I would like to know from the Hon. Minister whether my information is correct that after the 4th Plan there has been no fresh investment worth mentioning in public sector. When you have all the mineral resources there, when you are exploiting them for the welfare of the country - we don't have objection to that; but when it comes to paying royalty to the State...

SHRI S. JAIPAL REDDY: When his Government is winding up public sector, why is he crying in wilderness?

PROF. K.K. TEWARY: You are only proving what I said in the beginning... (*Interruptions*)

There has been no fresh investment worth mentioning since the 4th Plan period in public sector. In private sector I would like to know the figures of letters of intent that have been issued and how many of them have been implemented in the State of Bihar. When you have all available resources there, why is this step-motherly treatment is meted out to my State?

When I talk of investment, I feel really sorry that industrial picture in Bihar is rather

[Prof. K.K. Tewary]

dismal. All major industries in private sector have stopped working; they have come to a grinding halt and no worthwhile effort have been made to revive hundreds of sick units which have been lying closed for years now, rendering thousands of people unemployment.

As I said in the beginning, I would be very brief. I would like to draw the attention of the Hon. Minister to my area, i.e. South-Central Bihar. you must have heard of South-Central Bihar it is the sheet-anchor of extremist violence which is euphemistically called naxal movement. Although there is a socio-agrarian dimension to it but there is no end to wanton killings and violence. What have you done in terms of helping the State out of this situation? Even existing assets have almost disappeared or they are in the process of dis-appearing. In this context I would like to refer to Sone Canal System. It is 120 years old. It used to cater to the irrigation needs of five districts which constitute South-Central Bihar from where all naxal uprising comes. This irrigation system is based on water available from Sone river. Through the good offices of Central Government Madhya Pradesh Government and U.P. Government were allowed to take water from this river. In Madhya Pradesh Ban-sagar dam was allowed to be constructed and in U.P. Rihand dam and some other dams were constructed thus in the process leaving meagre water from Sone Canal System which irrigates about 1.15 crore hectares of land in five districts of Bihar, namely, Bhojpur, Rohtas, Aurangabad, Jahanabad and Patna. It was agreed in 1980-81 that if there were non-availability of water as it should have been available Central Government will make available about Rs.1300 crores through World Bank assistance for modernisation of the Sone Canal System during the Seventh Plan. Surveys have been done. Estimates have been sanctioned and this project got priority

in Seventh Plan. We are more than half-way through the Seventh Plan but so far this project has not been taken up. For one century this area was the granary of Bihar. Thirty-five per cent of the total grain production of Bihar comes from this area alone and nothing has been done so far to take up this scheme. therefore, I would like the Central Government to come forward and make the resources available so that the State Government can take up this scheme and implement this scheme during the Seventh Plan.

In the same region which is covered by this Sone Canal system there is Rohtas industries. It is one of the oldest industries in the country. It employed 40,000 persons. That means 40,000 families depended on this and the entire economy of the region depended on this old industry which has been lying closed for the last two years. We have been writing to the Central Government and all kinds of promises have been held out but no help has come so far to revive this sick industry. The whole economy whether agricultural or industrial and which also opened employment avenues is now coming to a grinding halt and already this region is in the grip of worst ever violence. Let us not try to brush all inconvenient things under the carpet. Bihar has been a volatile State and problems there, particularly violence, has tendency to spill over into other States. Therefore, Mr. Finance Minister, I would like you to apply your mind to this aspect. You just cannot ignore a State of Bihar-size. In the same area, Buxar - you must have heard the famous place - has been the seat of our civilisation and culture for thousands of years. River Ganges has gone on rampage. About two dozen villages with a population of 15,000 to 20,000 have already been gobbled by the river and lakhs of people, who depended on agriculture, on fertile land, have now been rendered into paupers and nomads. They are in search of livelihood. But there is no ray of hope for them. In Buxar town, which is seated on an

ancient seat, there is an ancient fort. Half of the foundation of the fort has already been eroded. If the fort gives way, as it is in the process of doing, then the river will flow right across the district where not only land and houses will be destroyed, but all infrastructural facilities, created over a century, will also disappear into the river.

I wanted to speak earlier on other demands. But I chose this opportunity to bring to the notice of the Central Government that the picture in Bihar has been grim. The financial position of the State has been going down. When you take our minerals, even now, despite our demands, despite all pressures, your system of paying royalty to the State is as old as the discovery of those mineral centres. Sir, royalty to the State is even now based on tonnage basis, not on price basis. We want royalty to be linked with the price of the minerals which you take from Bihar. If you do not make resources available to us, a State with about eight crore population and all kinds of socio-political problems, socio-agrarian unrest sweeping across the length and breadth of that State, is bound to explode into an unprecedented violence because of backwardness.

Today, I feel sad to say this what my State, Bihar, which has always shown the path to this nation, brought India into one entity since Buddha and Mauryan and Gupta periods through Sher Shah and Babu Kunwar Singh to Mahatmaji's struggle for freedom in Champaran, has now become a synonym for squalor, poverty and backwardness. This situation cannot be allowed to continue. Therefore, I urge upon the Central Government to treat this as a national problem. Bihar requires your help. Resources of the State are not enough. Technical base is very narrow there.

In the end, I would mention how things are being done there. In my constituency, in the district of Bhojpur - no industry area - two

industrial licences were issued. The expenditure would have been to the tune of Rs.500 crores. I do not know who is responsible for this crime. I term it as a crime deliberately. Those licences have been transferred out of Bihar. You say, you will remove regional backwardness. You develop the areas which are backward. About my district of Bhojpur, I have already painted the picture what it is. The letters of intent were issued. The work had started. Who is responsible for this? Who has taken those licences not only from my district but from the State of Bihar?

You do not invest in public sector, although you should have invested the largest amount in the public sector in Bihar. But after the Fourth Plan, whatever you might have done by way of expansion of existing units, you have not invested afresh. No fresh units have been set up in Bihar. The Private sector is shy of going to Bihar. The agricultural front presents a dismal picture. In health, education and transport, our state has got the most callous treatment. Therefore, I once again urge that Bihar's case should not go by default and Mr. Finance Minister, by letting a Bihar go this way, you will be creating a national problem and you may not solve the problems of backwardness, illiteracy if you don't look at the second largest State now passing through utter backwardness. It is de-humanising and it is only destroying poverty which I see in Bihar, the same degree of callousness is seen all round. Therefore, I urge you to be serious we have had enough of lip service. We want resources for the problems that I have mentioned, the flood control measures. By the floods of last year, the whole of north Bihar was wiped out completely. My area was wiped out, the Central Bihar and look at the south Bihar. Separatist groups are raising their heads. Therefore, you have to solve the problems and make Bihar a test case, and instead, you have been talking. Bihar could not remain neglected for long and I say that if you do it, we will be doing it only as national peril.

Therefore, I urge you to come forward and make the resources available to the State and tackle these problems that I have mentioned. Don't drag your feet and list out the statistics, that you have done enough.

With these words, I conclude and I expect you to act.

[*Translation*]

SHRIMATI PRABHAWATI GUPTA (Motihari): Mr. Chairman, Sir, I welcome the Finance Bill moved by the Minister of Finance. In the light of the points raised in the debate on the Budget, the Minister of Finance has announced relief worth Rs.39.3 crores by amending the original Budget proposals. It is a welcome step but I am distressed to find that relief is being provided to the people for whom it is not meant. The Minister of Finance has stated in the last paragraph of Part 'B's of his Budget speech that the main planks of his budget were assistance to the poor, generation of more employment opportunities, incentives for the agriculture and the enhanced growth rate. Although he had stated that his Government would concentrate its attention on the achievement of these goals, yet this relief has been given to the owners of one, two or three star hotels with a view to promoting tourism. It is of course a good step, but small hotels should also be provided with such relief. These Hotels also attract a large number of foreign tourists, and they should also be provided cent per cent relief. The Finance Minister should pay attention towards these hotels.

I would like to point out a few things more. The relief provided in the original proposals has put the trade and industry in high spirits and there is great jubilation in the share markets of Delhi. But it is to be seen whether the programmes like Kuteer Jyoti and "Jal Dhara" and the poverty alleviation programme, for which a sum of Rs.22 thou-

sands has been allocated, would be able to do any good to the people.

I would like to draw the attention of the Hon. Minister towards the various poverty-alleviation programmes like N.R.E.P., R.L.E.G.P., I.R.D.P. being launched by the government in my area. The District Collector is the sole authority to utilise the funds sanctioned for these programmes. I understand that Engineers, Income Tax Collectors and Customs Collectors indulge in corruption. The Government has given a free hand to the Collectors to spend the funds sanctioned under various poverty-alleviation programmes. Accordingly, the District Collectors at the administrative level can draw the money and spent it. The Government should enquire into this matter and see if any irregularities are being committed there or not. According to their revised procedure, these collectors can draw money and spend it arbitrarily. As per the previous practice, they had to take prior permission for drawing the money. But now that practice has been abandoned. The earlier practice of having a check should be restored, because without effective check, they will go on spending arbitrarily.

The Government has given certain concessions to women in the budget. It has earmarked Rs.435 crores for Rural Development Programmes. The proposal to dig 1,10,000 wells and to energise them under the Jal Dhara Programme is worth implementing. Government's programme for setting up cottage industries is also welcome. But the Government should also ensure that the State Electricity boards to spend funds for providing electricity in the jhuggies of labourers and poor people and the funds are utilised properly.

Just now Shri K.K.Tiwari was speaking and I listened to his speech with rapt attention. There is no denying the fact that Bihar is very rich in mineral resources and its land

is very fertile. About 70 per cent of the total quantity of coal in the country is extracted from Bihar. All kinds of minerals and metals like mica, iron-ore and material required for nuclear power are available in Bihar. But what is the present plight of the people of Bihar? I am not talking of the general people and middle class people. I am talking of the poor people in the State. The food they take, the clothes they wear and the houses they live in are of very inferior quality. They are constantly harassed by droughts and floods. The Government should take certain measures to ameliorate their lot. The Government, no doubt, has presented a very commendable Budget. But did the Government ever think of the plight of women in Bihar? The Government did a very good job by giving concessions to women in the articles of their daily use like 'Vermilion' and 'Kajal' and all the women welcome it, yet there are certain women in villages who have only one garment to wear. They wear the same garment all the time. When they go for bathing, they wash that garment and let it dry. They wear that very garment after it is dry. Does the Government have any programme for such poor women? The Government has prepared good economic programmes to remove poverty. As I said earlier, senior officers like the Collectors take certain percentage of amount as bribe. I, therefore, suggest that the various social security schemes like the N.R.E.P., R.L.E.G.P. etc. should be brought under one implementation agency.

Our Hon. Prime Minister announced a programme for the removal of poverty and un-employment at Madras. It is welcome. The Hon. Finance Minister also said some time back that the Budget aims at overcoming the impediments coming on the way of removal of unemployment and generation of employment avenues. I urge upon the Government to ensure that Senior Officers like the Collectors do not take any percentage as bribe and to take suitable measures to all

that the funds reach the poor.

The Government proposes to construct 4-5 thousand houses under the Indira Housing Scheme. Is the Government confident that these houses will be the permanent assets? The Government should look into this aspect which will make the Indira Housing Scheme successful.

Last years floods ruined the economy of North Bihar. The plight of the people there is very pitiable. Whether one is a farmer owning 1500 acres of land or a landless labourer, all are in an equally sad predicament. Nobody has been able to grow paddy. The Government did not take any concrete steps in this direction. There are various projects like the Gandak and Kosi projects. The Gandak project could prove to be a boon, but instead it has proved to be a bane. A lot of money has been spend on this project. This issue was raised in the House on a number of times and talks were also held with the Chief Minister of Bihar. We have been requesting the Government to find a permanent solution to that problem.

The infrastructure if getting ruined and property worth crores of rupees has been destroyed. A surcharge has been levied on the people earning more than Rs.50,000 with a view to providing relief to the people affected by floods. The funds to be raised from this sur-charge will be spend on relief work. I would like to stress that the flood causes more damage than drought. Bihar, particularly North Bihar has been ravaged and the people are in great distress. It is the season of wheat. Wheat has grown by now. The floods are likely to visit that place again after one month at the end of May, but, to our utter dismay, no solution has been found so far to this problem. Government should implement the Flood Protection Scheme and the Gandak flood Control Scheme without delay, otherwise the floods will continue to cause havoc every year and spell miseries

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to the people. The World Bank can also be approached for loan for this purpose.

I talked to the Chief Secretary in this regard. He said that an expenditure of Rs. 1.5 billion was involved in it. But this entire amount will not be spend at a time. The work can be started with Rs. 20-25 crores. We can incur expenditure in a phased manner. But his area must be saved from the ravages of floods. I urge the Government to implement the Gandak Drainage Scheme immediately. Just as the Ho river is the problem river of China, similarly the Kosi river is the problem river of Bihar. The Western Kosi Canal has not yet been constructed. Unless these schemes are implemented, the problem of the area will not be solved. Without these schemes, the per capita income of the people will not increase. I, therefore, request the Government to find a permanent solution to prevent the devastation caused by the floods.

All the snow-fed rivers originating from Nepal inundate the entire area by their devastating floods. The State Government is not in a position to remedy the situation as it is lacking in resources. The Government should take up this matter with the Government of Nepal so that a high dam may be constructed there. The hon. Minister of Water Resources is sitting here. Let him hold talks with the Government of Nepal in this regard. The two to three hundred small rivers originating from Nepal take a violent turn and cause havoc during rainy season. It is very necessary to solve this problem. I also request the Government to prepare infrastructure in the area and set up medium scale industries. This will help development of industry along with agriculture in the area. This will also go a long way to remove unemployment in North Bihar.

I would like to make one more point about price rise. The price by 10- to 15 per

cent after every Budget. There has not been much increase in the Budget this year and taxes amounting to Rs. 615 crores only have been levied, I would like to thank the hon. Minister of Finance for this. But the prices are skyrocketing after the Budget. Everybody is perturbed. Even our guards cannot purchase rice, oil and pulses because the prices of all commodities are rising. The Government should assure the people that the prices will not rise further after the presentation of the Budget.

One or two points more. The Government has given a lot of concessions to big people. It is heartening to note that concessions have been given to liberalise import and export with the intention that promotion of import and export will ensure development of industries. If the industries are developed, production will increase and unemployment problem will be solved. Besides I would also like to state that the Government has given many concessions to the 100 per cent self-oriented industries. They have been given full exemption from the payment of duty. The Government has rightly withdrawn the duty levied on the aids for the blinds. I would also like to appeal to the Government to raise the limit on personal income tax to Rs. 25,000 from the present limit of Rs. 18,000/- per annum. With Rs. 2,000 one lives just from hand to mouth. Government should realise the plight of the middle income group. The Government's efforts are concentrated on helping the rich and the poor but it is impervious to the sufferings of the middle income group. To bring Bihar on the industrial map of the country, the Government should lay due emphasis on the five year plans. Under all the schemes, Bihar has been allocated the minimum amount. The Government should not indulge in such step-motherly treatment. The hon. Minister should allocate more funds for the backward states like Bihar, Bengal, Eastern Uttar Pradesh and Orissa. The hon. Minister of Finance has announced

that the Government proposes to take steps aimed at increasing employment opportunities. The hon. Minister should pay attention towards industrialisation and personal income-tax limit. I want to raise many more points but due to paucity of time. I am unable to do so. I also want to state that at no place repair of embankments has been undertaken with a view to controlling floods. Again there will be floods and crores of rupees will be spent on flood relief operations and a lot of money will be pocketed by the engineers. The engineers will say that the soil has been washed away in floods. In my Constituency both the rivers, Sikrana and Gandak cause much devastation. My submission to the Government is to fill the gaps in the embankments as early as possible. One year has passed, but till date embankments have not been filled up. So the Government can very well imagine the extent of the havoc which will be caused in the coming months in Bihar if repair work is not undertaken at an early date. I hope adequate attention will be paid both by the Ministry of Water Resources and the Ministry of Finance to my proposals. With these words, I conclude my speech and welcome the Finance Bill and also the concessions announced therein.

[English]

SHRI G. M. BANATWALLA (Ponnani) : Mr. Chairman, Sir, at the very outset, I must emphasise upon the need for some stability of fiscal laws and measures for a certain reasonable period of time. The instability of these laws and the radical annual changes in fiscal measures and taxation proposals upset all business calculations and are a great hindrance in the progress of the economy. There must therefore be certain relative stability in our fiscal laws for certain reasonable time at least. I may refer to our Import-Export Policy. As you know, it was announced in 1985. But from the date of its announcement right upto January, 1988, it is pointed out, there were nearly 338

changes— minor and major—upsetting several business calculations.

Therefore at the very outset, as I said, I must emphasise upon the need to impart certain stability to our fiscal laws and measures for a reasonable period of time.

Mr. Chairman, Sir, looking at the present realities of the situation, our future development strategy demands

(1) an efficient fiscal management, (2) price stability, (3) timely implementation of projects to avoid escalation of costs, (4) Pragmatic policy for generation of employment; and (5) Increased stress on exports.

Mr. Chairman Sir, the monetary management demands great care today. It is clear that money supply has been rising at the rate of twelve per cent to fourteen per cent a year, while the growth rate of real national product has been about four per cent. Under such a situation monetary policy has to be very pragmatic and has to be administered with due caution.

Excessive monetary growth, at a time when there are strong underlying inflationary trends in our economy, must be avoided. But at the same excessive monetary restraint may also be counter productive. They may lead to recessionary consequences, especially in view of reduction in demand, because of drought-induced fall in rural income. Therefore, there is need to give due importance to both these balancing considerations in our monetary policy.

Sir, we also have to see that the fiscal policy that you have, take into consideration the need for pruning of the excessive growth in Government expenditure. Many speakers have already dealt on this point. Therefore, I will not elaborate it further. There is a greater need for a proper and adequate compliance with our taxation laws. There is

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need to see that the on-going projects are completed on time. There is also need to improve the financial performance of our policy sector industries and to foster greater accountability among them. A grater need is also to see that we do not practise self-deception with respect to the economic situation. For example, credit today is taken that the growth rate in our industrial sector as a whole is 10.2 per cent, No doubt that has been a great achievement. But this figure of 10.2 per cent also hides certain realities which demand attention. During the first eight months of 1987-88, the growth rate for power, coal, saleable steel, crude petroleum and cement fell to 66.4 per cent as compared to a growth rate of 7.9 per cent in the corresponding period of 1986-87. Therefore these imbalances need to be properly attended to.

Mr. Chairman Sir, a sad feature of our economy of our economy today is with respect to income distribution. According to available income distribution data, the top twenty per cent of population have 49.4 per cent of the national income to themselves, while the rest eighty per cent have the remaining 50.6 per cent. I may further clarify by saying that of these eighty per cent, the lowest twenty per cent in the population claim only 7 per cent of the national cake and the next twenty per cent claim only 9 per cent. We therefore have the sad and a gloomy picture that forty per cent of our population, which belongs to lower classes, get hardly 16 per cent of the national cake. We have to see that this particular trend in our income distribution is corrected. Then only we can speak of straightening the economy.

I may refer to a few points with respect to the Finance Bill. The minimum taxable income still continues to be Rs. 18,000 This minimum was fixed in 1985. There has been much erosion of the value of rupee. There is

a need to raise this minimum taxable income to at least Rs. 25,000.

India's expenditure on scientific research and development is the lowest in terms of percentage to gross national product. I must, therefore, emphasise upon the need to encourage this particular expenditure. On the contrary, under the Direct Taxes (Amendment) Act, 1987, deduction for capital expenditure on scientific research and development has been abolished. The Government is going to come forward with a Bill later on this particular aspect. I must urge upon the Government to consider the need to review the policy in this particular count. We are talking about entering the 21st century. But then contrary policies are pursued when we find that tax deduction for capital expenditure on scientific research and development has been abolished.

There is also a concept of deemed income. I must say that it is a very unhealthy concept. Of course, I do extend limited welcome to the announcement of the Finance Minister of reducing from 60 per cent to 30 to 35 per cent taxation based on this concept of deemed income. However, this very concept requires a review and needs to be completely given up.

I must refer to the problems being faced in my State viz. Kerala. Here I must take strong exception to the placing of tyres, coconut, rubber, spices like nutmug, cloves, etc. under OGL. This will destroy the economy of Kerala. Indiscriminate import of all these items by all and sundry is bound to adversely affect the economy of Kerala. The import of tyres will adversely affect the intake of natural rubber within the country. Kerala will be the saddest in this particular respect. I must emphatically urge upon the Government to re-consider the import of all these items under OGL.

There is also a need to see that coconut

is also declared as oilseed. Almost every country in the world has declared a coconut as an oilseed. Kerala produces 70 per cent of total national production of coconut. I must, therefore, urge upon the Government to see that coconut is declared as an oilseed.

There is an export cess on pepper at the rate of Rs. 5 per kg. This export cess should be immediately withdrawn. The export cess has pushed the prices of our pepper in the international market as compared to pepper from Brazil, Indonesia, Malaysia and other countries.

The industrial development of Kerala is also being neglected. The per capita Central Investment in the State is below the percentage which is at the national level. Not only is this percentage of Central investment in Kerala below the national average, but this percentage of Central investment in Kerala is persistently on decline. I emphatically urge upon the Government to take this particular point into consideration and see that proper steps are taken.

The Government of Kerala has also sent some proposals to the Central Government for approval. There is need for modernisation and development of FACT, HMT, Cochin shipyard, etc, and I hope the various proposals sent by the Government of Kerala will be duly cleared by the Central Government.

Kerala is a leading State in the matter of export of sea food. But today the sea food industry is sick. It needs substantial financial aid at subsidised rate for its assistance.

MR. CHAIRMAN : Now, please conclude.

SHRI G. M. BANATWALLA : I will just mention the points and conclude. There is need to include Kerala in the Action Plan for increasing the food production. This is be-

cause Kerala is an important producer of paddy. Nearly twelve lakh tonnes of paddy are produced every year.

Ten States have been selected for digging wells in a massive way providing drinking water and water for irrigation, as a cent per cent Centrally sponsored scheme. Kerala be included there.

Finally, many of the Keralites are working abroad in Gulf countries. There is a recession in Gulf countries and they have to return. There is therefore, a need for rehabilitation schemes and a rehabilitation fund. I hope that these demands of Kerala will be duly considered by the Government. With these words, I thank you.

SHRI SRIBALLAV PANIGRAHI (Deogarh) : Mr. Chairman, Sir, I thank you and the Minister for Parliamentary Affairs for giving me this opportunity to speak on the Finance Bill, 1988.

13.48 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

In this Budget Session, we are now at the close of the financial business, with the Budget already having been passed and the Demands of the select Ministries also having been passed and the rest guillotined. The Finance Bill is there to give effect to the various financial proposals of the Budget for the year 1988-89.

At the outset, I would like to say that we have more than twenty Ministries but I think the working of half of the Ministries numbering about ten, could be discussed here, and naturally their Demands could be scrutinised. But the working of a large number of Ministries could not be discussed. Therefore, I would suggest that some procedure should be evolved, some committee system should be evolved so that the working the

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estimates and the expenditure of all the Ministries could be scrutinised. I know that the time being limited, everything cannot be discussed in the parliament. But this is very important. I think the work of scrutinising the expenditure of different Ministries, which cannot be discussed on the floor of the House, can be assigned to a committee and there it can be done.

Then, Sir, this year's budget judged by any standards, is definitely a poor man's budget. It is a farmers budget. It is agricultural-oriented, growth-oriented. I do not know why still there is criticism from the Opposition. Of course, if the Opposition is bent upon criticising for the sake of criticism, nobody can help. But this year's budget has been welcomed in different quarters. Of course, I quite see their disappointments because they always try to arouse a feeling of discontentment among the people without any reason. Last year everybody knows that the country faced a difficult period because of failure of monsoon. We know that this was the worst drought of the century and naturally the common people were expecting that this year's budget will contain a heavy dose of taxation. But the opposition were frustrated because they were waiting for an opportunity to sow the seeds of discontentment among the people which they did not get but now they say that there was no proposal in the Budget to tackle the economic problem of the country.

Sir, some Members from the Opposition side like Shri Jaipal Reddy of Janata Party and others were criticising the Budget. While levelling charges against the Government, he probably forgot to look at the performance of the Janata Party regime in 1978-79. At that time there was a lesser degree of drought but there was minus growth of about 4.7 percent. But we have got positive growth last year. The industrial growth rate is about 10 percent. The inflation-rate has not

touched the two digit figure. I may give you the performance of the last year. Export had increased. Import had decreased. Power generation was 7.6% more, coal production was 10.2% more. The Railways performed well last year. We faced a very peculiar situation last year, unfavourable economic situation due to drought and floods even then this is a very good budget with so many concessions given to different sections of population. Relief has been given to farmers. I would like to say that the Government and the Finance Ministry are quite responsive. After the budget presentation, several reactions were expressed and the Finance Minister has come up with different proposals giving relief amounting to Rs.40 crores approximately. So, Sir, the Ministry is responsive to the popular reaction.

Sir, I now come to other problems, in regard to agricultural land, the ceiling is to be speeded up. But while speaking on land reforms, we should not forget about the urban property ceiling. Otherwise, there is going to be an imbalance in the society and our economy. If there is no urban land ceiling and if you only insist on land ceiling in the rural areas that will create some imbalance and discontentment among the farmers.

Sir, in regard to crop insurance scheme, there were demands for exemption on loan, exemption on interest, etc. Why is it so? It is because there is crop insurance scheme that is not working properly? The peasantry, the farmers are suffering on account of floods in some regions and drought in other parts of the country. They do not get proper relief from the crop Insurance scheme. Hence there is an increasing demand for exemption of loan and interest etc. This should be looked into. Sir, remunerative prices for foodgrains should be ensured to the farmers and agricultural producers. This year potato cultivation was there in large-scale in my constituency in Kuchinda sub-division. There was an incentive for this. But

after the harvest nobody comes even to collect the seeds which was promised and there is no cold storage facility. Therefore, cold storage facility should be there and whatever assurances are given by the officers should be fulfilled. Otherwise cultivators and the people in general will lose faith in the bureaucracy.

Sir, Jaladhara, Kutirjyoti and so many welcome measures and there in this year's budget. About Jalandhara I would urge upon the Government that there should not be any discrimination between the SC/ST and other poor cultivators so far as the benefits of this scheme are concerned. The benefits should go to all the poor cultivators. After all we have a programme of having 175 million tonnes of foodgrains production by the turn of this Seventh Plan. So, there should not be any discrimination. As regards implementation, I would say that all over our schemes are not being properly implemented by the State Governments on the ground. Wherever there are lapses, wherever there is corruption, the Central Government should closely monitor and withhold payment to such erring States. The money which is being released should be stopped. This will do a long way to correct the situation.

Now I will come to prohibition. Unless there is prohibition, this liquor consumption is going on very menacingly and that is also reflected in the implementation of our economic programme, particularly the anti-poverty schemes. Therefore, the Government should try to minimise this menace by having restrictions on this fantastic consumption of liquors.

We have a big deficit of about Rs.8000 crores. It calls for very strict economic measures to be observed. Now can we observe strict economy unless the officers are conscious of it and make sincere efforts to stop wasteful expenditure? The naked misuse of Government vehicles and Government

properties must be put an end to. The officers should be pulled up for this.

Coming to the working of the public undertakings, wherein we have a very high stake in our economy, a new work culture, a new work ethics with worker's participation and manager's accountability has to be evolved.

Now, I come to Orissa which is a poverty-ridden State amidst plentiful of natural resources. Orissa is a State which finds a very low place in the list of the per capita income States. The regional imbalance which should be reduced is unfortunately being increased. Orissa, Madhya Pradesh, Bihar and U.P. are the States which have not improved for the last several years in respect of per capita income. These four States will have to be treated as special category States. Unless the composition of the population, i.e., SC/ST percentage is taken into consideration and more grants are given instead of loans and their arrear loans are exempted with grants given in place of plan advance to meet the natural calamities, such poor States can never come at par with other States. In this background I welcome the Prime Minister's idea of district planning. District Planning with district budgeting will be very much helpful in fighting out backwardness of different backward areas.

The work of the two proposed power projects, the Thermal Power Station and Talcher Super Thermal Power Station should start immediately and the hindrances of Parade port be removed and its developmental programme be entrusted to the Handui Corporation. There are irrigation projects like Rengali, Upper Kolab and Upper Indravati where impounded water is lying idle without necessary canal system being built. Funds may be released to the State outside the Gadgil formula to construct the canal system and avoid this national wastage.

[Sh. Sriballav Panigrahi]
(Interruptions)

In the end I welcome the Finance Bill and this year's budget really has aroused a new hope among the peasantry, among the poor people, but at the same time it throws a big challenge to the Government, specially the Finance Ministry, to fill up the gap of more than Rs.8000 crores by resorting to strict economy.

MR. CHAIRMAN : Please conclude.

SHRI SRIBALLAV PANIGRAHI: In the field of railway also, Orissa is much behind and the work of Sambalpur-Talcher rail line and Sambalpur Division should be speeded up.

With these words, I thank you for the opportunity given.

[Translation]

SHRI DHARAM PAL SINGH MALIK (Sonepat): Mr. Chairman, Sir, I rise to support the Finance Bill 1988-89, presented in the House. All the Members of this August House are agreed that the Indian economy is based on agriculture and 75 to 80 per cent of the Hon. Members come from this sector. Many things are announced for the welfare of the farmers but in practice very little is done for them. For this Budget I want to congratulate the Hon. Prime Minister under whose leadership for the first time since independence steps have been taken for helping the farmers in real sense of the term. At the time of the elections every party tries to grab more and more votes of the farmers and exploits them. In every state all the political parties try to cash-in on the innocence of the farmers.

I would like to make some suggestions for the betterment of the farmers and want to tell you what they need most these days. My

first suggestion to the Government is to declare agriculture an industry. This will help the farmers secure credit on low rates of interest. If this is done then in my opinion most of the problems of the farmers will be automatically solved. To the farmers subsidy and other petty reliefs are being given. Therefore I want to emphasise with all the force at my command the need for declaring agriculture an industry. Besides, I would like to state the several provisions have been made for the benefit of farmers by way of subsidy and loans etc. but these benefits do not actually reach them. To obviate this difficulty, my second suggestion to the Government is to fix credit limit for the farmers on the lines of the credit limit fixed for the businessmen and industrialists so that they may also borrow any sum within that credit limit during the year without any objection being taken by the bank officials. Not only this, I suggest that an annual credit limit should be fixed for all the citizens of the country and the families, on the basis of their creditworthiness and the copy thereof supplies to them, on the lines of the suggestion made in case of the farmers; if the credit limit for a family is fixed at Rs.5,000 or Rs.10,000 or Rs.15,000 then up to that limit that family should be allowed to borrow any sum within that limit at any time, and deposit the same at its convenience. If this is done then the corruption in sanctioning the loans will automatically come to an end. I want to emphasise that actually the benefits of the announcements made by the government do not reach the farmers. To my mind, the day-to-day problems of the farmers can be solved by fixing the credit limits for them. Otherwise what happens is that a farmer for drawing Rs.5,000, has to complete many formalities, fill up many forms and has to approach patwaris and other officials for processing his loan application and in the process he has to incur a lot of expenditure, with the result that his loan amount gets depleted and is not spend for the purpose for which it is taken. Therefore, I request the

Government to straightway fix the annual credit limits without going into the merits of the purposes for which the loan has been applied.

In this context, I would like to state one thing more. For the farmers we often talk about establishing Land Mortgage Banks, to enable them to borrow money for buying tractors, pumpsets ect. But, in reality what happens is that whenever the farmers are in need of money for household purposes, they borrow money on the pretext of buying pumpsets and utilise the amount borrowed to meet their household needs. In such circumstances the farmers approach the officials of the banks to get a report from them to the effect that pumpsets have been purchased. The Bank Officials oblige the farmers obviously for some consideration. Therefore, I request the Government to trust the farmers, as it trusts the industrialists who are free to utilise the loan amount within the credit limit fixed for them. No restrictions should be imposed on the farmers. Besides, a farmer is required to buy pumpset from a particular shop. This further aggravates his difficulties. So the farmers borrowing money for purchasing pumpsets should be allowed to purchase them from any shop of their choice. A provision to this effect should be made for the farmers.

I have a submission to make about insurance scheme. While replying to the debate on the demands for grants of the Ministry of Agriculture, Shri Bhajan Lal stated that the Government proposes to make revenue village as a unit. But what happens a now a days is that the standing crops of many farmers are burnt down by mischievous persons by throwing burning matchsticks. If revenue village is made unit, then it will help them to a certain extent. There is a provision for some compensation if 75 per cent of the crop is damaged in a revenue village. But there is remote possibility of getting such a compensation because

75 per cent of the crop is rarely destroyed by fire. Therefore my suggestion to the Government is to pay compensation to the individual farmer whose standing or stored crop catches fire. Such provision needs to be made.

So far as the question of employment is concerned, the Hon. Prime Minister also touched upon this issue at the Madras session and also announced the intention of the Government to implement the one-family-one-job Scheme. I think the intention of the Government is really good and if the scheme is implemented then we will be able to bring back the disgruntled youths into our mainstream. In this connection, I suggest the Government to conduct a survey to identify the families whose even one person is not employed, because generation of jobs is not an easy task. The families whose even one person is not in employment, should be paid unemployment allowance. Suppose in a family of four, not even one person is in employment, then to one person unemployment allowance should be paid, but if in a family one person is employed then the unemployment allowance need not be paid to anybody in the family. If this scheme is implemented in this manner, then many people can be benefited under the scheme.

[*Translation*]

Along with this, I want to make one more submission about my State Haryana and the S.Y.L. Canal. There is a great controversy about the Satluj-Yamuna canal. A question regarding S.Y.L. Canal was also raised in the Question Hour today. I submit that an Indo-Pak Water Treaty Agreement was signed in 1955 regarding the S.Y.L. Canal. But, even after the lapse of such a long period, we did not get water from the canal. However, the Government of India have fixed the amount and paid it to Pakistan. The work in this canal is being got done by the Central Government. As stated in the Zero Hour, if water

[Sh. Dharam Pal Singh Malik]
 becomes available from this canal, the water problem of not only Haryana but also of Delhi would be solved. The water problem of Delhi, Haryana, Rajasthan and Punjab is directly connected with the S.Y.L. Canal. Therefore, the project of S.Y.L. Canal should be completed on priority basis so that the water problem of these States may be solved. When the water of S.Y.L. Canal reaches Haryana, we should be able to irrigate more than 3 lakh hectares of agriculture land in Haryana and the income of every resident of Haryana would go up by one and a half times i.e. if a person is earning 100 rupees at present, he will be able to earn 150 rupees as and when water reaches Haryana. Therefore, the project should be completed on top priority.

Before I conclude my speech I give my last suggestion. We often talk about the regional imbalance, but besides regional imbalance, there is district imbalance also. Generally, in every state developmental works are undertaken in a very effective manner in the district to which the Minister or the Chief Minister belongs. It is highly improper because the Minister or the Chief Minister represents the whole House. A very huge amount of aid is granted by the Central Government to the State Governments. This aid should be granted district-wise. At least the aid granted by the Central Government for setting up industries should be given district-wise so that every district is developed and the unemployment problem of each district is solved.

With these words, I thank you for giving me an opportunity to express myself.

[English]

SHRI AMAR ROYPRADHAN (Cooch Behar): Mr. Chairman, Sir, I cannot lend my support to this Finance Bill.

THE MINISTER OF STATE IN THE

DEPARTMENT OF REVENUE IN THE
 MINISTRY OF FINANCE (SHRI A.K.
 PANJA): Why?

SHRI AMAR ROYPRADHAN: I will come to that point. If you go through the Finance Bill, it will be crystal clear that this Finance Bill is nothing but the reflection of the financial bankruptcy of the country. The Government's fiscal policy brings instability. The economy is in instability. Our economy is moving in a cycles order, first there will be a deficit budget and then in-between the two budgets, there will be some mini-budgets, more taxation and ultimately a revised budget with more deficit. Just to make up this deficit, what do you do? You are imposing new taxes; you resort to borrowing and then by printing notes or minting coins. Therefore, this is the whole state of the economy of the country under the Congress(I) Government.

Moreover, at the end of this year Budget—1988-89—the Government will have to pay-off liabilities of Rs.2,24,180 crores with assets worth only Rs.1,84,100 crores—that means the Government's borrowing will exceed Rs.40,000 crores. How can this Government make up this liability to the extent of Rs.40,000 crores? May I ask the Hon. Minister as to how he is going to make up? The present condition, as a consequence of this, is that the country is lying beyond its means. For this, the Government will have to borrow about Rs.20 crores per day and will have to print Notes about Rs.29 crores per day.

The P.F. account-holder, the small savings certificate holder and other small depositors will get back 82 Paise against one rupee. The cost of living index rose to 78 points from 1970 to 1978, but from 1978 to 1987, in ten years, it rose to 431 points. There is inflation. The rupee value is going down. Prices are shooting up. This is the tragedy of the economy of our country at present.

Corruption is rampant. After the Bofors deal, the Submarine deal, HBJ pipeline and Fairfax issue, the corruption is going to be the symbol of India's economic culture. So, the days are not far off when, if this Congress Government is there, if this capitalistic economy prevails, insolvency will be declared. I know at that time there will be some persons - their numbers are very, very microscopic compare to India's population, say, 0.000001 - who may fly to Italy, Switzerland, France, U.K. and USA. But what about the other people, 80 crores of people, who are living in a very distressed condition? Where will they go?

In your Budget you had given some concessions to Kajal, toy, lollipop and things like that. Now, one thing I want to ask. This is about Kajal. Mr. Minister, do you know what is the condition of our country? One-third of the world's blinds are in India. Who is responsible for it? Where will they use this kajal - in the eyes or in the legs?

You are thinking of toys and lollipop. You forget that in Kalahandi - where is my Orissa friend? He is not here now - in Kaahandi district how a mother sold her dear daughter only for Rs.15...

SHRI A.K.PANJA: That has been denied.

SHRI AMAR ROYPRADHAN: That may be denied. But it has been there in the news. You cannot deny just like that. The Prime Minister, when he visited that place, admitted that fact. Now, who will use this toy? I think, a toy is not more costly than her daughter. There should be some limit to make curlew joke with the poverty-stricken people.

The growth pattern of taxation in India over the six Five Year Plans reveals a distinct trend of increasing reliance on indirect taxes as the primary source of revenue.

When the prominent economists of our country - Mr. Minister knows it very well - like Dr. Bhabatosh Dutta, Prof. Gangadhar Gadgil, Dr. Thimaiya, Director of Social and Economic Change, Bangalore, Dr. I.Z.Bhatty, Director-General, National Council of Applied Economics, Dr. Y.P.Trivedi, Prof. R.Radha Krishna, Director, Centre for Economic and Social Studies and Prof. Nirmal Chandra, Indian Institute of Management, Calcutta are in favour of direct taxes, what are you doing?

Very recently, PTI, Corporate Service have made a survey which reveals that the gross collection of central taxes has grown 91 times ever since the beginning of the planning in 1950-51. The direct taxes are growing only by 37 times while the indirect taxes have gone up by 132 times. As a result, direct tax, which formed 43.3 per cent of all Central Taxes in 1950-51 accounted for only 17.6 per cent in 1987-88. The share of Indirect Taxes, meanwhile had gone up from 56.7 per cent to 82.4 per cent in 1987-88.

Regarding the parity in price, there is much difference in the agricultural price and the industrial products. The producers of raw jute, cotton, sugarcane, tobacco are not getting the remunerative price for their products. Regarding the raw jute, the Hon. Minister knows it very well. A few days back, the Hon. Agriculture Minister announced the minimum raw jute price. But he said that JCI would not be forced to purchase that raw jute if the price level goes down. I do not know why you have taken such a decision. He had announced the minimum raw jute price as Rs.252 per quintal which is very low. With the result, raw jute producers will not get proper price for their produce. The raw jute is produced in West Bengal, Assam, Tripura, Bihar and parts of Andhra... (*Interruptions*)

[*Interruptions*]

SHRI A.K.PANJA: Why do the people

impose tax on sale of raw-jute?

SHRI AMAR ROYPRADHAN: That is why, agricultural economy has come down. The eminent economist Prof. V.M.Dandekar has said that at 1970-71 constant prices, the per Capita NDP in the Agriculture sector moved from Rs.405.66 in 1951-53 to Rs.415.61 in 1976-83. But at the same period, the NDP in the non-agriculture sector moved from Rs.593.13 to Rs.1,216. Why is the difference between the agriculture sector and the non-agriculture sector? It is your economy.

Regarding the condition of rural poor, there is a great difference between the urban poor and rural poor because the rural poor is mainly dependent on agriculture. What is the position? According to Prof. Montek Alluwalla's view the real income can be decided by the Physical Quality of Life Index (PQLI). Measuring the conditions of Indian poor, DR. M.D.Morm and Prof. P.M.C.Alpin concluded that the urban PQLI is 61 as compared to the rural PQLI which is only 35. Who has done it? It is your economy. That has been the condition of the rural poor.

MR. CHAIRMAN: Please cooperate and wind up.

SHRI SOMNATH CHATTERJEE (Bolpur): Don't use such words. Otherwise, he will ask for winding up charges.

SHRI AMAR ROYPRADHAN: Regarding the regional imbalance, almost all the Members have spoken about it.

I would like to mention that even at the end of the 7th Five Year Plan more than one hundred districts are known as 'no industry districts'. Where are these districts situated? If you go through the records, you will find that these districts are mainly in North Bihar, North Bengal, Assam, Sikkim, Arunachal, Meghalaya, Tripura, Nagaland, Manipur

and Mizoram. What have you done for this? If we ask questions about this in some other way you will say that 'entrepreneur is going there, what can we do'. You are opening so many industries in a year. Don't think that Amethi is the only centre for opening industries. You may put some industries in this region from your end. Let some public undertakings be there. You may say that 'it is a losing concern, what can we do'. Yes, if they lose, let them lose. But for the sake of national integration it should be done... (*Interruption*) Yes, I would support Mr. Somnath Chatterjee. What are you doing for a long time? Always you are talking that you are doing that; there will be no freight equalisation. Bihar and West Bengal are losing in this respect. Because coal and steel price throughout India is the same; but what about cotton, sugar, oil and other things? There is no equalization. Ultimately Bihar and West Bengal are losing. Why are you not taking up this matter in the meeting of the National Development Council?

Anyway, I cannot support this Bill.

SHRI BIPIN PAL DAS (Tezpur): Mr Chairman Sir, the fiscal policy in my opinion has three basic objectives - resource mobilisation; incentives to growth; and removal of economic disparities and imbalance in the society as well as between the regions. I shall be dealing mainly with the question of regional disparity and imbalance.

Fiscal policy can be in my opinion a very powerful instrument to bring about social and regional balance; to remove and narrow down disparity and imbalance. I am concentrating on the problem of regional imbalance because it is the source of various social tension and political restlessness and disturbance. States like Assam, Bihar, Orissa, Madhya Pradesh are all backward inspite of their rich natural resources. Why is it so?

There must be something wrong somewhere in our policies, in our planning process and planning strategy.

Every Finance Commission goes into this question and yet the problem remains. The present Finance Commission is talking of normative approach. I really don't know what this means. What is this normative approach, I want to be clarified.

The federal transfer system should contain proper incentives for better mobilisation of resources and economy in expenditure. In my view it is also necessary to take overall view of the revenue expenditure without making a distinction between plan and non-plan spending.

There is a need to evolve a system of federal transfer so that vertical and horizontal imbalances are removed by providing adequate inbuilt incentives. Wasteful expenditure and inefficient spending must be curbed with an iron hand. Any service rendered must be cost effective. Equalization money needs to be earmarked to assist deficient States to reach national average in social services. There is, therefore, need for close and constant harmony and coordination between the Planning Commission and the Finance Commission. Both Planning Commission and the Finance Commission should consider the need of laying down separate and even exclusive set of norms for special category States. Targets of revenue and expenditure should be fixed in an equitable and realistic manner. No populist programme should be allowed to affect the overall economy. The exclusive pool should be further expanded by covering corporation tax, sur-charge on income-tax and so on. Now let us take the case of my State Assam as an example of backward State which in spite of State being rich in natural resources has remained backward. How little has come to the State in comparison to how much has gone out of Assam in terms of

resources and foreign exchanges? It is a tragic story. I do not want to go into the details. Per capita income of Assam in 1950-51 was Rs. 50—more than the national average and now it is lower than the national average by Rs.212 in 1984-85. The situation can be improved only by adequate Plan Outlay and special treatment by the Finance Commission. Out of Central assistance to Assam 70 per cent is loan and 30 per cent is grant. So the debt burden on Assam is increasing every year. I want that this ratio should be reversed, namely, 30 per cent should be loan and 70 per cent should be grant.

A Central ministerial committee was formed for the development of north-eastern region. I do not know what this Committee is doing. I have not seen any outcome from this committee's deliberations. Assam is a major oil producing State. Half of Assam is said to be floating on oil but what royalty is paid to us. The Standard rate of 20 per cent of the marked value of the crude should be paid as royalty. This has been our demand. This is a scientific demand. This has not been done uptill now. I request the hon.Minister to look into it again and raise the royalty paid to Assam on crude oil.

Assam does not get even the legitimate income from tea both as an agricultural item and also as an industrial item. The overall income distribution from tea between Centre and Assam should be revised in the light of the Supreme Court judgement. This is very important. Assam tea deserves tax relief under indirect taxes and it deserves incentives to the tea industry under direct taxes. We produce 56 per cent of Indian tea and we have been demanding that the headquarters of the Tea Board should be in Assam. This has not been done. Only a token office has been started in Guwahati. If the Tea Board headquarter is located in Assam tea industry will flourish much faster. The functioning of Tea Board will also improve. There is some

[Sh. Bipin Pal Das]
comment made by the PAC regarding functioning of the Tea Board. That has to be looked into and remedial measures taken.

The Polyester Staple Fibre Plant of Bongaigaon Refinery and Petro-chemicals Complex has commenced production from April 2 last. Its annual production capacity is 30,000 MT. It is the second largest in India and first in public sector. It will have the capacity to feed 20 spinning mills of about 25,000 spindles each. The Polyester Staple Fibre Plant has wide-ranging product pattern, high tenacity, medium tenacity, normal tenacity and so on, for blending with cotton and viscose and also wool-type fibre. My appeal to the Government is that this entire down-stream product of BRPL should be utilised as raw material by installing the 20 spinning mills in 20 districts of Assam, each of 25,000 spindles. This is a legitimate demand. We are producing this. It is being produced in our State and the product must go to the benefit for the development of our State in each district. You know all the districts of Assam have been declared as 'no industry districts'. Therefore, these 20 spinning mills, that are possible for establishment out of the by-product of BRPL, should be located in 20-different districts of Assam. That will go a long way in developing the State and in removing the economic imbalance.

The first priority for the development of backward regions must go to infrastructures. It is most important. Without infrastructure, no development can take place. That is exactly where Assam is lagging behind. The two most important infrastructures are communications and power.

Sir, the Jogighopa rail-cum-road bridge, whose foundation was laid by Indiraji long ago, has not yet made any progress. Its construction should be expedited.

There is a great need for a bridge over Brahmaputra at Bogibeel near Dibrugarh not only for Assam but also for Arunachal Pradesh. Survey work was started, but I do not know why it has been stopped now. What has happened to the project? What has happened to the idea? I was given to understand that survey work was started. But now I do not know why they are trying to go back. This is very discouraging and this is how our people become frustrated.

It was all settled that there would be broad-gauge lines between Pancharatna and Guwahati, between Guwahati and Dibrugarh via Nowgong, Jorhat and Sibsagar. That also appears to have run into rough weather. I do not know why. When there will be a bridge at Pancharatna, of which the foundation was laid by Indiraji, naturally broad-gauge line must be there on South Bank to connect Pancharatna with Guwahati, because the line on the north bank is already there. Our demand is for a broad-gauge line from Guwahati to Dibrugarh via Nowgong, Jorhat and Sibsagar. That was agreed to at one point of time. I do not know what has happened to this.

I would also suggest that there should be broad-gauge line between Guwahati and Silchar and between Guwahati and North Lakhimpur via Tezpur.

Sir, I demand that all these projects should be included in the English Plan if that region is to be further developed.

165 km. of new metre-gauge railway lines were proposed and planned to connect Assam with Tripura, Arunachal, Manipur, Nagaland and Mizoram to be completed within the Seventh Plan period. But the progress is very very slow. It is another programme to improve the infrastructural facilities of the region as a whole but that has not been seriously attended to.

Assam is rich in hydel potential. Some experts say that if the entire water resources available within the State are properly utilised, Assam alone can produce 25,000 MW. Added to that, the abundance of natural gas also can make great contribution towards generation of power. But today's position is Assam State Electricity Board's installed capacity is only 484.4 MW and its actual generation is 220 MW. The balance is imported from Manipur and Meghalaya which is also not stable. This is a sad state of affairs so far as power is concerned in spite of there being tremendous possibility of potential to develop enough power not only for Assam but for the entire region.

About gas, it has become a 'scandal'. Please note that I am deliberately using the word. Millions of cubic feet of natural gas are burning every day and going waste for the last 25 years in Assam oil fields. There is no comprehensive plan or proposal as yet to make industrial use of it to produce power or other projects in Assam, petrochemical and other gas-based industries and projects. The Assam Gas Company Ltd. was established in 1962. This Gas Company is not being given adequate opportunities or help by others like ONGC and Oil India to make contribution towards development of Assam by supplying gas to consumers, in establishing gas-based projects and other things. The Assam gas company which has been doing very good work since 1962 is being given a step-motherly treatment. This is another matter which is very sad.

Further more, the Gas Authority of India Ltd. laid down such conditions for supplying gas to Assam Gas Co. from trunk pipelines as would amount to a perfect of 162 lakhs to Gas Authority of India but only 40 lakhs to the Assam Gas Company. This explains how the regional imbalance is widening further and further.

The most serious problem in Assam is

the Brahmaputra river. Everybody knows about it. Every year, the devastating floods and extensive erosion are not only causing suffering to the people but damaging the economy of Assam. The Central Government was kind enough to institute the Brahmaputra Board. I am told that the Brahmaputra Board has drawn a Master Plan. We do not know what the plan is uptill now. We have not been shown. Once I asked Mr. Shankaranand, when he was a Minister, that let us have a look at the plan to have some ideas as to how the Brahmaputra is going to be controlled. But it has not been shown. All right. Let it not be shown, but the Master Plan of this Board has not yet been implemented. Implementation has not started. Unless this basic problem of Assam is solved, unless the Brahmaputra is controlled the floods controlled and erosion checked, Assam's economy will never be able to grow. Therefore, this fundamental task before the Government is under the Central Government because the Brahmaputra Board is under their control. What about the plan they have drawn up? They should take steps to implement this plan expeditiously. I know that the whole plan cannot be implemented within two or five years. It will take 20 years or 25 years. It does not matter.

But let them start it; let there be a beginning of it; let them do something about it. At least, the first step should be to stop erosion at the vulnerable points. That is the most important point. Otherwise, more and more land will go, will be eroded by the river. So, let them start it by doing something to stop erosion at the vulnerable points and then by controlling the tributaries by retention dams.

The government themselves proposed that there would be two dams on Subisiri and Dihang. So far they have not implemented it. Why? If these two dams are constructed, 20,000 MW of electricity could be produced and about 50 per cent to 60 per cent floods will be controlled-floods by the

Brahmaputra River. So, these two dams are very important and vital and they should be constructed as early as possible.

SHRI S. G. GHOLAP (Thane): I must thank you and also the Minister of Parliamentary Affairs who has given me an opportunity to speak. I wholeheartedly support the Finance bill by which we are authorizing the Central Government to withdraw from the Consolidated Fund of India Rs.2,25,658.65 crores for the year 1988-89.

In the Finance Bill and in the Budget, both the Ministers have taken great pains to find out the new schemes. They are not original schemes. After their long experience, they have brought these new schemes and for that I must thank them. India has made a good progress for nearly 40-43 years. But even then we are not only poor but our country is very poor. That is a record. Anyhow, we are trying our best to improve our economy. Therefore, to remove poverty, under 20-point programme, we are doing something. In 2000 the below poverty line will come upto 5 per cent. Even after that, we will have to try our best. A survey on the below the poverty line was made in a particular year. Now we are finishing that line. What about the new lines which are coming up? If an head of a family expires, poverty comes to that family. Drought is there and the poverty is also there. A survey on the below the poverty line will have to be done at least within five years or 10 years so that we can find out who are below the poverty line.

In India the average income per head is near about Rs.2,500. In other countries which are developed, there it is more than Rs. 40,000 to Rs. 80,000. So, there is a vast difference between our income and their income.

It is said that special concessions have been given because the agitation of the

agriculturists is going on in Maharashtra, in UP or in Haryana. I think it is not because of that; it is because of the mid-term appraisal. It shows that we are lacking in agricultural income and therefore we must take some steps to improve it. Therefore, these special concessions have been given for agricultural purposes. We should wholeheartedly support that agriculture should be made an industry. We are trying our best to help them. The agricultural income we have to produce.

Similarly, we are lacking in irrigation. I think Maharashtra is the last State in irrigation; only 12 per cent irrigation is there. Due to Forest Conservation Act of 1980, no dam can be constructed. Even an inch of land is not given for irrigation purposes. There are thousands of projects which are pending for want of land. There are several projects which are already started before the Act of 1980 came into force; even they are held up. No land is given. Alternative land is given for forest land. Even then the projects are not cleared. Though it is not a subject of the Finance Department, the finance is affected. The economy of the area depends on irrigation. Especially the sites of irrigation cannot be created. They are natural. They will be there only, where they are. So, I request the hon. Finance Minister to review this and see that for irrigation purposes, forest land is made available and the necessary Act may be amended so that irrigation projects can be constructed. If water is there, forest can be there.

As regards the rate of interest for agriculturists, the State of Maharashtra has requested the Reserve Bank and also the Central Government that the rate of interests on loans given to agriculturists should be reduced. We cannot give them more crop but at least we can give them some facilities to get a loan at low interest rate. In our manifesto it is said that in Maharashtra agricultural loans will be given to agriculturists at the rate of interest of about six per

cent. Up till now we have not got the approval of the Central Government, on the contrary Government has rejected our demand. They say that the agriculturists should also be charged at the usual rate. I request that this may be looked into.

Again, for drought purposes guidelines are given that if there is drought continuously for three years, the interest charged should not be more than the principal, and that is the accepted theory. But in practice the interest is recovered from time to time. The interest is recovered first and the principal at the last. This will result in double the interest being collected, and the interest will be more than the principal. But the interest should not be more than the principal. So, the total interest paid should not be more than the Principal and that should be the guideline.

We have set up several rural banks to help the poor people, especially agriculturists. I will give you one example. In Maharashtra, in my constituency Thane, one rural bank is established. It was established in 1986. I had asked a question, "whether the Thane Gramin Bank has not been able to start even a single branch out of twentysix branches sanctioned by the Reserve Bank of India for want of staff". The reply given was, "It has been reported by the Bank of Maharashtra the sponsoring bank of Thane Gramin Bank, established on 30-8-86, could not open more than one branch for want of staff although it had received licences for opening 26 branches. In pursuance of the guidelines issued by the Government, the Banking Service Recruitment Board, Western Group, Bombay has released advertisement.. And so now in 1988 they will start the work. If even after two years after opening of the bank no branch is functioning because staff was not given or no recruitment was done, we can imagine the conditions. Therefore, I say that in rural areas rural banks

should be opened and staff should be given immediately.

The value of the rupee has come to Rs.0.14 paise. We must see why it is so. The value of the pound has increased. Our rupee value is decreasing because of black marketing, and black money. So far as black money is concerned, steps should be taken to control the black money.

SHRI SOMNATH CHATTERJEE: Even after all this he will support the Finance Bill.

SHRI S.G.GHOLAP: In my constituency, the Bombay clearing facility is available up to Kalyan. Kalyan is Municipal Corporation area. But some part of Kalyan Corporation is not included in the Bombay clearing agency. I request that the same facility should be available there also. I had earlier requested and a reply was given that it would be made available.

As regards the Urban and Ceiling Act, it should be amended because up till now we got only .1 per cent land only what was expected, out of the urban land. I request that the Act should be amended and the facility should be given to us.

SHRI C.SAMBU (Bapatla): Sir, eighty per cent of the population of our country are living in the rural areas and depending upon agriculture. You have not provided sufficient funds to agriculture. It is very unfortunate.

In Prakasam and Guntur Districts in Andhra Pradesh, the farmers were hit by white fly and some other causes.

[Translation]

*Sir, the cotton growers in Parkasam and Guntur district were badly affected on account of the loss of the crop for the past

[Sh. C. Sambu]

four years. They lost everything. Nearly one lakh and twenty-five thousand hectares of cotton crop was affected. The loss of crop was total. The Cotton growers have lost everything. They now have nothing to eat and no shelter to take refuge. They have become so poor that they have resorted to mortgaging the Mangala sutras of their wives. Since they have nothing to eat and no employment to earn a few bucks to survive, they are migrating to other parts of their survival. I am utilising this opportunity while discussing the Finance Bill, to request the Hon. Finance Minister to come to the rescue of the cotton growers. I request him to extend all the help that is necessary to the affected farmers. I hope the Hon. Minister would come out with the proposals in his reply to help these most unfortunate cotton growers. Sir, the Andhra Pradesh Govt. has done all it could do to help the farmers. Now it is the turn of the Centre to help them. The State Govt. has helped them by supplying cows and buffaloes. It has extended the scheme of Rs.2/- a kg. of rice to the affected areas has extended new loans to the farmers. the State Govt. has extended all possible help to the people in the affected areas, which was well beyond its means. Nearly 40 to 50 families were affected by the suicides of the farmers. We say that the farmer is the backbone of the country. Yet the same farmer, unable to withstand the prevailing adverse conditions in the country should feel sorry for the plight of the farmers. Suicides have taken place in forty to fifty families and all these families have become orphan. It is not sufficient to say that the farmer is the backbone of India. The Govt. should come to his help when he needs it. Shri Daggupati Venkateshwara Rao, an Hon. Minister in the State Govt. and who hails from Prakasham district has donated Rs.2000 per head per family, affected by suicides. Not only that. The State Govt. has also sanctioned Rs. three thousand to every family that was affected by suicides. But it is most unfortu-

nate to note that the Central Govt. has not sanctioned even a single paise so the affected families. Even now, at this late stage, I earnestly appeal to the Union Govt. to come forward to help the affected families of the cotton growers. Sir, leave alone extending financial help to the affected families the Central Govt. did not had the country to send any of its dignitaries to give solace the people. I appeal to the Govt. to initiate measures to help the affected farmers in these areas. The cotton growers in Addanki, Pachur and Matru assembly segment have lost everything in the recent years. They need immediate financial assistance. Otherwise it is very difficult for them to survive. It is in these areas that these suicides have taken place. Govt. should jump into action to rescue the families of these farmers if it is really interested in the welfare of the farming community.

Sir, I make a few suggestions and hope they would receive a positive response from the Govt.

A subsidy of atleast one thousand rupees per acre should be announced for the benefit of the Farmers in this district.

The gold that was mortgaged in the banks for getting loans should be returned to the farmers forthwith.

All the loans of the cotton growers should be written off.

Sir, recently N.D.Tiwari, our Hon. Finance Minister has deputed Shri Ojha, the Deputy Governor of Reserve Bank of India to these areas to study the situation and submit the report. He has turned the area and submitted his report. I do not know what action was taken by the Govt. on this Report. I request the Hon. Minister to deal with this point while replying to the debate. Also the loans taken by the cotton growers should be written off and the gold that was mortgaged in

the banks should be returned to the farmers.

New loans should be extended to them.

New loans on the mortgaged gold should be given to the farmers. White fly is affecting the cotton crops. So far no remedy was found to effectively control the white fly. Extensive research work should be taken up to find out the ways to control this pest. We should not hesitate to seek technical knowhow from foreign countries for controlling and eradicating the white fly.

If these steps are not taken to rescue the farmers they will lose everything including their lives in the days to come.

Sir, I request the Hon. Minister to extend the Crop Insurance Scheme to Cotton and Tobacco. Also I request that the district or the mandal should not be considered as the basis. Instead, the village or survey number should be treated as the base. Excluding the Cotton and Tobacco growers is not proper and hence they should also be included in the Crop Insurance Scheme and they should be extended liberal assistance from the financial institutions in the country.

A stitch in time saves nine. If the farmers are not rescued today, it is very difficult for any one to save them from the brink of collapse. The responsibility lies on the shoulders of the Central Govt. and it should not shirk away from its responsibility. The State Govt. has done its duty by extending all the help it could do. Now it is the turn of the Central Govt. The Centre should see that the affected farmers get all the help that they need. The Govt. should extend fresh loans. New loans should be given on the gold already mortgaged. A subsidy of at least Rs.1000/- per Acre should be given to them. Pension should be given to the families where suicides have taken place. Govt. should see that at least Rs.5000/- is paid from the Prime Minister's Relief fund to the affected fami-

lies. I request the Finance Minister to deal with the plight of cotton growers in his reply.

Sir, Buckingham Canal between Kakinada and Ongole is an important Canal. Survey was conducted to extend the Canal upto Madras at an estimated cost of Rs.24 crores. This extension of the Canal should be sanctioned immediately. By developing this internal waterway, the congestion on the National High Way can be reduced to a great extent. Goods can be transported from Kakinada to Madras at a cheaper cost. It will also boost the export trade. I hope the Hon. Minister would sanction Rs. 24 crores that is necessary for taking up the extension work of this canal.

Under Gramodaya Palhakam a financial assistance of Rs.25 thousand is being given at present. The amount is too small to start any industry. Hence the assistance amount should be raised to Rs.50 thousand in the case of graduates and Rs.1 lakh in the case of post graduates. They only this scheme will prove beneficial and help in removing unemployment among the uneducated youth.

Sir, Nizam Patnam Nidubrohi Railway line was surveyed and it is estimated that it would cost Rs.21 crores. I request that the amount should be sanctioned and this railway line taken up for construction at once.

At overbridge at Chiralais very much necessary. I had requested the Hon. Minister for Railway to sanction the overbridge at Chirala. But due to financial constraints it was not sanctioned earlier. This bridge is necessary to go to Chirala and other nearby places. At present the traffic is too dense and hence the immediate construction of this project is very necessary. I take this opportunity to request the Finance Minister to sanction necessary funds needed for the construction of this bridge.

[Sh. C. Sambu]

Before I conclude I request the Govt. once again to come to the rescue of the families where suicides have taken place. A sum of Rs.5100/- per family should be released immediately. Subsidy of Rs.1000/- per acre should be given to the farmers in Prakasham and Guntur districts. The gold deposited in the banks as a security should be returned to farmers. All the old loans should be written off and new loans should be given to all the affected farmers in these areas. Fresh loans on gold should be given to them. These are some of the steps which the Govt. should take at once. It is the responsibility of every one and especially the Govt. to help the farmers who are in distress. It is not good for the country to neglect the interest of farmers. I hope the trust that this Govt. would come to the rescue of cotton and tobacco growers in Guntur and Prakasham districts. I hope the Govt. will do justice to the farming community by attending to their needs in time. I thank you very much for giving me this opportunity to speak on behalf of the families affected by suicides in Prakasham and Guntur districts.

15.00 hrs.

[English]

SHRI K.S.RAO(Machilipatnam): I am extremely happy that the Minister has given ample time this time for discussing the Finance Bill, because last time there was a great criticism on this count. So this time, I do not think the opposition will have any point to criticism the Government in any manner.

This time not only the ruling party but also people belonging to various other parties have appreciated the General Budget. In fact, they want to the extent of saying that this Budget had been prepared keeping the mid-term poll in view. This clearly indicates the fairness in which the Budget has been formulated.

I feel that tax laws are made in such a manner that they stimulate growth of the economy, create incentive for production and better remuneration for hard work. If these were to be the policies or goals, I think, increase of taxes abnormally or decrease of taxes will not help. It must be a balance assessed on the experience of several years. In the last four years, decrease in the percentage of taxes in a manner has proved increase in revenue. So, obviously it has done some good to the nation. But while doing so, an Act cannot keep a donkey and a horse on par. I want to quote one particular instance. Item 15, under section 44A (C) of the Finance Bill, 1988, indicates that a sum equal to sixty percent of the amount must be deducted or treated as a profit in anticipation. I can understand the Government levying any amount of excise but how can they presume that sixty per cent would be the profit. If they do so, then they can straightaway deduct that amount right from the beginning. If so much be the profit, the Government itself can undertake that trade. I am also of the opinion that this anticipating profit in advance cannot stand test of law. There are lot of fluctuations in the consumption of quantity, in the purchasing ability of the people in that period, etc. so, certainly there will be variations in the profit. Therefore, I wish that the Government enforces the Act very rigorously and collects the taxes in a big way from the people who have made enough profits, but they should not penalize the people who have incurred loss out of their trade. So, I request the Hon. Minister to give a thought to this and see that extensive litigation will not be there tomorrow and this Act will not become void. I am not against there collecting the money, I am not against their increasing the tax and all that, but I only wish that it must be effective and it must be foolproof. The Ministry should have gone into the details of it. So, once again I request the Hon. Minister to check it up.

With regard to excise, the Chief Minister

of Andhra Pradesh has been very wise in the sense that it is he who is collecting Rs.600 crores through excise on country liquor, which is being consumed only by the common man and certainly not by the rich or the middle-class man. The countrymen must have been aware that this country liquor is being consumed only by very poor people and unfortunately even they are being penalized. I will tell you the price at which this country liquor is being sold. The country liquor is being sold at Rs.4.50 to Rs.5 per 90 ml. whereas the Indian made foreign liquor, which is being consumed by the rich and the upper middle-class people, is being sold at Rs.5 per 90 ml.

SHRI NARAYAN CHOUBEY (Midnapore): Where?

SHRI K.S.RAO: In Andhra Pradesh, I am telling this with authority. While collecting this Rs.600 crores from the common man, from the poor man, the Chief Minister gives an indication to the country that he is adopting all the welfare policies keeping only the poor man in mind. It is quite unfortunate. I can certainly support the Chief Minister in case he were to collect this money from the rich and distribute it to the poor...
(*Interruptions*)

[*Translation*]

SHRI V.TULSIRAM (Nagarkurnool): Mr. Speaker, Sir, I want a clarification.

[*English*]

SHRI K.S.RAO: Sir, he cannot interrupt me...(*Interruptions*)

MR. CHAIRMAN: No clarification is allowed...(*Interruptions*)

[*Translation*]

SHRI V.TULSIRAM: Listen to me...(*Interruptions*)

You will have to listen to me...(*Interruptions*)
Do listen to me.

[*English*]

MR. CHAIRMAN: No, I cannot when he is going on...

(*Interruptions*)

SHRI K.S.RAO: Sir, he is wasting the time of the House. The time of the House costs Rs.6000 per minute. A minute's disturbance by the Telugu Desam Member costs the Country Rs.6000...

[*Interruptions*]

[*Translation*]

SHRI V.TULSIRAM: Mr. Chairman, Sir, I have a point of order.

[*English*]

MR. CHAIRMAN: Yes, what is your point of order?

[*Translation*]

SHRI V.TULSIRAM: My point of order is that Shri Rao Sahib is saying that the poor people are... [*Interruptions*]

[*English*]

MR. CHAIRMAN: there is no point of order. Please go on Mr. Rao...

[Sh. Y. Tulsiram]

[Interruptions]

[Translation]

SHRI V.TULSIRAM: I do not know whether he has increased the tax upon the country liquor consumed by the poor or not. Perhaps the taxes on the liquor have been increased so as to dissuade people from drinking...[Interruptions] Dose the Government of India want that the poor should drink the liquor?...*(Interruptions)*

[English]

MR. CHAIRMAN: That is no point of Order.

[Translation]

SHRI V.TULSIRAM: If the prices of the country liquor have been increased, it has been done with a view of dissuading the poor from drinking so that their money is saved....*(Interruptions)*

[English]

SHRI K.S.RAO: Sir, the basic thing that is required is, if we have to achieve our goals in industrial economy, we have to produce more power. Similarly, the Chief Minister of Andhra Pradesh who is claiming that he is for the poor, for the welfare of the poor...*(Interruptions)*

SHRI C.SAMBU: Sir, he is mentioning about the Chief Minister of Andhra Pradesh who is not here to defend himself.

SHRI K.S.RAO: Sir, can't we quote or mention about the Chief Minister? I can mention about the State Government's performance. Sir, the key to the Indian economy, whether it is agriculture or irrigation or industry, is the power. The Andhra Pradesh State was surplus in power.

SHRI C.SAMBU: Sir, why Andhra Pradesh alone? In other States also power shortage is there.

(Interruptions)

MR. CHAIRMAN: Mr. Rao, don't criticise about the State Government. You talk about the Finance Bill.

SHRI K.S.RAO: Sir, the finance is connected with the entire country. It is not restricted to Andhra Pradesh only but it concerns order States also. I can mention about the finance pertaining to the Andhra Pradesh State. You have also allowed the hon.Members several times to criticise some other State Government. So, Sir, Andhra Pradesh is a State where power was in surplus some years ago. But unfortunately, now there is power-cut by 80% to some of the key industries. What I would like to state is that if the Hon.Minister or the Government has neglected any particular State in the matter of generation of power or supply of power, it will have a cumulative effect on the poor people. I would therefore request the hon. Minister to give some preference or the incentives for generation of power, if necessary, even to the private sector.

Sir, there is ample gas and ample oil in Andhra Pradesh. I would request the Centre to come to the rescue of Andhra Pradesh in generating power so that the industries will not suffer in the States. In this context, no matter whether it is Andhra Pradesh or any other State whether it is ruled by Congress-I or any other Party, I wish that the decision of the Government of India should be on the basis of the advantage to the people. Sir, the Telugu-Ganga Bellimela project has been pending. For the Bellimella project machinery worth a couple of crores of rupees is lying idle which could not be utilised because of the objections raised by the Orissa Government. It is not a question of Orissa State or

Andhra Pradesh. They are all part of the country. I would therefore request the Government to see that the project is completed and start functioning very soon. Already a couple of years have been lost. Similarly, Telugu-Ganga Vanasadhara project should also be completed as early as possible.

Sir, a Colour TV Tube Project was to come up in Vijayawada two years before. We do not understand what has come in the way of this project. This project has been delayed in spite of all the infrastructural facilities were readily available there and all the clearances were also given. I would request the hon. Minister to look into this and start the project. No economy can flourish unless these things come up and Tax laws must look into the generation of wealth.

Sir, coming to the crop insurance, I appreciate the Government of India in bringing crop insurance. But the restriction that has been put on the farmers has not yielded any result. I would request the Government to remove the stumbling blocks preventing the benefit being given to the persons and the Government should see that persons who have suffered must be compensated well. When big traders and industrialists are being compensated, hundreds of crores of rupees are lost. Why should a poor farmer not be benefited? Why should a provision come in their way? So, I request this to be corrected and to be extended to the cotton growers also. My honourable colleague has already told you that the cotton growers in Ongole have suffered very badly and went to the extent to committing suicide. The Government of India through the banking institutions and other financial institutions must take immediate decision in coming to their rescue by writing off the interest by making it long-term loans and also if possible, identifying the worst sufferers particularly the families who have committed sacrifice to be given the total advantage of writing off the loans.

Sir, it is the question of re-cycling of funds. There should not be stagnation. If these hundreds and thousands of crores of rupees in the banks could be re-cycled well by identifying the right beneficiaries above party lines, that is enough for improving the economy of this country. But unfortunately, certain parties in various Governments have been utilising these funds on party lines. It is quite unfortunate. A poor man is a poor man and he should not be considered as to which party he belongs. He must be helped, he must be aided by all the governments.

Sir, about land reforms, unfortunately land reforms in Andhra Pradesh were not being implemented properly.

SHRI M. RAGHUMA REDDY (Nalgonda): What about other States? (*Interruptions*)

SHRI K.S. RAO: You criticise, you do it, we did not object.

Sir, when the Government has kept the limit on the poor farmer, the agriculturist, why should there not be a ceiling on the urban wealth? If a farmer were to have 18 acres, there is a limit of ceiling, he should not have more than that. But, if an urban citizen were to have the property worth a couple of crores of rupees, there is no ceiling. Why should a poor farmer be discriminated? When there is a limit to the wealth of a poor farmer, let there be a limit to the wealth of the people living in the urban areas also. Sir, the infrastructural facilities that are available in urban areas and lack of these facilities in rural areas is the basic reason for the urban migration which is causing a great havoc which has actually caught the attention of the entire Members of Parliament also that no amount of speaking here, either criticising the government or praising our own government will help checking these things. The real intention of the policies or the tax laws in a manner to

[Sh. K. S. Rao]
bring equity, justice or more production and better distribution is required. This Minister of Finance who can amend those laws acts in a manner that improves the position in reality.

Sir, only one point. All this talk will not help. It is the human skills that are required to generate the wealth. Human skills are lacking in this country. *(Interruption)*

Yes, we have the system of education which is making people with no confidence. They only say, they have got graduate degrees, doctorates, but when they have to utilise their skills, they have no skills at all. But their ego is built in their minds that 'he is a doctorate, he is an engineer, he is a doctor', but when it comes to utilising his skill, he is a zero. So, Sir, this system of education no matter how much allocation is made to the Ministry of Human Resources Development, they must increase the skills of the people, enable them to generate more wealth, thereby we can solve the country's problems. Thank you very much, Sir. *(Interruptions)*

15.19 hrs.

SHRIMATI D.K.BHANDARI(Sikkim):
Sir, I thank you for giving me time to speak on this Bill.

(Interruptions)

Sir, many of the Members who spoke on the Finance Bill expressed their strong feelings for removal of regional imbalances. Sir, the Centre should come forward and plan properly to remove regional imbalances. The States alone cannot do so. Sir, while allocating funds to the States Governments they are asked to mobilise their resources in their respective states, but a state like

Sikkim which lacks basic infrastructure, cannot do so, the result being the percentage of the matching grants dropped down.

Sir, the regional imbalance or disparity can be or cannot be attributed to the central planning of the Government. That is a different matter. But now it is high-time that the Government should give a serious thought to it. Mere jugglery of statistics and figures will not do. Sikkim is a backward State. It is backward in every respect, economically, industrially and educationally. Its resource mobilisation capacity as it stands today is practically non-existent. Sikkim is 28 years behind other States in regard to planned development. The economic backwardness can be gauged from the fact that not a single industrial unit has been set up by the Centre in Sikkim. It is really surprising that for the last 13 years, since Sikkim came into the mainstream, the Centre has not taken care to set up a single industry. Just like North-eastern States, Sikkim on its own cannot set up any industry due to lack of finance and infrastructure. Despite incentives, private industrialists are hesitant to set up industry in this State. This is largely due to a number of negative factors like transport and communication difficulties and other infrastructure constraints. The Centre should come forward to remove these constraints. The Centre can set an example by way of encouragement to the private sector by setting up industries in such State.

On last Friday only, the Hon. Minister, Shri Faleiro while replying to my question as to what steps Government envisaged to remove regional imbalance, told that some State or some parts of the States are declared industrially backward areas. Only by declaring such areas of the country as industrially backward areas will not remove regional imbalance. The Centre should have come out with set targets and programme down to earth which would help remove regional imbalance.

I entirely welcome the slogan and the idea that was mooted by the Prime Minister, during the AICC Session in Madras "Bekari Hatao". But Sir, without setting up industry, it is not possible to provide jobs to the local people. With the spread of education, more and more persons are coming from schools and colleges for jobs and we do not have technical institutions and industries there. People look out for Government jobs but Government cannot provide jobs to them. This leads to social tension. This will also, as the case everywhere, leads to law and order problem. The problem of unemployment is rising its ugly head in the State. The Centre must come to the aid of the State by setting up industries—small or medium—so that that would help solve this problem.

The State of Sikkim is the only State which cannot boast of a single industrial unit set up by the Central Government. How true but how tragic it is? Does it not show the apathy of the Central Government towards Sikkim. I think and feel that Sikkim does not deserve this discriminatory treatment.

As Sikkim came to the mainstream in 1975, there is a huge gap between the development of Sikkim and that of the other States. The result is, Sikkim is backward in every sphere of economic activity, as compared to the other States. How unfortunate Sikkim is that the planners in the Centre do not consider the huge differences in terms of Plan outlay and plan development between Sikkim and other well developed States of the country. Not only this, the cruel part is that the Plan allocation for Sikkim, percentage-wise is less than that of other States.

Justice and fair play demands that the State should have been given higher allocations to fill up the great gap.

May I request the Hon. Minister to look into this aspect while considering the case of Sikkim for higher allocation of funds?

Sikkim's main occupation is agriculture. 12% of arable land of Sikkim is very much prone to landslides and it is decreasing with every successive onslaught of the monsoon. Agricultural production is not enough to feed the people. The farmers have to rely on cultivation of cash crops and have to go in for horticulture or high-value-low-volume crops. Here also, there is a limit to the extent farmers can go in for this. The Centre can play an important role in the development of this sector by helping our farmers in a big way. The nationalised banks can step in fruitfully to help them.

Unless there are roads and proper transport system, the produce cannot reach the market. In such an event, the farmers cannot hope to get remunerative price of their produce. The condition of the national highway, particular during the rainy season, is awfully bad, and dangerous. Traffic stands in a standstill on the national highway because landslides occur during rainy season. Unless the Centre funds in a big way to make the roads safe for all seasons, the bottleneck will continue to remain there. This want of funds has retarded the development activities in the State and has an adverse effect on the economy. These are some of the aspects which I felt necessary to draw the attention of the Hon. Minister who has many a time visited Sikkim and who knows the situation there and the difficulties which Sikkim faces today.

I would like to draw the attention of the Finance Minister to the fact that no Finance Commission has been kind enough to Sikkim. The Finance Commission must consider the backwardness of the State as one of its important criteria in the allocation of funds among the States. Sikkim is a very backward State and it should get more allocation of funds. I sincerely hope that small and backward State like Sikkim should be given special consideration in the matter of allocation funds by the Finance Commission.

[*Translation*]

SHRI BHISHMA DEO DUBE (Bonda): I rise to support the Finance Bill. India is the country of farmers and its 80% population lives in villages. In the proper development of our villages lies the development of 75-80 per cent of our population. The Budget presented by the Hon. Minister of Finance is really a rural-oriented budget. The farmers and the rural people are likely to be benefited by this Budget in not too distant a future. But what ought to have been done has not been done. Irrigation is most essential for agriculture. If the Ministry of Water Resources do not cooperate in this field then the development of agriculture is impeded or does not take place at the required speed. In this Budget a provision of 2,200 crore rupees has been made for this. No doubt, this allocation is more than the allocations made earlier, but it still falls short of the present requirements of the country. I would like to request the Government to pay special attention towards the development of the rural areas so that the people need not have to migrate from villages to cities and thus add to the pressure upon the cities. If all the facilities being provided in cities are provided in villages also then the problems of the cities will be lessened and balance would be created. The countryside should be linked with more and more roads so that the products of the villages may be carried to the cities and items of daily use may be brought from the cities to the village without any difficulty. Its another advantage will be that the culture, civilisation, knowledge and education etc. of cities would reach our villages. There should be no watertight compartments between the villages and the cities. We should draw up schemes for the integrated development of the cities and the villages. The eighth Five Year Plan is on the anvil.

[*English*]

MR. CHAIRMAN: Please continue next time.

15.30 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

[*Translation*]

Fifty-Second Report

SHRI CHANDRA KISHORE PATHAK (Saharsa): Mr. Chairman, Sir, I beg to move that this House do agree with the Fifty-Second Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 27th April, 1988.

[*English*]

MR. CHAIRMAN: The question is

"That this House do agree with the Fifty-Second Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 27th April, 1988."

The Motion was Adopted

15.31 hrs.

RESOLUTION R.E.

[*English*]

CENTRE-STATE RELATIONS *CONTD.*

MR. CHAIRMAN: The House will now take up further discussion on the following Resolution moved by Shri H.M. Patel on the 18th March, 1988:-

"This House expresses its deep concern over the present Centre-State relations and demands their early restructuring so that federalism underlying our Constitution is made more