

12.17 hrs.

FINANCE BILL, 1986 -Contd.

[English]

MR. SPEAKER : Now, further consideration of the following motion moved by Shri Vishwanath Pratap Singh on the 24th April, 1985, namely :—

“That the Bill to give effect to the financial proposals of the Central Government for the financial year 1986-87, be taken into consideration.”

Now, Shri Indrajit Gupta.

SHRI INDRAJIT GUPTA (Basirhat) : A few comments have to be made regarding this Finance Bill in so far as it signifies the conclusion of the Budget exercise this year. I say, the strictly budget exercise, because we have seen pre-budget exercise also; and I am not sure whether we are going to have some post-Budget exercise also, because, for one thing, the Central Pay Commission's Report is awaited. I think any day it may be published. And certainly, it will involve very large amounts of money which are to be paid by way of enhanced pay scales, allowances and so on, to the Central Government employees. That money has not been provided for in the Budget. It has to come from somewhere. And, in anticipation of that, the Minister may kindly tell us how he proposes to provide for this.

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : You give some suggestion.

SHRI INDRAJIT GUPTA : Whatever you accept on the report of the Pay Commission you will have to find the money for it.

SHRI VISHWANATH PRATAP SINGH : That is true.

SHRI INDRAJIT GUPTA : Now, Sir, this time the Budget shows,—for which the Minister has taken credit also—that this year's revenue mobilisation shows minimum of new taxes. Rs. 406 crores is sought to be mobilised through additional

customs duties and Rs. 21 crores only by direct taxes. In addition to this of course the Railway Budget provides for Rs. 600 crores through enhanced railway fares and in the pre-budget hike of administered prices perhaps Rs. 1500 to Rs. 1600 crores may accrue to the Government. If we take the total receipts from all these sources, it comes to Rs. 49,212 crores. Out of this, only 46 per cent, that is, Rs. 22,696 crores is accruing from taxes, 14 per cent, that is, Rs. 6,846 crores is non-tax revenue, and 40 per cent, that is, Rs. 19,670 crores will have to be raised by loans, both domestic loans and foreign loans. So, what I want to say is that this policy, this trend of more and more indirect taxes and less and less direct taxes is a policy which will inevitably lead to excessive dependence on loans and on higher deficit financing, and it is bound to. And here the Minister this time has made much of a hue and cry of the fact that compared to last year much more has been allotted for the poverty alleviation programmes and so on, but I would just like to point out for the sake of comparison. If we take about a hundred million people—a rough figure—who will contribute to these domestic loans which the Government seeks to raise in the market, not more than hundred million people can contribute to that, then the interest they will get, payment of interest on these domestic loans will come to about Rs. 8,750 crores, whereas if we take the rural poor as 250 million, the poverty alleviation programmes for them have been allotted Rs. 1629 crores; it may be more than last year certainly, but if you compare with the benefit which a hundred million people are going to get by way of interest because they are contributing to the loans which the Government raised and compare it with only Rs. 1629 crores for poverty alleviation programmes which are meant to benefit 250 million people roughly, we can see which way the scales are being weighed.

Another point I would like to mention is that it is being said repeatedly not only by the Finance Minister, that the fate of the Seventh Plan will depend to a very large extent on the resources which you are going to mobilise from the public sector enterprises. Well, this is of course quite correct and it is being estimated

that about Rs. 35,000 crores at least will have to be contributed by the public sector if the Plan is to survive in its present form.

Now, Sir, I have pointed out earlier also that I do not think the Government so far has shown adequate interest in probing into the causes for the 'on the whole not very satisfactory' performance of the public sector enterprises and is not trying to see what remedial measures can be taken with the active participation and help of the workers also who are working there. So many exercises are going on in the Labour Ministry, Industry Ministry and Finance Ministry, we are participating in some of those meetings, but it is all on the surface, a sort of superficial discussions are taking place, but nobody wants to get down to brass tacks. Why is it? I am wondering why it should be so because, after all, the Government should be much more interested in the fate of the public sector specially when the Minister says that the whole fate of the Seventh Plan depends on it. So, I am just wondering, that is the point I wish to raise now, there are press reports which have not been contradicted so far that there are proposals under consideration to convert some of these public sector units into joint sector units, that is to say, to allow private equity participation in these public sector units. The transfer of shareholding and therefore, transfer of control is reportedly being considered in ten top profit-making public sector enterprises. Of course, they have to be profit-making because nobody is going to buy the shares of losing concerns. If private parties are going to buy shares, they will buy shares, only of those public sector enterprises which are making profit. The ten names which have been reported in the press are: NTPC, BHEL, ONGC, MMTC, Hindustan Aeronautics, National Fertilizer Corporation, Indian Petrochemicals Corporation, Madras Refineries Limited, Fertilizers and Chemicals and the Indian Oil Corporation. These 10 have been specifically named in the Press report and I would like to know from the Minister when he replies whether there is any truth in this or not.

12.25 hrs.

MR. DEPUTY-SPEAKER *in the Chair.*

Such proposals which may not have been, of course, finalised yet, whether they are under consideration or not. Because the whole thing is the crunch of resources and that may lead the Government to a, I should say, a path of least resistance, i.e. allow the private sector to come in and contribute and invest its money in the shares. And then, the question will arise, what about the control. Theoretically speaking, we are taught as students of economics, that about 50% of ownership of shares ensures both ownership and control. According to the MRTP Act, I find 33% of shares in a company is supposed to be enough to give control to any particular business house which holds 33% of shares in a company. According to RBI, the Reserve Bank of India, the definition of controlling interests is 25%. So; I would like to know to what extent, such proposals for throwing open these profit making public sector enterprises to private shareholders is going to be taken, if it is going to be taken at all and I do not know perhaps—I was wondering—is it because of the joint sector policy which is under active consideration, that this is the reason why the Government does not show enough interest in revamping the whole working of the public sector enterprise, because they are banking more on anticipated contribution, and not only in shareholding but in management also from the private sector. This is a very serious thing and it will mean a complete departure from the basic policy and I am sure, it will cause considerable apprehension and concern in the country including among the members of the ruling Party also because this is not the policy we have followed all these years. Any-way, please clarify what you are proposing to do.

Then, Sir, there is a huge amount of money lying with the banks, nationalised banks. We are not told how this money all these resources, bank resources are going to be geared for planned utilisation, for development purposes. There is, as yet, no clearly defined national credit policy. Banks are doing whatever they like. Many

[Shri Indrajit Gupta]

of the banks are under a sort of overall supervision of the RBI, of course. But because their credit policy is not strictly laid down and defined we are seeing that the number of frauds are increasing—bad loans, bad debts and writing off crores of rupees. We know big scandals and frauds have taken place. So, I should say that there should be a proper national credit policy, not only the loan melas which are proliferating but there should be a proper national credit policy. The aim should be to utilise in a planned way, these huge bank resources for planned development and particularly for rural development purposes. It is no use just saying that we have shortage of resources. But whatever resources are there, they must be utilised in a proper planned way.

Then, Sir I come to the question of raids. Of course, many friends, I see, have raised this matter already. Now, what I understood from the earlier announcement was that henceforth these raids—for which I have complimented the Minister earlier, on an earlier occasion also and I told him that he should not be cowed down and not be bullied by people who are shouting against these raids. The earlier announcement indicated that henceforth, these raids will be confined only to office premises, business premises....

SHRI VISHWANATH PRATAP SINGH : I want to clarify. So far as the power of raid and search is concerned that remains and it has not been curtailed. What was being extended was power of survey. So, the power of raid or search in a house or residential house is not curtailed at all. It is *in situ* and it will be used.

What was being extended was further powers of survey, normal survey, any search or raid, which was empowering the Inspectors to go into residential houses. So, while the present powers of search and raid are there and will be used against any evidence that we come against tax evasion, for survey purposes, we have now extra powers for normal survey of the business premises. We inspect and go and make survey. So, there is a distinction between survey and search and raid.

Search and raid powers are intact and will be used. Survey power which was sought to be brought into that residential portion that survey power remains. Search and raid powers remain intact even in residential houses. In the survey, any Inspector could have gone at any time and say "I want a survey". If a search of proper order is passed by a competent authority and after that search is made that power remains and we will use it against tax evaders.

SHRI INDRAJIT GUPTA : Up to now, were the raids not taking place only on the basis of *prima facie* case made out by the survey ?

SHRI VISHWANATH PRATAP SINGH. No. By information that we had received.

SHRI INDRAJIT GUPTA : The information you had received was obviously quite reliable because while winding up..

SHRI VISHWANATH PRATAP SINGH : That we will continue.

SHRI INDRAJIT GUPTA : In the debate in Rajya Sabha on 18th March, you had said that the recent tax raids of certain business houses was on solid evidence based on cold facts. The words you used are 'cold facts' and you pointed out that business houses including Kirloskar, Voltas and Bata India Ltd etc, had been indulging in tax evasion contrary to the opinion given to them by their own tax advisers and consultants. So, you have said, "Let it not be said that this is a Government hand in glove with crooks." I do not say, they are hand in glove with crooks. But I am worried about their being bullied and pressurised into position which do not exactly conform to this. You have already given up tax on inter-corporate dividends. There was a big hullabaloo on that by all these people.

SHRI VISHWANATH PRATAP SINGH ; I should intervene so that the impression may not seep in larger terms. We have the interests of the Unit Trust of India also. That is a public sector body. That we have to take on care.

SHRI INDRAJIT GUPTA : So in a way, I am glad to hear that the powers of raid and search have not been curtailed in any way.

SHRI VISHWANATH PRATAP SINGH : They will be used.

SHRI INDRAJIT GUPTA : And they apply not only to firms and companies but they apply to individuals also. Headlines given by some newspapers...

SHRI VISHWANATH PRATAP SINGH : That was misleading.

SHRI INDRAJIT GUPTA : Tax evading politicians have also been threatened. They should be. Why not? All tax evaders should be treated alike. What I am worried about what has happened is, for example, as an aftermath of the Bata case, what do you mean now? if anybody apologises, is he let off?

SHRI VISHWANATH PRATAP SINGH : No.

SHRI INDRAJIT GUPTA : What else? You have said in your press conference that a repentent sinner, a man who repents for his sins, he should not be further proceeded against. And this letter which you yourself made available to the press written by the Chairman of Bata Mr. Sabarwal, he says "Meanwhile, we acknowledge our mistake in having raised incorrect drawback claims." It is a polite way of saying of having cheated you of taxes. Having raised incorrect drawback claims they say, "Further, we request you to forgive us for the lapses. For, we know not what we do."

After that you have said "How to absolve Rs. 98,57,199/-?", which they have paid up fully now after being caught. And then they have said "Please forgive."

I want to know whether this standard is going to be applied to everybody, all tax evaders, once they are caught, if they apologise and beg your forgiveness, then you are prepared to treat them as repentent sinners and let them off the book. Is that the position?

SHRI VISHWANATH PRATAP SINGH : I will give the position.

SHRI BHAGWAT JHA AZAD : Both confessions should be there.

SHRI VISHWANATH PRATAP SINGH : All the six months they were saying that Government has been raiding on filmy grounds and that they are doing this and they have not enough evidence.

This clearly proves big corporate sectors confessing, 'We have done that.' That punctures the whole balloon, and justifies the Government stand.

SHRI INDRAJIT GUPTA : Of course.

SHRI RAM PYARE PANIKA : The action is justified.

SHRI INDRAJIT GUPTA : The follow-up of these raids and searches is what we were bothered about. The searches and raids are very good. It has established many things and it has pricked the balloon, as you say. But about the follow-up action we have grave doubts about what is going to be done. Some people whom you do not forgive, against them some sort of formal cases may be lodged. But nothing will come out of that. Those cases will drag on for years. There are many loopholes in the law. What I mean is : are you thinking of bringing any comprehensive law which will tighten up all the loopholes?..

SHRI VISHWANATH PRATAP SINGH : Yes.

SHRI INDRAJIT GUPTA : The lawyers who are engaged by these big firms are capable of dragging on these cases for years, getting umpteen injunctions and stay orders....

SHRI VISHWANATH PRATAP SINGH : In July we are bringing a Direct Taxes Code where all the direct taxes will be in one code and where we will be plugging all these loopholes. And even Mr. Kirloşkar has admitted that they have not taken earlier permission.

SHRI INDRAJIT GUPTA : Really I do not mean that during these raids people should behave in any inhuman way. That is what was being said and was being done. That is all right. You are giving the guidelines. People should be allowed to take food in proper time. He should send for a doctor if he wants to and all that. ...*(Interruptions)* After searching their school bags children should be allowed to go to school. That is there. I have read them very carefully. That is all right. There should be no objection to all that. But the follow-up action must be strict. And these people should not be let off so easily because we are not prepared to swallow this thing about the lack of resources while these people are allowed to get away, swindling the country huge amounts of money.

Then I come to one or two more points. One is about the trade balance. This is another source of big deficit. In 1985-86, it is now estimated, the trade deficit may at the end of the year go upto Rs. 8500 crores. It is complained that because of the high cost of our exportable goods, we are not able to get entry into these markets in competition and we are required to subsidise the exports. Export subsidies have to be given. The result is now the World Bank and the IMF, I think, are pressurising the Government for going in more and more for commercial loans although the Minister has said many times that we are not going to go on that path. But the pressure is quite obvious if one reads the economic journals and papers—the advice that is being given to us constantly by the authorities of the World Bank and the IMF to go in for commercial loans. In the last six years, such loans to India, that is, the commercial loans—I do not know, my facts have to be verified—amount to Rs. 9000 crores. These have to be serviced at high rates of interest and then repayments of the IMF loans are beginning from this year. So, all this taken together, may raise the debt service burden now to about 21% of our export earning. Whatever we earn by exports, 21% will go in repaying the interest on these loans which have been taken. If it is a fact, it is certainly a very serious situation we are facing. I mean this is a problem

facing many developing countries. After all we claim to be a little better placed and stronger than many other developing countries, but this is a bad enough position. It may not be as bad as it is in some Latin American countries. But it is bad enough.

So now pressure is on also for a realistic exchange rate for the rupee. We have repeatedly asked for assurances from the Government that we are not heading towards a formal devaluation of the rupee. In the last five years the rupee has already been devalued against the dollar to the extent of 39.06% against the Japanese Yen which has been devalued to the rate of 42.78 per cent. So, I would like to know how the Government proposes to deal with this problem.

He has raised the customs duty, I am glad, on some of the capital goods which are imported into this country. I do not think it is adequate—what has been done—because some harm has already been done in the course of the last year to some units like the Bharat Heavy Electricals, the Hindustan Machine Tools, the Heavy Engineering Corporation, and so on; they are making losses due to a huge amount of unused capacity, idle capacity, in these giant plants which have been set up with so much of our public funds for the production of machine tools and other capital goods.

Then there is Rs. 1,249 crores of bank credit which is locked up in those 75,000 units which are declared to be non-viable. This is almost equal to the realisation of what we expect from the hike in the petroleum products which was done before the budget proper. Almost that amount, near about that amount, is being wiped out by this fact that so much bank credit is locked up in those 75,000 units which are supposed to be non-viable units.

Then the budgetary support this time for steel, for electronics, for public enterprise, for petroleum and natural gas, for power, for tele-communication and for civil aviation has been reduced by about Rs. 1000 crores. These are all vital sectors, basic, nation building, economy-building, sectors.

After all, this debate is only a sort of review of the whole budgetary exercise. I do not want to take up more time; but I would like to say that the situation is extremely serious. We share the concern of the Government and there should be no attempt to minimise, because the whole country should be mobilised in different sectors, in appropriate ways, to tackle this problem.

Finally, he has announced some concessions. It is very difficult to follow all that, the mass of facts and figures. But I would like to end up by suggesting or requesting whether two small concessions can also be considered. I do not think they will cost the exchequer very much. One is this. Exemption of excise duty has been given already to unprocessed cotton belting. I am told that processed cotton belting is an item which is reserved for the small scale sector, but it is not given the benefit of this exemption. So, this exemption could be extended to processed cotton belting also which is an exclusively reserved item under the small scale sector.

I do not know what is the existing position about an item which is certainly not a luxury and which all of us are using here, that is, the spectacles. Here, both the lens as well as the frame are manufactured in the small scale sector. But there are duties, sales-tax and all that. Sales-tax, you may say, is a matter for the States to deal with. But, for example, in Delhi you can at least do something. I do not see why an item like ordinary spectacles or spectacles whose value can be upto a certain ceiling, level, should not be spared any kind of taxation--the lens as well as the frame. I think, all people nowadays, including the poorest people, have to use glasses, spectacles. You should consider giving them relief on a small item like this. It will not cost you very much.

This is all I had to say. Some problems I have raised and I hope he will deal with them in his concluding remarks so that the country can be given some indication in which way we propose to go in the course of the next year. I do not look beyond that at the moment because

there are so many things to tackle just now, including the Pay Commission's report which is coming. Where that money is going to come from, I do not know. There will, of course, be Supplementary Demands for Grants and all that. He should tell us about that because so many lakhs of his own employees are eagerly waiting now for the Pay Commission's recommendations.

SHRI BIPIN PAL DAS (Tezpur) : Sir, first of all I would like to congratulate the Hon. Finance Minister for presenting a very realistic and forward looking budget. He has been following consistent policies in framing the budget. He did not look so confident last year as he looks this year. I think, his last year's budget has given results and that gives him more confidence.

I would like to congratulate him also for announcing a series of concessions particularly to the small scale sector and the rural sector. The basic character of his budgets is that he has been pursuing consistent policies. I must also congratulate him particularly for his assurance that he will continue his raids and searches.

Before I go to the fiscal policies; I would like to refer to the price rise. There has been criticism in every quarter on this count and rightly so, particularly on the quantum of deficit financing. I do admit that the current price rise has hit almost everybody and naturally, therefore, there will be grumbling among the people. But I would like to ask only a few questions to our critics.

Firstly, in spite of price rise why is it that goods are selling? In spite of hike in petrol prices why is it that the number of vehicles are increasing everyday and every month? The market has neither collapsed nor has it become dull.

The second question that I would like to ask to our critics is that which country in the world today is not facing this problem. Price rise has become a world phenomenon.

My third question is, this is very important for the Finance Minister to

[Shri Bipin Pal Das]

know, this is basic, that is it not a basic fact of economics that the economic development or developing economy is always accompanied by price rise ?

In my opinion without some dose of inflation and deficit financing within manageable limits, economic development in a developing country is just almost impossible. It is not only unavoidable, it is indispensable. If the rate of inflation and deficit financing is allowed to come to zero, then I am afraid, the whole economy will come to stand still and becomes stagnant.

One more word about deficit financing. Before the first plan was launched, Prof. Nicholas Kaldor the renowned economist was invited by the Government to advise the Government and the Planning Commission on deficit financing. Our first plan was very very small, of the order of Rs. 2000 crores or so. Some people called it a First Aid Plan. Even then, at that stage of our economy Prof. Kaldor's opinion was that Indian economy had the capacity to absorb a deficit financing upto Rs. 800 crores over the five years. If that be so, the present quantum of deficit financing need not scare us at all when our public sector investment alone is proposed to be 180,000 crores of rupees in the 7th Plan.

Our economy has acquired sufficient strength and resilience and, therefore, there is no cause for worry. In my opinion, without taking risks and daring steps you cannot hope to make our economy more faster. The budget is not a housewife's balance sheet or a household's income and expenditure statement. It is something more and I shall not go beyond that.

In my opinion the fiscal policy has three main objectives. Firstly, incentive to growth, production and productivity. Secondly mobilisation of resources and, thirdly, narrowing down the disparities—both social and regional. We have to examine the Finance Bill from these three angles. I have long been of the opinion that mere growthmanship does not answer the requirement of our economic situation. I may refer to and I may ask the

Hon. Finance Minister to kindly have a look at it that in 1972 I wrote a paper on this subject and the then Planning Ministry was very kind to circulate that paper among the Members of Parliament, particularly among the members of the Consultative Committee. In that paper I explained the whole thing and so, I need not go into it today.

Growth must be combined with social justice. If we want to build a Minar or Tower of growth shooting high into the sky with a narrow and weak base that Tower may topple down any day. We must build a strong and broad foundation and base and thereupon go on building our growth structure just like a pyramid. The process may be little slower but it will be steady and stable. That is most important for a healthy and stable social and political order. I may draw the attention of the Government to what Indiraji said in the FICCI conference in Delhi in 1972. So far as production is concerned maximum attention and emphasis should be laid on mass consumption goods. That is very important in order to raise the people from below the poverty line to above the poverty line.

As regards mobilisation of resources the Minister has taken some steps. I may also suggest a few more steps. The public sector must be strengthened and made much more efficient as the main source of resources. Management must stand the test of efficiency and accountability or they must go. Secondly, limits should be put on income and expenditure. Thirdly, there should be ban on conspicuous consumption. Fourth, the luxury items should be only for export. Fifth, there should be minimum or no taxation at all on items like food, common cloth, cheap housing materials, common medicines and school educational implements. Further there should be no import of luxury goods. The raids and searches must continue and all wasteful expenditure should be cut down from administration.

Sir, the existing disparity in the society and among regions is staggering. It must be narrowed down. The non. Minister has shown enough awareness about the need to give a boost to the anti-poverty

programmes. Sir, 37 per cent of our population is still below poverty line. The nation cannot reach 21st century unless poverty, that is, unemployment or under-employment is eradicated completely. The front wheels of a car cannot move forward if the rear wheels are either punctured or under brake. We have not only to accelerate the anti-poverty programmes but also lay greater emphasis on labour intensive projects rather than capital intensive projects. Fiscal and monetary policies must keep these things in mind.

Indirect taxation may be levied on items used by middle class and upper strata of society but not on items used by people who are below poverty line or marginally just above poverty line. I would also make a distinction between people below poverty line on one hand and the organised working class and lower middle class on the other. There is a vast difference. The real poor cannot speak, organise or go on a strike. They cannot put pressure or make a demand. They are just ignorant about what is going on in the developmental sphere, even about schemes formulated for their benefit. Let all classes who have got some share of fruits of development desist from making further demands for some time and let the poor get benefited.

Sir, many troubles in the country are due to regional imbalance. I hope the hon. Minister will take note of this. All our economic policies must aim at removing this imbalance. For example, Bihar has rich resources, but the people are poor. So also are Uttar Pradesh, Madhya Pradesh and other areas including North Eastern region. Let the developed areas develop further, but they should share the fruits of their development with the backward areas. The Government policy should be weighed heavily in favour of backward areas in the fields of agriculture, industry, infrastructure and so on.

Now, lastly, I will put only five or six questions to the hon. Finance Minister and that is about my area. Sir, we in Assam produce 56% of Indian tea and we were the first to produce tea. Why is it

that Assam tea has to pay more excise duty than any other tea in India? Secondly, why is it that jute price is miserably low in Assam and why not JCI buy jute directly from the growers and pay them the standard price? Why should they engage middlemen who buy jute at a very low price from the growers and then sell it in the market at a very high price? What is the JCI doing? It is their responsibility to buy jute from the actual growers at the fixed price.

Sir, what about the royalty on oil? We have been hearing that it will be announced. We have been hearing that it is coming, and the Government is going to announce soon the royalty on oil. But up-till-now nothing has been done. I want that the Finance Minister either himself announce it or ask the Government to announce the enhanced royalty as early as possible. Sir, gas in Assam oilfields is burning by million of cubic metres everyday. But no use has been made of it. They can use it for production of power, fertiliser, etc. It can be made useful for the good of the economy. Again, in the Assam Accord, a new refinery was promised by the Government. What has happened to the proposal? I understand that nothing has been done so far. I would request the hon. Minister to put it before the concerned Ministry.

Now, about the Tea Board, as I said, we produce the largest quantity of tea in India. But the Tea Board office is in Calcutta. We have been demanding that it should be in Assam. They have just now started one subordinate office of the Tea Board in Guwahati. But everything is controlled from Calcutta. It will be all right if the subordinate office is given full authority to function. But today everything is controlled from Calcutta. Why should our boys unemployed youth, tea growers, tea planters, tea brokers and all those people suffer because of this? I would like the hon. Minister to take this up with the concerned Ministry. I think that either the Tea Board office should be established in Assam or the local office in Guwahati should be allowed to function with full authority. Thank you.

[Translation]

SHRIMATI USHA VERMA (Kheri) :
Mr. Deputy Speaker, I am grateful to you for giving me time to speak. I shall not take much time of the House and only place a few points before the House.

So far as the question of nationalised banks is concerned, it is true that the Government have provided sufficient facilities to the poor of the country under the 20 Point Programme but it has been seen in some cases that due to imposition of conditions by the banks, the poor people are not able to avail of the facilities provided by the banks. In some cases, the question of gratification have come to light. Unless gratification is given, they do not get full payment of loan from the banks. In case a loan of Rs. 10 thousand has been applied for, they get only Rs. 8 thousand. The hon. Minister should look into it and provide more and more facilities to the poor.

13.00 hrs.

[SHRI SOMNATH RATH *in the chair*]

Similarly, under the I.R.D.P. scheme, loans have been given to the people. But the people do not get full payment of loan unless they pay some gratification to those who provide the loans. In this way loan is provided after effecting much deduction in it. It has been seen that the needy persons make rounds of the banks to get the loans, but they do not get it in full. Although it is claimed by the Government that they are doing a lot for the poor yet they are not getting the assistance to the extent they should have got.

I have received complaints to this effect from the people of my constituency when I visited it. Besides the complaints from that area, people from all over the State are making similar complaints.

I would request the hon. Finance Minister to provide loan to the poorest of the poor liberally so that they may be able to get full benefits which the Government intend to give them. It has been seen that in majority of the cases, the officers are also involved in the bungling in the

payment of loan to these people and as a result the poor people are deprived of the benefit.

I would like to draw the attention of the hon. Finance Minister to the report of the Pay Commission also. The newspapers are publishing comments in regard to this issue these days. According to some newspapers, the report of the Pay Commission has already been submitted to the Government. May I know whether it is true? If not, when the report is likely to be submitted to the Government?

It is a matter of pleasure that the Government is exposing corrupt officers and blackmarketeers by conducting raids on their premises. I would like to congratulate the hon. Finance Minister for this action. But care should be taken to ensure that no harm is done to the innocent persons.

The Ministry of Information and Broadcasting had sent a proposal for setting up a high power T.V tower in my constituency Lakhimpur Kheri to the Ministry of Finance. I request the hon. Minister of Finance to sanction allocation keeping in view the long standing demand of the people.

I would also like to mention the alarming situation caused by the erosion due to the Sharda river in my constituency Meera. This year about 10 thousand acres of land of this area has been affected by the erosion caused by the river and residential houses of thousands of people have been destroyed due to this erosion. Every year this river causes havoc to life and property. Verbal and written requests have been made to the Government of Uttar Pradesh a number of times for solving the problems. About three months ago, many persons belonging to this area came here. Although their land had been affected due to erosion yet they waited here, but they could not meet the Prime Minister. No attention has been paid towards those people whose lands have been submerged due to the erosion caused by the river Sharda. Our Government is doing a lot for the poor. In this case also they should settle those people elsewhere whose lands have been submerged.

I have made much effort in this regard in my State and here also. I got the reply from the Government that they help only in those cases where people also take some initiative, and in other cases nothing is done. Our Government want to do a lot for the people of rural areas. But when the question is raised here, it is said that something should be done for the people of urban areas. The question is where to settle those people in villages whose lands have been affected due to erosion. There is not much land in cities to settle them there. I would, therefore, request the hon. Finance Minister that some arrangement should be made for them. When we raise the matter here, it is said that it is a State subject. But this problem cannot be solved by the State Government also. They plead that they lack resources. I would, therefore, request the hon. Finance Minister that more and more funds should be made available so as to solve this problem. Earlier also, when some people were settled there, Vermaji took them to the Prime Minister in 1977-78. After the meeting with the Prime Minister it was decided that pucca embankments would be constructed on those rivers which cause erosion. Only then the erosion can be checked. I request the hon. Minister to pay attention towards this and those embankments should be made 'pucca' ones. This work can be done only by the Centre because at the State level these types of works are being treated very casually. When asked, they plead that they are facing financial constraints. I, therefore, request the hon. Finance Minister to provide funds from the Centre for this purpose so that this problem is resolved.

Similarly, my area is facing transport problem. For this also, whenever the Transport Minister is asked to do something, he refers to financial constraints. Sometimes, it is said that it is a State subject. Population has increased much and alongwith it the problems of transport have also aggravated. Attention must be paid in this direction. Everywhere shortage of funds is referred to but special attention must be paid towards this problem. I request the hon. Minister that he must look into the transport problem of my area—be it the problem of

road transport or rail transport. More funds should be made available for this purpose and this depends on the hon. Finance Minister. Only then can this problem be solved. With this request I support the Finance Bill.

SHRI SHANTI DHARIWAL (Kota) : Mr. Chairman, Sir, while supporting the Finance Bill introduced by the hon. Finance Minister, I would like to express my views thereon.

-Mr. Chairman, Sir, Budget is a thing which should be prepared after taking all aspects into account and I think the Finance Minister has prepared this Budget with meticulous care. But in spite of it I do not know why so many changes have become necessary. Looking at these changes one feels that more efforts should have been put in preparing the Budget. Rules relating to search have been changed. After all, why this change has been needed today when many innocent and respectable persons, who had earned money with hard work and honest means had already been defamed because of the annoyance of certain corrupt officers. I would like to give example of one or two persons of my area whom I know personally and who are respectable and honest persons. Their premises were raided and a list of the things recovered there was prepared and published in the newspapers. In that list it was shown that a Rs. 1 lakh fixed deposit receipt was seized and a life insurance policy for Rs. 1 lakh was also seized. In this way the officers defamed the honest persons in the name of searches. Is it a thing which can be concealed that two scooters, one car, one refrigerator, one foreign television were seized ; but these things were publicised. My request to the hon. Minister is that these rules were amended at a time when so many raids had already been conducted and many people had been defamed. What about the persons who have been defamed.....

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH); The rules have not been changed.

SHRI SHANTI DHARIWAL : If not the rules, the methods have been changed.

SHRI VISHWANATH PRATAP SINGH : Methods too have not been changed.

SHRI SHANTI DHARIWAL : Then what changes have been made ?

SHRI VISHWANATH PRATAP SINGH : They have been issued guidelines. You are under the illusion that some changes have been effected in the rules.

SHRI SHANTI DHARIWAL : Why issuance of guidelines was necessitated ?

SHRI VISHWANATH PRATAP SINGH : Guidelines were issued because these were requested for. Rules have not been changed.

SHRI SHANTI DHARIWAL : That is what I am saying, why change in guidelines was necessitated ?

SHRI VISHWANATH PRATAP SINGH : You may issue guidelines to those who are engaged in black marketing and other illegal activities.

SHRI SHANTI DHARIWAL : That is what I am submitting. These people go uncaptured. I want to submit that a lot of tax revenue is devoluted to the State Governments. Why do you not ask the State Governments to conduct raids every month at the residence of the officers. Ask them to submit figures to you. You have with you the Anti Corruption Department and the DRI Agency. I would like to know in how many complaints of harassment and receipt of monthly gratification from petty traders have you taken action. This should also be evaluated. It is correct that the way taxes are evaded, the number of raids should be increased fourfold but these should not be indiscriminate. The innocent people.....(Interruptions).

SHRI RAM PYARE PANIKA**

[English]

MR. CHAIRMAN : I have not called you. It will not go on record. You can say that when your turn comes.

[Translation]

SHRI SHANTI DHARIWAL : My submission is that if black money is seized during the raid, that should be fully publicised and people should be informed that the premises of so and so was raided and this much black money has been found. LIC policies, fixed deposit certificate.... (Interruptions)

So far as raids on officers' houses are concerned, my submission is that State Governments should be asked to fix the minimum number of raids to be made every month so that black money is unearthed. You have announced concessions, which are welcome. The small scale industrialists were apprehensive in the beginning but subsequently, you have provided relief to them. My submission is that whatever reliefs are given to the small scale industrialists should be given in the beginning itself so that they do not get discouraged and may make progress. Otherwise they will go on thinking that axe can fall on them at anytime. You have given many reliefs to the big industrialists ; that is all right but at least there should be a guarantee that these concessions will lead to increased industrial production. If they agree to this, an assessment should be got made. If industrial production increases considerably, there cannot be any objection to giving concessions. Industries are getting more and more sick. It is also a matter of serious concern. In this direction also, you have done much and that is a welcome step but it requires further attention. To implement the schemes envisaged in the Seventh Plan, we shall be requiring Rs. 1.80.000 crores. This is also a moot point

whether we shall be able to mobilise this much amount. If we fail to do so we shall have to resort to deficit financing which can have a bad effect on the country. My submission is that capacity utilisation is not more than 65 per cent which means that we have spent thousands of crores of rupees on the 33 per cent capacity although the same is lying idle. We shall, therefore, have to ensure that we utilise the limited resources in increasing the capacity. Rs. 80,000 crores have been invested in the Public Sector. The situation has comparatively improved which is a matter of satisfaction. Even then will we be able to do what we are envisaging during the Seventh Five Year Plan. For this you should create a special cell and we should particularly pay attention to its management. I want to submit this also that good managers have been absorbed by the Private Sector. We should encourage them to join the Public Sector so that management is improved and we are able to make more profit.

The Government have introduced Self-Employment Scheme. There is criticism going on in the whole country that its procedure for selection of persons for the purpose of payment of loan is wrong. I am telling you according to my personal information that under the Self Employment Scheme, loan has been granted to the relatives—whose number quite often is as much as 10 to 25—wives of the Members of the Task Force Committee constituted for this purpose. Complaints have been made in this respect but no action has been taken on them. Similar is the case with the Set-Up Scheme. Under the schemes loans are granted to the wives and children of the employees working in the municipality—he may be a Commissioner or a Sanitary inspector—and the deserving people are deprived of this facility. Therefore, there is need to bring about some change in the procedure of selection. As regards I.R.D.P., Stress should be laid not to provide cattle under this scheme. Land can be re-claimed and as such the land should be distributed among the people. Land is an immovable asset. It can neither be transferred nor can it be disposed of. The farmer will try to eke out a living from the land.

Under the scheme of providing cattle to the needy persons, two cattle heads are provided to them. But actually what happens is that the Bank Manager, B.D.O., veterinary doctor and sometimes the representatives of the people, because he is also a member of the purchasing committee, together with the Pradhan of the village distribute the amount among themselves. They get a receipt for two cattle heads or two buffaloes but provide only one. There are a number of such cases where people indulged in this type of malpractice and within no time have become millionaires. It must be investigated how they amassed so much wealth. Instead of providing cattle, reclaimed land should be allotted to them. The farmer needs land and if and is available he will give first preference to it and not to the cattle.

I shall take only two minutes more. At the time of taking loan from the banks, documents etc have to be prepared on stamp paper which are valid for three years. After three years, these documents are required to be renewed. What is the need of such a procedure? When co-operative banks are exempted from this limitation, the same should be done in the case of banks also. The time of the banks and the loanees is wasted unnecessarily. Their money is also wasted which can be avoided. Most of the audit objections concerning banks pertain to such cases. Therefore, when cooperative banks are exempted from this limitation, the same should be done in the case of banks also.

(Interruptions)

I have a last point. You will praise it. Mr. Chairman, by this time my speech would have been finished. Why are you doing this in my case.

[English]

MR. CHAIRMAN : There are many hon. Members to speak. Please give chance to other Members also to speak. Within one minute, please conclude.

[Translation]

SHRI SHANTI DHARIWAL : I would like to make one more request to the hon. Finance Minister. This is in regard to the black money. If anyone invests his black money to purchase land and instal plant thereon in a small village, the population of which is not more than 5 lakhs, he should not be asked to reveal the source of the money. This will help in stepping up of production. This scheme should be put to trial

SHRI BAPULAL MALVIYA (Shajapur) : Sir, will the owner of black money invest the money in purchasing land ?

SHRI SHANTI DHARIWAL : As regards loan, the power of small branches should be increased in this respect. The applicant for the loan will go to the bank manager, the bank manager will go to the regional office and the regional office will approach the Central office. Therefore, the power of granting loans should be decentralised. The person who applies for loan has to run from pillar to post to get the loan. In the end, I would like to support the Finance Bill introduced by you.

SHRI MANOJ PANDEY (Bettiah) : Mr. Chairman, Sir, I rise to support the Finance Bill, 1986. At the outset, I would like to draw the attention of the hon. Finance Minister to agriculture. I would like to reiterate a demand made last year at the time of discussion on the Budget. It is in regard to tractors and agricultural implements to which we have not paid attention. In India, one can purchase a maruti car for Rs 75 thousand but a tractor costs about Rs one lakh. When we talk of entering the 21st century, we must pay attention to intensive cultivation which is necessary for the development of agriculture. The co-operation of the Government is needed for providing implements and inputs needed for intensive cultivation. I would like to request the hon. Finance Minister, through you, to bring down the prices of tractors, and other implements required for cultivation so that even an ordinary farmer is able to purchase it and use it to increase his production. Nothing has

been done in this respect and we are lagging far behind. We rarely pay attention towards this issue. Whenever the issue of agricultural sector is raised, our attention is diverted to the organised sector and the industrial sector. The hon. Minister often points out that so much amount is spent on fertilizers every year and so much is spent on edible oils. I agree to all these things but if the prices of agricultural implements are not brought down to boost agricultural production in the country, the medium and small farmers will not be able to increase the production by ploughing with oxen. This will result in the falling down of production. I would like to make a strong demand that the prices of inputs should be reduced considerably.

The second point, which is very important, is that Government had envisaged in the Seventh Five Year Plan opening of Agricultural Science Centres in 100 districts of the country. The concept of Agricultural Science Centres is very good. Through these Centres, the farmers will be given information regarding inputs, banking finance and technical know-how. Our late Prime Minister had once said that the benefit of the experiments carried out in our laboratories must reach the farmers. It is due to this concept that it was proposed to open Agricultural Science Centres. This is a very good scheme. I would like to give a new suggestion in this respect. Whereas agricultural labour accounts for one fifth of our population in the country, a large number of farmers, who were small or marginal farmers earlier, are becoming agricultural labour because they are not getting even the support price. In Bihar, eastern Uttar Pradesh, Assam and Orissa, to which you belong, this is the rabi season and the small farmers of these areas are not getting more than Rs. 110 as the price of their wheat whereas the minimum price announced by the Government is Rs. 157 to Rs. 162 per quintal. In this way if we go on spending thousands and crores of rupees in the name of subsidy and fail to provide even the minimum support price to the small farmers, the number of agricultural labour will go on swelling every year. I think if 20 years ago the ratio between farmers and

agricultural labourers in a village was 40:60, it would now be 20:80. The hon. Members sitting here may be knowing that ten years ago the agricultural labour had small land holdings, may be 5 to 10 kattas, but now he has no land. They do not get the minimum support price. Although it is the responsibility of the State Governments to ensure that the farmers get the support price, yet it is not sufficient to say this here. After all, how will they get minimum support price? What is the use of our coming here? I would, therefore, request that minimum support price must be ensured to the farmers. If you ensure the minimum support price to the farmers as also remunerative price of their produce, there will be no need to provide subsidy of Rs. 2,000 to Rs. 2,500 crores for the next five to seven years. If the farmer gets Rs. 200 per quintal as the price of paddy and Rs. 220 per quintal as the price of wheat and a little raise in the price of sugarcane or if he gets a price commensurate with the cost of cultivation, I can assure you that then we will not need subsidy on fertilizers any more.

I would like to tell the hon. Minister that the farmer has made the country self sufficient in the matter of foodgrains by increasing its production three times. The farmers of India have made a place for themselves in the world. It is a good thing. Therefore, why should we not fix such price as may be remunerative for them and commensurate with the cost of production. This will eliminate the need to provide them with subsidy.

Mr. Chairman, Sir, about Rs. 2,000 crores are spent in importing edible oils. It is a good thing that the Government have reduced the price of mustard oil as also the duty thereon. I would request the hon. Minister that maize oil should also be treated as edible oil. At present maize oil is being extracted on a very small scale and the production of maize crop is also not very high. If maize oil is treated as an edible oil, it would give boost to the cultivation of maize. In other countries, maize is cultivated on a large scale. If we pay attention to the cultivation of maize in our country, its production can increase four

times to five times in comparison to other countries. If the Government undertake the cultivation of maize on large scale in the country, we can find a substitute to the edible oils.

Thirdly, the agricultural labourers should get themselves registered in the Agricultural Science Centres. Their registration is very essential. There has been no survey in the country to date to know the exact number of agricultural labourers. Sir, it is estimated that the number of agricultural labourers in the country will be around 14 to 15 crores which is one fifth of the population of the country. If their names are registered; it will be a good thing for the country and we will be able to organise that sector. It is also requested that the agricultural labourers may be given some monthly allowance. It will be a good thing. It will help in their progress and in this way the country will also progress. Therefore, the registration of agricultural labourers in the Agricultural Science Centres is very essential.

Mr. Chairman, Sir, my fourth point relates to the sugar industries. There is shortage of industrial alcohol in our country. We have produced only 67 lakh tonne sugar this year also, whereas our consumption of sugar is 80 lakh tonnes. If 100 lakh tonnes of sugar are produced every year in our country then the position will be comfortable. My submission is that we should pay more attention to the cultivation of sugar cane and should pay remunerative prices to the sugarcane growers every year. If possible, we should fix the price of sugarcane for the next five years and should also organise the schedule of sugar mills on that basis. Our sugar problem will be solved if we do this and we will not have to import sugar. It will be a big achievement.

In the rural areas, there is acute shortage of power. This shortage can be made up through sugar mills. If we instal high pressure boiler turbines in the sugar mill areas, we can supply energy to the entire rural area around the sugar mill which is badly needed at present.

[Shri Manoj Pandey]

Bihar has the largest mineral deposits in the country but the State gets the minimum royalty which is given at very old rates. In the NDC meeting matter regarding increasing the royalty was discussed. The hon. Minister should at least fulfil that.

About mica industry I would like to say that it should be given encouragement.

[English]

SHRI BHADRESWAR TANTI (Kaliabor) : May I draw the attention of the hon. Finance Minister that by this Budget, this time he has increased the prices of all the commodities but nothing has been given to the working class and the agricultural and tea garden labourers? They have been deprived of but they have not been given anything to survive. As I had already mentioned the other day, the five words "We, the people of India," do not mean the people of affluent class or the capitalist group but it equally means to the poor people also. They have a right to exist or survive.

After attainment of independence of the country, the Government have enacted many laws so far as the working class is concerned. The Equal Remuneration Act, Maternity Benefit Act, Minimum Wages Act, Payment of Gratuity Act, Plantation Labour Act, Workmen's Compensation Act, Working Journalists Act, Contract Labour Regulation and Abolition Act, Dock Labour Act, Beedi Workers Welfare Act, 1976, Apprentices Act, 1961, Boilers Act, 1923, Pleading of Labour Act, 1933, Employment of Children Act, Factories Act, Motor Transport Workers Act, all these Acts have been enacted. We are going on enacting laws in the name of working class but the Government has very hopelessly failed to implement the laws. Why? May I know that from the Finance Minister?

In my Constituency, recently in Assam, in Bogidhola Tea Estate about five labourers died. There is starvation death of five labourers in Bogidhola tea estate which has been closed for several months. In Assam, there are about 35 tea gardens and the remaining got closed for uncertain period

and the workers are dying for want of food and shelter. May I know from the Minister of Finance that what steps have been taken for the working class? Assam is earning 66% of the foreign exchange from tea. Assam is producing oil. It is producing the maximum amount of oil in the country. But in return, Assam has not been given anything properly and it is given a step-motherly treatment. That is why Assam remains a backward State in comparison to the other States of the country.

You have increased prices of petrol and petroleum products, But you have not increased the royalty on oil. Why? In terms of the Assam Accord you are duty-bound to implement it. What about the poor Central Government and public sector employees who have been suspended or dismissed from service? They have not been absorbed or reinstated in service. One particular case I may bring to your notice. Mr. Hiranyakumar Baattacharya the then Deputy Inspector-General of Police was falsely implicated to be involved in the Assam Movement on foreign Nationals issue and was dismissed from service. His case has not been taken into consideration in spite of the great effort made by the Government of Assam. It is a case of double standard that is being applied.

While the agitation was going on, central Government employees were transferred from different parts of the country to Assam. They have been given benefits in both the places. But the same facility was not given to the employees who were transferred from Assam to other places. May I know why this double standard?

The Assam tea garden labourers are the worst paid labourers in India. There are about 1300 tea gardens and 20 lakhs tea labourers are employed in it. Why is there no separate Ministry for Tea? There is a textile Ministry and there is Petroleum Ministry, but why not a separate Ministry for Tea? Sometimes it is tagged with the commercial Ministry and some times it is with some other Ministries. In this tea industry 20 lakhs workers are employed and still there is no separate Ministry.

The tea garden labourers are not getting benefits from the various labour laws like minimum wages, equal remuneration, maternity relief and other things. Equal remuneration is guaranteed under Art. 42 of the Constitution. Still they do not get it.

What are the human conditions of the workers under Article 42 of the Constitution? The workers in Assam get Rs. 10 a day. Is it possible for a workers to live in these hard days in Rs. 10? You are a master in increasing the prices. But you should also equally be a master to see the condition of the workers. This Equal Remuneration Act was enacted in 1976 but till this day the tea garden labourers in Assam do not get equal pay. Is it not your duty to see that the laws you enact are implemented?

Then take workers' participation in management. Art. 43A of the constitution provides for it. That is a provision of the Constitution. But where is the scope of the workers to participate in the management? In a welfare State like ours, i.e. in a welfare country, like ours, you should not be the master of enacting laws alone but also you should be equally the master of implementing the said laws will help seeing the conditions of the poorest of the poor in the country to improve their living conditions.

In terms of the Assam Accord Refineries are to be set up in Assam. The policy is that where there is oil, a refinery should be set up there. But you have not taken any steps for setting up refineries in Assam which has abundance of oil. You are taking our oil to the other States and are setting up Refineries there while the people of Assam are deprived of employment and other benefits out of that situation. Further, then, the Head Offices of tea garden companies are set up in Bombay, Delhi and Calcutta and not in Assam. If the Head Offices are set up in Assam, then the people, the Government and the working class will be benefited.

Now I come to employment of child labour which practice has been going on. Children are used in the industry and

they are paid just Rs. 2 or Rs. 3 per day. The law says that employment of child labour should be stopped, but the unscrupulous have been encouraged to employ child labour at the instance of the Government.

I humbly suggest that the Government is dutybound to look into the affairs of the people as a whole and not only of a certain class of people so that the country can progress.

With these words, I oppose the Finance Bill.

SHRI CHINTAMANI PANIGHAHI (Bhubaneswar) : Mr. Chairman, Sir, I am grateful to you for giving me this opportunity to participate in this debate. I am just trying to bring to the notice of the hon. Finance Minister only one or two aspects of our economic policy which needs serious considerations. I am quite aware that our hon. Finance Minister is seized of this matter because recently when he went to attend the IMF Conference, he had voiced the feelings of the entire third world countries, how the burden of foreign debt has been increasing from year to year and how it has become an instrument in the hands of those developed countries to exploit the third world countries, the developing countries.

India's total debt servicing on government account was Rs. 857 crores in 1982-83; it went up to Rs. 926 crores in 1983-84; and it went up further to Rs. 1,025 crores in 1984-85; by the end of the current financial year, the debt service payment is projected at Rs. 2,843 crores.

The outstanding liability of external loans from Plan to Plan so far as our country is concerned is as follows: at the end of the First Plan it was only Rs. 111 07 crores; at the end of the Second Plan it went up to Rs. 1,242.19 crores; at the end of the Third Plan it came to Rs. 3,709.19 crores; at the end of the Fourth Plan it went up to Rs. 6,684.37 crores; towards the end of the Fifth Plan it increased to Rs. 11,657.38 crores; and by the end of the Sixth Plan it has gone up to

[Shri Chintamani Panigrahi]

Rs. 24,004.39 crores. You can understand how it has gone up from Rs. 111 crores to Rs. 24,004.39 crores.

Here I would just refer to the great book of Dadabhai Nauroji which shook the entire country and even the foundation of the British empire. It is called 'The Drain', the outflow from this country during foreign rule.

In those days it was only 50 million pounds. For that Dadabhai Nauroji has to write a book of about one thousand pages. Mahatma Gandhi, Dadabhai Nauroji and the entire country joined in the Swadeshi Movement which shook the foundation of the British empire because the foreign rule was based on commercial exploitation. But Gandhiji knew the Mantra, the basic thing which shook the foundation of the foreign rule.

In that glorious context of Swadeshi movement we shall have to view the growing burden of external debt since independence and not in terms of percentages. It has gone up from 9% to 15%, get us took at our debt repayment position. Why I am highlighting it is because the Hon. Finance Minister himself is aware of it and he is speaking loudly about it. I am not speaking something new, our Minister is already aware of the gravity of this problem and he is trying to voice these feelings not only in this country, but outside also before those people. Therefore, I just want to highlight how things are becoming serious. Why I am highlighting this is because one of our great assets was the increase in the crude oil production which was giving us some savings.

I am just quoting from the World Bank figures. Sometimes it is better to quote the World Bank figures because our people believe in the World Bank figures, though there are reports that sometimes we see that the independence, sovereignty and integrity or the economic independence of a country is sabotaged from within from year to year. But still we believe in this thing. Therefore, it is better to cite what they have forecast.

They have forecast that crude oil production is not expected to increase at the same rate as before in our country. Secondly, repayment of the IMF loan and external commercial borrowings will increase sharply in the coming years. Thirdly, remittances from Indian migrant workers have been adversely affected in view of the slow development in those country. Fourthly concessional external assistance has become unfavourable in recent years.

The concessional external assistance which India got, was 43% in 1980 to 1982. This concessional assistance to India has come down to 27% in 1982-84 and it is going down further. In the 7th Plan also it is less and the Finance Minister is already aware of it. Therefore let us look to the question of remittances also. I said about debt. How much we have paid? I have not added Rs. 4887 crores from the extended fund assistance facilities we have gained from the IMF. It must be included to Rs. 24,400 crores another Rs. 4887 crores. Sir, because of these reasons our trade deficit has increased from Rs. 2725 crores in 1979-80 to Rs. 5838 crores in 1980-81. In the current year it was expected that at least we shall keep it within the limits, Now the recent figures have come, the trade gap has reached Rs. 8000 crores. By all possibilities, because we are having liberalised imports—by God's grace let us hope that the trade gap does not rise further; but the way we have adopted the liberalised imports—the trade deficit may go still further which is very dangerous to our economy. The World Bank has said that our exports should increase by 9 percent every year in the 7th Plan.

What is the total debt servicing by way of interest that we have paid? Interest we have paid till 1984-85 on these foreign loans from 1951-52 to 1984-85 is Rs. 4629 crores. Towards repayments if capital we have paid Rs. 6829 crores till 1984-85. Now the royalty, dividend and all that we are paying to the multi-nationals are also out flows from our country.

Sir, that has also increased. Upto 1980-81 it came to Rs. 1816 crores to the multi-nationals. You can understand the

way we are entering into this trap. No country has ever been built on borrowings and you will be surprised to know that Soviet Union when it was first established the entire capitalist world boycotted Soviet Union. They did not want to supply anything to Soviet Union. They had only six turbines for the Kniper dam. From that scratch they have become the mightiest power in the world. It is because of their sweat and hard labour. They have given their everything to see that their country is built up. Mahatma Gandhi was wise enough. Therefore, he said let us live within our means. That great Swaraj movement gave life and inspiration to every one. It made men out of dust. It is this type of Indomitable, undying and in conquerable spirit which builds a nation. Take the case of little Vietnam. It could face the mightiest of the might. They decided to fight to the finish and, as such, they ultimately survived the onslaught of the foreign powers. Their leader said as long as one Vietnamese lives we shall have to defend our country and see that the invading forces are crushed. That is how the nation is built and not by borrowing alone. Therefore, as the hon. Minister is aware of this threat we should try to see that in the Seventh Plan why we should increase our assets and resources by giving one day's voluntary labour. In Soviet Union they contribute one day's voluntary labour. That way we can create assets worth Rs. 20,000 crores every year.

Lastly a word about the problem of Orissa. Orissa is facing a severe power crisis. The hon. Minister is aware of this problem. We have brought it to his notice many a time. Out of entire generating capacity of 870 MW we are generating only 270 MW to 300 MW today. It is only God which has saved the Orissa State. It is high time that the proposed super thermal plants at Talcher and Ib valley be taken up in the Seventh Plan. The total need of Orissa will be 1200 MW in the Seventh Plan. Today we are generating only 300 MW. The world Bank assistance for Talcher has been cleared but it is stuck up with the Environmental Department. I hope the hon. Minister will give attention to this. I am grateful to him that he has always tried to help

and come to our rescue. I hope this time also he will give the assistance. Thank you.

[Translation]

SHRI DILEEP SINGH BHURIA (Jhabua): Mr. Chairman, Sir, I rise to support the Finance Bill. I want to congratulate the Finance Minister for bringing down the burden of interest to 22 percent which was 40 percent in 1981. It is a good beginning. I would say to the hon. Minister that now there is no need to take any loan. We have abundant man power in our country, which should be properly utilised. We should develop our resources with our own financial resources. Otherwise, if we accept loans from the World Bank, we shall have to comply with their directives. The World Bank provides only 40 to 50 percent loan required for a project. The remaining amount has to be spent from our own resources. It is not a good beginning and we should do away with this method. I want to say this also that the prices of the oil have come down and the oil producing companies are giving very wrong directives. My submission is that we should follow our own policies and we need not bend before anyone.

I would like to say one thing to the Finance Minister. In his Budget speech he had announced reduction of duty on polyester fibre but the result is that it has reduced the demand for cotton produced by the farmer after putting in hard work. I would request the hon. Minister to prepare our schemes keeping in view the commodities being produced in the country. The hon. Minister should think over the matter, particularly the production of cotton. When we go to the villages we find that the farmers have grown cotton after putting in a lot of hard work but there are no takers of the produce. Our schemes should be prepared keeping in view the production of foodgrains which our farmers are producing in the country.

My other point is about the public distribution system. Large quantities of foodgrains are lifted at the district level but what happens is that every thing goes hay-wirl in the absence of the supervisory

[Shri Dilip Singh Bhuria]

staff of the Central Government. You have left everything to the State Governments. If you cannot have the distributing agency, you should at least have the supervisory agency. The intended beneficiaries for whom the schemes are prepared, do not get its advantage. We are spending crores of rupees but in spite of it people do not get wheat, sugar and rice. Therefore, you should have supervisory staff. It should be our constant endeavour that the person for whom these commodities are supplied should get them.

I come from Madhya Pradesh. Last year 23 districts of the State were affected by drought. This year 12 districts have been affected by it. The Western Madhya Pradesh is in the grip of severe drought. The rainfall there was just between 5 to 9 inches. Presently, the foodgrains are available there but there is acute scarcity of water. Even after drilling upto a depth of 500 feet, water is not available. Hand-pumps are installed but they do not draw water. The area has been experiencing drought quite frequently. You have drought relief programme but it is not bringing the desired results. You should construct more and more ponds there for irrigation. The Narmada Project of Madhya Pradesh is lying in complete for quite a long period. Mahi Project, Manu Project and Jovat Project should be taken in hand so that water may be stored. If the rain water is stored, the same can be supplied later for drinking purposes. During the rainy season, the water flows into the sea. This water should be stored so that it can be made available to the people for drinking. A Central team had gone there and had studied the situation in depth. Relief works have been started which have provided employment to about 4 to 5 lakh people. I want to say that it is beyond the capacity on the State Government. It does not have the resources to handle this job. It has already spent large sums on the victims of Bhopal gas tragedy. Recently, the Government of India had given Rs. 51 crores to Madhya Pradesh Government in the name of scarcity. Madhya Pradesh is a poor State. Two third of its population consists of the

adivasis, the harijans and the backward people.

14.00 hrs.

My request is that you should provide maximum assistance for these people and also provide them employment. Drinking water should also be arranged for them. For human beings you have to arrange foodgrains. At the same time fodder for cattle too has to be arranged.

Mr. Finance Minister, Sir, rains are due in our State. Seeds for kharif sowing should be provided to the farmers. I want that the Central Government should help Madhya Pradesh to the maximum so that people there get maximum relief.

Another point which I want to raise is that you have prepared a scheme about backward industrial district. But your financial agencies follow the same set of rules all over India because of which no industry has been set up in Jhabua district. Your financial agencies should relax the rules for backward districts so that maximum number of industries are set up in the backward districts. In our district, cotton based industries can be set up. Labour is available in abundance there. They can get employment. Industrialists do not establish industries in our State because, according to them, financial agencies do not finance them on the plea that there is ban on it. You should relax the rules so that more and more industries are set up in the backward areas. You should also arrange to impart training to the poor. Only then the local people will be able to get employment and their poverty will be alleviated.

In Ratlam there is a Sajjan Textile Mill which has been lying closed for the last two months. In that Mill around 3 thousand 5 hundred to 4 thousand persons are directly employed and 5 to 10 thousand people are indirectly dependent on it. It has been lying closed for the last two months. No one knows where its owner has gone with the money. We request the Government to take over and run the Mill. It is the question of the livelihood of so many people. Their condition is

miserable at present. I want to tell my colleague sitting here that closing down of cotton based industries started from Bombay and is now spreading to the whole of the country. In this connection a scheme should be formulated whereby the National Textile Corporation should run a cotton mill whose owner is not prepared to run it. Thousands of people in Ratlam are sitting idle. They could not celebrate even Holi festival this time. I request that the National Textile Corporation should take over the Mill. Unless you run the Mill after taking it over, they will not be benefited.

Shri Panigrahi has said one thing to which I agree. We have so much manpower, technicians and people with good ideas. The economy of the country cannot be strengthened unless we encourage indigenous production. Ours is a long history to which we have also to make our own contribution. We should formulate scheme in our country according to our needs. I would request the Foreign Minister that whatever we are importing from abroad should be manufactured within our country. We shall have to produce all the things in our own country. The Soviet Union has made progress because people there do not use foreign made articles. In our country there is a competition to use foreign made things. This trend would weaken our country economically, we ought to instil feelings of patriotism among our countrymen before talking about Mahatma Gandhi, Pt. Nehru and Dada Bhai Naoroji. They should be taught to use indigenously manufactured goods even if those be more expensive. Our country cannot be strengthened till our people are not imbued with this feeling. Whatever commodities are smuggled into our countries, namely, watches, television and radio sets, polyester fibres and fabric—they must be made very expensive in order to make our country strong. The black marketeers should be curbed. The Government have made attempts in this direction and some have been apprehended but it is essential to deal with them more severely.

Since the bell has rung, I would conclude after extending my support to the Bill.

SHRI RAM PYARE PANIKA (Robertsganj) : Mr. Chairman, Sir, I am grateful to you for giving me an opportunity to speak on the Finance Bill. Sir, I have been listening to the debate since yesterday and I have read those speeches which I couldn't hear. Sir, it seemed that not only some hon. Members from this side but also from the other side are disappointed with the Bill particularly in respect to mobilisation of resources. The draft of the Seventh Five Year Plan is very comprehensive and I do not want to go into the statistics, as then the entire time would be wasted on this alone. It is given here how it is proposed to mobilise resources to the tune of Rs. 1,80,000 crores. Sir, I would like to take you back to the year 1980-81 when the congress party returned to power after the Janata rule had ended and you might remember the bad shape in which our economy was at the time they left. Agricultural production had gone down by 17 per cent and our Annual growth rate which was normally around 10 per cent had been reduced to 1.4 per cent. This happened during the Janata rule but since 1980 the economy has continuously improved. Today, I would congratulate the hon. Finance Minister for his prudence which is evident from the way the budget has been presented. I remember the day you were reading the Budget. No. hon. Member could make adverse comment against it which the opposition Members usually make. However, it is true that Babu Jagjivan Ram reacted but it was in favour of the Budget. He said that the Budget was practical, creative and would take the country towards self reliance..... (Interruptions)

These are the people who spread rumours. I have heard Shri Dandavate and others, from which it is evident the kind of Budget that the hon. Minister has presented. The people were waiting in the House to make adverse comments against the Budget but the hon. Minister did not provide any opportunity for it. This in itself speaks of the success of the Budget. What I would like to say is that the Budget reveals in a definite manner that there has been progressive improvement in the Indian economy. If you look at the infrastructure, at the power generation or

[Shri Ram Pyare Panika]

coal and cement production or even at the transport situation or any other sector, you would find that there has been progressive advancement. Every attempt has been made to put the derailed train back on the rails, and the effort has been successful. It is true that a lot of work has still to be done in some areas, for instance the public sector, where, as an hon. Member had pointed out yesterday, Rs. 42,000 crores have been invested. It cannot be doubted that due to administrative strictness, several public sector units have yielded good results, although the margin of profit has been less. But if this pace continues and the Government pays attention then certainly the situation would improve further. I would like to present two or three suggestions in this regard.

14.10 hrs.

[SHRI SHARAD DIGHE *in the chair*]

There are many reasons underlying the losses in the public sector units. The first reason is that nepotism has greatly increased here and it must be curbed. Contracts awarded on this basis increase corruption enormously. I am certain about what I am saying because fortunately, several crores of rupees have been invested in the public sector units in my area. Several projects are operating in my constituency. There are three Super Thermal Power Stations and several coal mines in my area. All the Central Government undertakings provide contracts only to those whom they want to show favour even if other parties have offered lower rates. Before negotiations take place or before finalising the award, some percentage of the contract amount or commission is settled. It is very important to look into this matter.

Secondly, there is a lot of talk about inefficiency and indiscipline in the private sector, which also must be strictly dealt with. Again, I agree with what our colleague said just now about the labour laws. The Central Government makes laws but they are not implemented by the State Government. The need of the hour is to enact labour laws and see to it that

they are at least implemented in the public sector because there is great deal of exploitation even in this sector. The labourers are transferred or kept on muster roll, or appointed as casual workers or on contract basis, and all the laws are just ignored and proper wages are not given. At many places, minimum wages are also not paid and they face a lot of difficulties. There is need to be strict with the private sector but we shall have to pay attention to the public sector as well to boost the morale of the workers who are responsible for increasing the production. Today, more than fifty per cent of the mandays are lost not because the worker go on strike or indulge in other activities, but because the management itself does not want that the factories should function properly. Therefore, the sickness in the mills is on the increase and the owners of these mills are growing richer. I would like to tell you that it is essential to control all this. Again, inflation has been the topic of several discussions during the current session. So far as the rising prices are concerned, you at once own the entire responsibility. But it should not be so. We were looking into the records a few days back and we saw that the Supply Departments of the State Governments were allotted their quotas of sugar, wheat, rice and other essential commodities from the Centre, but they did not lift it in time. There is no shortage of kerosene. Yet it is not easily available. So, there ought to be a machinery to look into it. The Central Government should not own the entire responsibility. In West Bengal or even in some Congress ruled states, you will find that the prices of essential commodities increase considerably because they fail to lift their quotas in time. This is because the high officials are in cahoot with the capitalists, even if they are foodgrain traders. Sugar is not available to any consumer before the fifteenth day of every month. Usually the consumer gets his quota after the 25th day. Only half of the sugar is distributed and it is said that the stock has finished. It is important to streamline the distribution system. The late Shrimati Indira Gandhi had formulated a twelve-point programme in the States. One of the points was that a ration shop should be provided for every 2000

units of population. What I want to emphasize is that it has not been implemented in any of the States. The public distribution system outlets were also to be opened in the remote areas, but the State Governments today, in spite of having all the resources, are not implementing the plan. Consequently, the price rise is increasing and you are being held responsible for it. I do not agree that you are entirely responsible for this. You will see that inflation has increased only by 4.7 per cent in our country. This figure would astonish the world.

SHRI VISHWANATH PRATAP SINGH : It is 3.6 per cent.

SHRI RAM PYARE PANIKA : For this I congratulate you. What I had said was rather on the high side. The way you are managing the economy is certainly laudable. If you look into the reports of eminent economists and that of the World Bank you would find that there has been a significant progress. What is required is to remove all the constraints that impede our progress. And if there are such constraints, others are responsible for them. Today, there is a lot of talk about the Centre-State relations. Allegations are hurled at the Central Government for not allocating resources adequately. But when the question arises of the proper utilization of those allocations, no attention is paid to it. In West Bengal, at present, only 14 per cent of the allocated amount has been spent on development works. You would be surprised to know that the funds allotted for poverty alleviation programmes have been misused. Attention should be paid at the lower levels. Instead of advancing the plea that it is the responsibility of the States, a monitoring cell should be formed at the Central level because we allocate scarce resources for poverty alleviation programmes. The State Governments should utilize the funds for the purpose for which they are sanctioned. I had been noticing recently that the money allocated for rural electrification schemes is utilized for other purposes by the Electricity Boards. Yesterday, an hon. Member had pointed out that the capacity utilization of the Electricity Boards was very low. In some States it is 51 per cent, in some it is 33

per cent and in some it is 25 per cent. In West Bengal perhaps it is even less than 25 per cent. Do the Central Government have adequate powers for looking into this matter? Although the Central Electricity Authority directs the Electricity Boards of the various States to operate in a particular manner in order to increase production, yet they do not follow those directives.

14.13 hrs.

[MR. DEPUTY SPEAKER *in the chair*]

I want to say that you must exercise some control over the Power Sector or such other Sectors which influence the economy of the country. It is now time for the Government to approach the Sarkaria Commission immediately. Not only the ruling party but also the opposition wants that the Centre should grow stronger. Again, it is essential to bring changes in the Electricity Supply Act. There are several other similar Sectors like the Irrigation Sector, where many disputes are pending. These should be settled. I would also like to point out that in the Fifth Five Year Plan, six kinds of areas were identified as backward. These were the hill areas, drought prone areas, the desert areas, the cyclone and flood prone areas. For the development of these areas and to end regional imbalances, a special amount was earmarked. So far as the hill and the desert areas are concerned some work seems to have been done but in the rest of the four sectors not much has been accomplished. So you should pay more attention to these areas. Under the D.P.A.P. Scheme, considerable amount of money was allotted in the beginning for initiating programmes in the drought prone areas and projects had also begun but now they are lying incomplete. They are lying incomplete in Uttar Pradesh and other States.

I would like to submit one more point. In the Seventh Five Year Plan some projects have been proposed to be taken up but there is an Act in the country which is coming in its way. There is the Forest Conservation Act. Schemes have been cleared for constructing dams and bridges at certain places but due to the Forest

[Shri Ram Pyare Panika]

Act they are lying incomplete. If the Forest Department takes two to three years in giving clearance to those projects which have been proposed in the Seventh Plan, it will not be possible to complete the projects. Under the tribal Plan, construction of roads, dams and other development works cannot be taken up. We agree that forests are important. Why do you not provide that afforestation should be undertaken in double the area denuded due to felling of trees. Otherwise, the development works in our area will be stalled and we will not be able to achieve the targets proposed in the Seventh Five Year Plan. I shall deal with the main points only. The Planning Commission has said in its report that the poverty alleviation programme is not being implemented in a proper way. The report is true. 40 to 60 per cent of money is being misutilised. We belong to the villages and the undeveloped backward areas. In spite of the efforts of workers like us, neither the functioning of banks nor the machinery of the Blocks could be streamlined. We have failed to curb the activities of the middlemen or the machinery.

Therefore, I would request that Government will have to take some measures. The report of the Planning Commission does not speak well. You will be surprised to know that under the Poverty Alleviation Programme, if a buffalo is given to someone in the Block, the same is taken away by some influential person in the village. We have taken up the issue with the D.M. a number of times but no action has been taken. The hon. Minister may be knowing that in Chaper blocks, some twenty two persons were provided such grant....(Interruptions)

SHRI VISHWANATH PRATAP SINGH : My house and his house fall in the same region. It is a hilly region. We know.

SHRI RAM PYARE PANIKA : That is why, as far as he is concerned, I knew him even before I was elected to the Lok Sabha. When he was the Chief Minister of our State, he moved by compassion towards the poor, accompanied Vinoba

Bhave. When Shri Vishwanath Pratap Singh saw that dacoits had unleashed a reign of terror, he without caring for the safety of his family, took many strong measures. I am well aware about his sacrifice and his qualities of heart. Therefore, there is no need to say anything about him. In an A.I.C.C. meeting, in which late Shrimati Indira Gandhi was present, he stressed the need to construct schools, Panchayat-ghars, roads, dams etc. Sir, one is not called great merely due to these things. If you read the character of lord Ram, you will come to know that Lord Ram did not build anything, he just put to the sword the demons, the unsocial elements, I firmly believe that with the introduction of these schemes, you will definitely be able to eliminate these unsocial elements and teach lesson to all those elements who want to disturb the economy of the country. We have full faith in you. The raids, which have been conducted in recent days, have a salutary effect on the people. Whenever we are confronted with opponents of this scheme or some capitalist, we are told that Raja Saheb is harassing us. You have taken timely action. On our demand, a slight change has been made that raids will not be conducted in the houses. All have welcomed it but Shri Madhav Reddi had criticised it yesterday. But he does not know that the States have got 36 per cent more funds due to this, which would ensure better development. He should have praised it. He is making contradictory statements. Since you have allotted me less time, I convey my thanks to you and hope that you will not deviate from the policies being followed by you. This is the right policy. Nothing can be done for those people who have expressed disappointment. It is natural because what they say here, they say half-heartedly. These are not based on facts. I have full faith that the economy of the country will improve progressively.

[English]

SHRI V. KISHORE CHANDRA S. DEO (Parvathipuram) : Mr. Deputy Speaker, Sir, we are today discussing the Finance Bill when there are rumours that there are pressures from various institutions, from various angles, to de-

value our rupee. There are also fears about our country being led into a debt trap because of the adverse situation that we are placed in. The hon. Finance Minister has himself stated that a deficit of Rs. 14,000 crores will have to be met in the 7th Plan from the revenue from the public sector. In the situation in which we are placed, unless the resources that we have, both human as well as natural and other resources which we have in the country, are mobilised to the hilt, it is very difficult for our economy to get out of the rut in which we are at the moment placed.

Sir, I am one of those who firmly believe that productive investment will have to be made in the rural sector and in the far flung areas where we have got mineral and other resources which are yet to be tapped.

Sir, the concept of giving loans to priority sectors or giving subsidies alone is not solve the problem. First of all, there is lot of pilferage by the time the money reaches the person to whom it is meant. I do not want to go into these points in detail. However there are instances where some of these loans have been misused and lot of them have been written off by the Banks also. Sir, it is not a good thing to write off loans given to this sector perpetually. In this discussion several hon. Members have already spoken and I don't want to go into every minute detail. I wish to lay stress on only a few points which should be considered by the hon. Finance Minister.

It is the duty of the Government to fulfil its social obligations also. By freezing the direct taxes, any increase that you want in revenue, will have to be met only from the collection of indirect taxes. Once it is recovered through indirect taxes, ultimately, the incidence will fall on the common man, on the consumer. So, the administered price rise which was unfortunately brought about before the budget including the price rise in petroleum and other products had its repercussions.

SHRI VISHWANATH PRATAP SINGH : For your information, the

latest figures have come, and the personal income-tax increase is 43 per cent over last year. So, there is no decrease, there is increase.

SHRI V. KISHORE CHANDRA S. DEO : I am glad that you have got 43 per cent more from your revenue collections of indirect taxes. What I am trying to say is, by freezing the direct tax, you have closed that option and if this 43 per cent increase is enough revenue for the Government, I have no quarrel with you. But besides this 43 per cent extra revenue which you claim to have got, if you want more revenue, you will again have to resort to indirect taxation which means, again the burden will have to be passed on to the consumer.

The next thing is about the functioning of the public sector. As I have already mentioned, the hon. Minister himself has said that this deficit of Rs. 14000 crores for the Seventh Plan has to be realised from the public sector undertakings. Now we also hear that there is a proposal for the Government to give ten of these public sector undertakings to the joint sector. If the Government wants to do this, then why don't you choose ten of your public sector undertakings which are not doing well and which are in the red? What is the point in introducing the joint sector concept in public sector undertakings where you are already making profits and are doing well? I take strong exception to this, and I expect the hon. Minister for Finance during his reply to mention whether the Government is thinking on these lines, to make the position clear. I do not mind your doing this in respect of undertakings which are in the red, from where the Government is incurring losses.

Sir, I would also like to make a reference about the convertibility of debentures as far as the non-resident Indian investment is concerned. This was meant to draw in a lot of foreign exchange in the country for the purpose of investment. This convertibility and non-convertibility is normally decided on basically two things—one is the rate of interest, and the other is with the equity. If the rate of interest is more than 13 per cent, then

[Shri V. Kishore Chandra Deo]

non convertible debantures are only given. Convertible devantures are issued only when it is linked with equity or when its interest is below 13.5 per cent. You have put a ceiling of 40 per cent with respect to convertible debantures which you have rightly done. But then this rule becomes completely nullified when non-convertible debentures are allowed to be converted into convertible debantures. The principal and the interest are repatriable. But if you also convert these non-convertible debantures into convertible debantures, then the capital appreciation out of the shares also will become repatriable. So, in this process actually more foreign exchange which flows out of the country will be much more than what is coming. So, I want the hon. Minister to clarify this point. This is my understanding of the entire situation and if this is the case, ultimately we will land up in letting more money out and a sort of frittering away of foreign exchange will take place instead of getting money for investments. This decision has been taken only three or four years ago. I would like to know the views of the present Finance Minister on this.

Then I would like to put in a word about sanctioning of money for various projects in the States. When a certain project is sanctioned and found feasible, the Government should go through with it. And if you don't go through the process within the specified time limit, then it is bound to result in cost escalations which, in certain cases, have been three-fold or four-fold. For example you take the steel plant at Vishakapatnam. Its original estimate was Rs. 2800 crores. Now it has gone up to Rs. 7000 crores. Now giving Rs. 400 crores or Rs. 700 crores is not enough. At this rate, I do not know, whether these projects will come up at all. In the mean time, we keep importing steel. We keep importing sugar and so many other things. The Government is yet to take a decision on sugar policy, I am told. During the past several years, a lot of sugarcane is being produced. A lot of farmers are finding it difficult to have market for the sugarcane. Yet, the policy is not yet finalised.

Time and again, the hon. Minister has reiterated in this House that the inflation rate has been very low compared to last several years or decades. It may be low. I am not trying to challenge that point. But I would like to know from him the rate of deflation in the agricultural sector also and the rate of inflation at the retail level because this is what ultimately affects the common man. The wholesale rate only concerns with traders and marketeers. What we are concerned ultimately is the inflation rate at the retail level and also the deflation rate at the agricultural level which has affected a major part of our economy which is agrarian in nature.

These are the points on which I would like to have clarification and I would not like to take much time of this House. As I told you, I wanted to make these few points which I thought important and I thank you for giving me this opportunity.

[Translation]

DR. CHANDRA SHEKHAR TRIPATHI (Khalilabad): Mr. Deputy Speaker, Sir, I support the Finance Bill. Undoubtedly, India is a country of villages and 80 per cent of the population lives in villages whose only means of livelihood is agriculture. A lot has been done for their development. Provision has been made in the Budget for raising the standard of living of the rural poor.

From the report, it appears that the production of foodgrains this year is likely to be 3 per cent more than that of last year. Similarly, the industrial production has increased by more than 7 per cent. Efforts have been made to make the Budget a balanced one and effort has been made to raise the standard of living of the poor living in the villages.

It is conceded by all that agriculture is not able to bear the burden of the people dependent on it and it is necessary to divert its surplus load to industry. I am happy that the hon. Finance Minister has tried to create a congenial atmosphere for this by giving incentives to small scale industries and large scale industries so that the pace of industrialisation is spec-

ded up and surplus load on agriculture is shifted to industry.

It was decided since the time of Pandit Jawahar Lal Nehru, the founder of modern India, that the economy of the country should be a mixed one where equal opportunity should be provided to the public sector as well the private sector. Efforts have been made since then to expand the activities of the public sector and it is a matter of pleasure that the public sector has spread its network in the whole country.

It is argued in favour of the public sector that its profits or capital formation will not be in the hands of a few capitalists but the profit and the capital formation will be utilised for the development of the country. There is need to improve the procedure of its implementation. I would quote one example.

The Railways is one of the biggest organisations in the public sector. If a need arises to lay a railway track of 2 km. length, tenders are invited for laying railway lines and generally the multi-millionaire capitalists manage to corner the contract. The poor man cannot compete. In this way a multi-millionaire is given a chance to earn crores of rupees. Also, such inferior quality material is used that the life of the railway track is reduced. In this way public money is misutilised.

In theory, many good arguments are advanced in favour of the private sector whereas in practice we see just the opposite policy. I would request the hon. Minister to prevent concentration of wealth in the hands of one person.

The Finance Minister has allocated large funds for the development of desert areas, barren land and hill areas and he has been quite vigilant in this respect. For this we are grateful to him. But along with it, in Northern India lakhs of hectares of land remain waterlogged which is known as Kachhar. If the living standard of the people of kachhar area is studied, you will find that they are more backward than the people of hill areas and desert areas. They have neither

housing facilities nor any irrigation facilities for farming. So much so, that during floods, they have to live along with their families on roads, under trees and near embankments. With these Budget provisions and by adopting this procedure you cannot think of development of crores of the poor people living in Kachhar area. Therefore, I submit that on the line of Hill Development Board constituted for the uplift and development of the hill areas, a separate Board should be constituted for the development of the Kachhar region and funds allocated for it.

Sir, schemes like IRDP, DRDA and RLEGP started for the development of rural areas, though very useful for raising the standard of the poor, have not proved to be useful. Our Prime Minister recently visited his constituency Amethi and Sultanpur etc. He has himself seen that though on paper a pitch road has been shown to be constructed, but in reality there is no road at all. For providing drinking water, the Centre provides grants worth crores of rupees to the State Government so that the people living in the rural areas may have clean drinking water but the Prime Minister himself saw that one pump was just three feet deep in the ground. The question of drawing water from there does not arise. I, therefore, suggest that as you have provided for COFEPOSA to deal severely with the criminals, some law on the line of COFEPOSA should be enacted to punish those unscrupulous and corrupt officers who deceive and betray the country and who cause failure of the development schemes. If it is not done, then I think such laws should be excluded from the Statute Book.

For the progress of any country, heavy investment based industries are needed. During Shri Jawahar Lal Nehru's time, heavy investment based industries like steel, coal and energy projects were set up. They definitely formed the base for the progress of the country. But the production in such industries is utilised in two ways. The Finance Minister may kindly pay attention. One product is called socially irrelevant product and the other product is known as socially relevant product. For example, a steel factory

[Dr. Chandra Shekhar Tripathi]

produces steel. From that steel we can prepare almirah, refrigerator and room cooler as well as plough and other agricultural implements, tractors and rail tracks etc. What is needed in our country is that we should manufacture socially relevant products and necessary consumer goods from the products of the heavy investment based industries and not the unnecessary luxury goods. If we adopt this system, not only our country but the poor also will progress

I want to draw your attention towards the banking system also. Recently, some 7 to 8 months back the Reserve Bank had issued a circular that Rs. 25 thousand will be given to unemployed graduates for running industries. In these days of soaring prices, you cannot construct a 20 × 10 ft. room with Rs. 25 thousand; wherefrom they will run the industry? Wherefrom they will purchase raw material and how will they run the industry? The Reserve Bank has also issued a circular that of the total amount of loans sanctioned by DIC, 50 per cent should be for industry. It is not at all possible to set up an industry with Rs. 25 thousand. Therefore, this limit should be increased to Rs. 50 thousand or Rs. 60 to 70 thousand.

Recently, we have come to know that a housing scheme for middle class and lower income group has been expanded under the urban development programme for which the Finance Minister has allocated funds. But what is happening is that at the time of registration, the price of the house for the middle income group or the lower income group is shown as Rs. one lakh but due to delayed delivery of the house its price is raised to Rs. 3 lakhs with the result that his caution money is attached and he does not get the house also. Purchasing the house at such an exorbitant rate becomes out of the reach of the applicant. Therefore, it is the duty of the Government to ensure that the flat is delivered at the price at which it was registered. If the price increases due to carelessness and indifference of the corrupt and unscrupulous officers, why should the applicant be punished for that.

I have also come to know that drinking water being supplied in the capital is dirty and unhygienic. The situation in this regard should also be improved. I had many things to say but due to paucity of time, I am concluding.

SHRI GIRDHARI LAL VYAS (Bhilwara) : I support this Bill. I want to draw the attention of the hon. Finance Minister that ever since Shri Rajiv Gandhi came into power, the situation had started improving. Everyone had started praising him that he was doing good work. In foreign countries also, he was being highly commended. All the surveys made went in his favour. But Mr. Finance Minister, Sir, what controversy have you created? It is because of you that the hornet's nest has been stirred. So far this has been the convention of the Lok Sabha that the Budget proposals should be announced in the Lok Sabha but you started announcing them outside the House and you imposed such high taxes on petroleum products, fertilisers and coal that prices of all the other commodities spiralled. The opposition people had nothing to speak against Shri Rajiv Gandhi and they did not utter a single word against him for full one year? But this programme of yours stirred a hornet's nest in the country. Therefore, I would say that you have done this without going into the depth of the matter. There was no need to impose the taxes because you have yourself stated that resources for the Seventh Five Year Plan are available. There was no need to impose these taxes but because the poor are to be helped more, you wanted to mobilise more funds for higher allocations under RLEGP, NREP, IRDP. That is why you have imposed these taxes. You should also see how these programmes are being implemented. Whatever subsidy you give is misappropriated by the bank employees. On the one hand you are running these programmes to alleviate poverty and on the other hand the programmes which were running smoothly have tottered due to increase in the prices of the petroleum products on account of which the prices of other commodities have skyrocketed. It has been vehemently opposed by the common man and our opponents. What have you gained by creating such an

atmosphere ? There is a great need to improve the present situation.

I may also submit another point. When you want to impose a tax or want to increase excise duty or custom duty, why do you then later on withdraw that ? You had increased excise duty on mustard oil at the rate of Rs. 1500 per tonne but yesterday it was reduced to Rs. 750. You are aware that when you increased the duty at the rate of Rs. 1500 per tonne, the prices increased accordingly. We started receiving brickbats from the traders and the people started charging the prices at that rate. But now you have reduced it to Rs. 750. It is not going to benefit the poor. Therefore, you should impose the taxes after giving full thought to all the aspects so that the common man on whom the burden falls due to your wrong policies is saved of this burden. In this connection special attention needs to be paid.

Similarly, you give subsidy worth Rs. 1200 crores on fertilisers and Rs. 2000 crores on foodgrains but how these subsidies are being utilised ? Scandals are taking place in FCI. Bunglings worth more than Rs. two thousand crores have taken place in FCI about which I have told earlier also. Why do you not get these scandals investigated ? The Government is giving Rs. 2000 crore subsidy. This entire tax has to be paid by the public. Similarly, you give subsidy worth Rs. 1200 crores on fertilisers but you are increasing the farmers' burden day by day and touts are taking advantage of this. Therefore, try to rectify the situation so that Shri Dandavate does not get the chance to criticize the Government. There should not be any ground to speak against the Government. Therefore, the present situation needs to be improved. If you improve it, everything will be all right.

You have made provision for conducting raids. Everyone appreciated that. Prof. Dandavate also praised the step but I do not know why in the meantime you brought another law stating that without the order of the commissioner no big person's houses will be raided when you are aware that there has been bungling

worth hundreds of crores of rupees in excise duty and foreign exchange, why there is any hitch in making raids ? There should not be any discrimination between the small and the big. The general public had praised this step and it had a good impact on the economy of the country. Therefore, this practice should continue in a proper way. Do not let the big people escape this dragnet through legal technicalities and niceties. Otherwise, you will earn a bad name. The new legal provision introduced by you is not proper. You should do the work in such a proper way that the country may be benefited to the maximum.

I want to say one thing specifically in connection with the banks. The banking system is not functioning properly. There have been fraudulent deals involving crores of rupees. The big persons have misappropriated a lot of money by cheating the banks in collusion with the big officers. You yourself have issued a statement in this regard. Therefore, Mr. Deputy Speaker, Sir, the Lok Sabha should have some control over the functioning of the banks, which has not yet been done so far. And it is due to this reason that these people are able to defraud the banks. The foreigners are also involved in it and get their share of the loot. Therefore, this system should be.....

[*English*]

MR. DEPUTY SPEAKER : You are having the control. The Minister is looking to you. This means this House is having the control. How can you say that we do not have the control.

[*Translation*]

SHRI GIRDHARI LAL VYAS : Therefore, you should extend your co-operation in this matter so that the system could be set right.

The poor people are supposed to be helped through the banks. It is doubtful whether justice is being done with them and this fact has been brought to your notice many times. The Punjab National Bank has realised five times the amount

[Shri Girdhari Lal Vyas]

of the loan, when under the Civil Procedure Code, exorbitant rates of interest cannot be charged. Yet the banks are charging five times the amount of money given as loan. And if they fail to realise this sum, the debtor's land and other assets are auctioned. On the one hand there is a talk about alleviation of poverty and on the other hand there is the question of survival of the poor people. How will the system function in this manner? The hon. Minister should pay more attention to this otherwise all our programmes will become useless and this wouldn't help at all. Similarly, the programme to provide subsidy is also proving to be a failure. Everywhere the big officials are misappropriating the funds allocated for this purpose. The bank officers, animal husbandry officers and the Block Development officers pocket the amount of subsidy among themselves. In this connection, I had suggested earlier also, that instead of subsidy, interest free loans should be given so that the beneficiary gets the full amount and he has not to pay any interest. Therefore, this system should also be improved. I think that the hon. Minister is not listening carefully.

[English]

MR. DEPUTY SPEAKER : He is already taking notes.

[Translation]

SHRI GIRDHARI LAL VYAS : I would like to say something about the zinc smelter. A huge zinc deposit has been discovered in Rampura Agucha but the zinc smelter plant has been installed hundred and thirty kilometres away from it. I have spoken about this a number of times. The plans formulated by the Government officials are not of any use. It would be quite expensive to transport the raw material to the plant. Water will have to be provided to the plant by constructing a 17 kilometre long embankment and then through a pipeline. And for providing electricity, a new thermal plant will have to be installed. If all these arrangements are made at the site of the mine, itself, then it would be less expensive. But if this is not done, the

Government of India would have to incur heavy expenditure. Government should intervene and instruct the Mining Department to set up the plant at Rampura Agucha where the mines are located so that proper arrangements could be made.

Similarly, several other programmes could be undertaken, which would be beneficial and would also save foreign exchange; but you are not interested in them. Mica deposits have been discovered in Rajasthan, Bihar and Andhra Pradesh. You have sanctioned the proposals for setting up Mica Paper Plants in Bihar and Andhra Pradesh but not in Rajasthan. You can earn Rs. 1 crore as foreign exchange through its export, but the Government is being deprived of this foreign exchange. Therefore, my request is that if such a factory is set up in this backward area, the people of the area will certainly be benefited. Again, cement, rock-phosphate, pyrite and other mineral deposits have been discovered there. If industries based on these minerals are established there, it would not only benefit the concerned region and its people but also the rest of the country.

With these words I support the Finance Bill.

[English]

SHRI K. S. RAO (Machilipatnam) : Mr. Deputy Speaker, Sir, I rise to support the Finance Bill. In fact good efforts have been made all these years in taking the economy to the heights and all the more in this last budget tremendous effort has been made by the Finance Minister and the Prime Minister in bringing about the speedy change. Even the opposition agree to the over-flowing zeal and determination of the Finance Minister in bringing about a social transformation very quickly.

Sir, the role of the Government invariably is to find out the ways or policies and programmes which can motivate the vast human resources of the country to work and create wealth and all amenities that are required for themselves and for the country. Though we have enough

appreciation for the efforts that are being made, I wish the hon. Minister to find out and make enough study as to how countries like Japan, West Germany and Korea could bring so fast a change in their economy and why it is taking lot of time for us in this country.

Sir, apart from making policies and programmes if they make frequent studies in finding out the reasons of delay and plug the loopholes, I am sure, we can achieve the targets at an early date. As has been mentioned by the Prime Minister, this country can reach the heights where we can compare ourselves to the most advanced countries of the world. Everyone will agree neither excessive wealth nor perennial poverty are going to infuse any hope or desire to generate wealth. So an optimum condition either by way of levying reasonable taxes or strict enforcement in all these matters can be arrived at with adequate study in this regard by the experts as well as the peoples' representatives who are very much connected with the conditions existing in various parts of the country.

Sir, apart from the Rs. 50,000 crores that is allowed in the budget much more effect can be achieved by proper utilisation of the Rs. 80,000 crores that are lying in the banks. Though allocations are being made in various directions for the benefit of the poor people I am of the opinion proper utility is not being done at the lower level. I request the hon. Minister to think in terms of starting rural training centres for the unemployed youth and the poor in rural areas particularly in fields like cottage industries, animal husbandry, Dairy Development, fish and prown poultry, Dairy, Carpentry-modern methods of agriculture, etc. There is ample number of youth who are prepared to learn in all these areas. These people can also be connected to the financial institutions so that the real purpose of nationalisation of banks can be served.

Sir, we find all these days there is little improvement in the quality of recruitment in banks. These people should not only do accounting jobs but they must have social commitment. They must realise that their role is to bring a trans-

formation in the society and economy of the country. This requires knowledgable people with professional skills and commitment. I wish once again the hon. Minister to think in terms of preparing a new generation who are committed, ambitious and enthusiastic to bring this change if necessary by making enough sacrifices in that direction.

Even the peoples' representatives also must be answerable and involved in implementation of these programmes successfully. While providing budgetary allocations to various Ministries. I like to request the hon. Minister to rethink whether the Ministries like Coal and Mines, Energy, Railways, Water Resources, Tele-communications, Civil Aviation, Textiles, etc. require any great budgetary support or whether it can be ensured that they can generate their own internal resources so that the demand for the allocations can be reduced. In fact, all such Ministries must be in a position to generate their own funds because they are also in turn producing and selling their generated wealth and services, whatever they are, to the society, in which case much of the budgetary allocations can be made to the social services or to those areas where amenities for infrastructural facilities are needed or proper distribution system of wealth to the poor and the under-privileged can be ensured.

When we find the trade deficite going up in a big way, I fear that if this is not restricted and if it is allowed to grow indefinitely, ultimately it may lead to a type of society where this countrymen will be made bonded labour to the developed countries. Those commodities which can be produced in this country should not be allowed to be imported. Import of such commodities will always lead to unemployment in this country and at a later date as the prices are going up in other countries and the devaluation of rupee is frequently taking place, the debt trap is increasing and our people will become helpless and they may have to under-sell their products. I would therefore request the hon. Minister once again to see that remunerative price should be made available or paid to the producers and avoid imports of such commodities. In regard,

[Sari K.S.Rao]

to excessive controls on certain commodities, a relook has to be taken and identify those areas where controls are required to be removed, and a balance can be struck so that things can improve and stabilise our economic situation. No amount of increase in internal borrowings will affect our economy and production of wealth whereas external borrowings will have a damaging effect on our economic growth. I wish adequate incentives are provided in those areas which will encourage the domestic earnings and savings. The Government should think in terms of those lines to increase domestic borrowings.

As regards imports, it is visible that huge amount is being spent on import of edible oils, sugar, pulses, fertilisers etc. This can be avoided by encouraging production of these commodities in abundance in our own country. If necessary, they can import the technology, but certainly not import of commodities.

Sir, we have a ceiling on the land in the rural areas. The rural people are not in a position to educate their children with their meagre income leave alone sending their children to distant professional colleges. While supporting the ceiling on land in the rural areas, I do not understand why the Government is not thinking in terms of providing a ceiling in urban properties also. In this context, I wish they should think, without affecting the enthusiasm and incentives of various sections of the people, in terms of generating more and more wealth for the nation in two ways—one is absolute ownership and the other is trusteeship. In case an individual is found to be misusing the funds of Trust, a provision can always be made to take over the Trust, which should not kill the incentive but at the same time ensure that this is not misused.

Mr. Deputy Spcaker, Sir, while we are all for encouraging public sector, at the same time, I would like to bring to the notice of the hon. Minister that inefficient public sector units are draining away the resources of the nation thereby causing inflation and havoc to the economy. So, enough attention must be paid and imme-

diately measures should be taken to set right those inefficient public sector undertakings without further loss of time. It should be ensured that only those people who are committed, who can sacrifice for the nation, competent, knowledgeable and have professional skills, and not only the bureaucrats should head these organizations. So long as these organizations are headed by bureaucrats, they would continue to concentrate on administration without knowing the ins and outs of the technical problems of the public sector the public sector organizations are bound to run in an inefficient way. Necessary steps must, therefore, be taken in this direction without loss of time.

Above all, the human resources must be tapped in a big way ; these are available in abundance in this country. In spite of the new Education Policy, it is not being thought of in a revolutionary way. Unless this is done, no amount of efforts in various directions or breaking our heads for allocating more funds to the various Ministries would help.

Coming to Andhra Pradesh, it has got a good farming community who are very receptive to modern technology and are very progressive minded. In case the farming community of Andhra is helped by giving proper incentives, remunerative prices for their produce and support of high technology, they would be in a position to improve the national wealth along with their own wealth.

Similarly, the unemployed poor youth of Andhra, particularly in rural areas, is very very receptive and enthusiastic to learn more skills, earn more and help themselves as well as nation. I request the hon. Minister to think in this direction also.

As regards export promotion, there is extensive potential available in Andhra. Government should think in terms of permitting the State Government to take up export by creating an Export Trading Corporation. Clearances of the projects, if not financial, at least technical must be given without any delay.

[Translation]

SHRI MANVENDRA SINGH (Mathura): Mr. Deputy Speaker, Sir, I would first express my heartfelt gratitude to the hon. Finance Minister and welcome the Finance Bill wholeheartedly. Under this Bill, concessions worth Rs. 82 crores have been given in excise duty and import duty. Concessions in excise duty to the extent of 50 per cent have been granted in the case of mustard oil, rapeseed and refined oil. The concessions granted in the building of bodies of heavy vehicles like buses and trucks, bamboo furniture, lanterns and its parts, turpentine oil deserve to be commended. The concessions in duty granted in the case of special paper required for manufacturing match boxes, fishing nets, gunny bags will help the poor and is indeed laudable. The hon. Prime Minister deserves to be applauded for granting such concessions to the poor section of the society. The concessions in the excise duty on gunny bags would greatly relieve the farmers and the concession granted in the case of fishing nets would provide relief and encouragement to the small fishermen who belong to the backward section of society. The increase in the industrial licence ceiling particularly in the case of small scale units where the ceiling has been raised from Rs. 5 lakhs to Rs. 10 lakhs, would be very helpful to the small entrepreneurs, as the constraints that they used to face while setting up such units would be removed and they would be able to establish such units easily. In addition, this would provide encouragement to the unemployed graduates in setting up their small units and they could realise their ambitions quickly. The concessions granted by the hon. Minister last time, particularly in the case of skins and hides has greatly relieved the harijans and other backward classes. I would congratulate him for this.

The hon. Minister has also provided that raids would not be conducted in the houses of businessmen; only their business premises would be raided now. I would like to know whether this would not hinder the process of unearthing black money. The houses and banks

have been excluded from the raids. Some provision must be made in this respect as any impediment in unearthing black money would adversely affect the economy. Therefore, some provision has to be made in this regard.

Next, I would like to draw the hon. Minister's attention to rural development. Our country is predominantly an agricultural country. Cultivation of wheat and sugar is the main occupation of the farmers. The prices of these commodities should be fixed after proper evaluation because all the inputs needed for agricultural production, for example, manure, seeds, means of irrigation, labour charges, land revenue, tractors and other implements have become more expensive. Due to this the cost of production has increased and the farmers have to face great economic hardship. Again, due to increase in the prices of the consumer items, which the farmers have to buy from the market, the situation has become worse. I would therefore, urge that keeping in view the cost of production, the support price should be reviewed and it must be increased. Today, the farmers are overburdened with debt. If they are not given remunerative prices and the prices of all the commodities go on increasing, the farmer will be in great difficulty. Besides, priority should be accorded to irrigation schemes, tubewells and electrification. I shall stress on the need to construct village roads and hospitals. A Rural Health Service Commission should be constituted. It has been found that the doctors who are posted in rural areas, hills and in interior region do not join their duty and as a result the people of those areas are deprived of the medical facilities. Besides hospitals, the means of transport are also lacking. The condition of primary education and education in general is appalling. The condition of technical education and agriculture education is not satisfactory. I would request the hon. Minister that agricultural colleges should be opened in more and more districts. From the point of view of industries industrial units should be set up in every block so that employment is provided to the people and the development of villages takes place. The hon. Finance Minister has also made provision for drinking

[Shri Manvendra Singh]

water schemes. There are scheme like N.R.E.P. and R.L.E.G.P. functioning in villages. Besides, there is some short-coming in the Housing scheme for the Harijans which must be removed. The bank managers and the employees expect commission from those villagers who apply for loans from the banks. Strict instruction will have to be issued in this respect. I represent Mathura and as such I would like to submit two so three points in regard to that area. There is a proposal of constructing two bridges over Yamuna in Brindavan and Shergarh which is pending for a long time. The scheme for development of the Brij area is under consideration. This is a pilgrimage centre and is the Brij bhoomi of Lord Krishna. Beautification of Mathura, Govardhan, Barsana, Nandgaon and Gokul is very necessary. Development of places of tourist importance is also very essential. Provision should be made in the Budget for the development of all the pilgrimage centres in India. Similarly, provision should be made for sugar factories also. With these words, I express my thanks to the Hon. Deputy Speaker.

[English]

MR. DEPUTY SPEAKER : Two more Members are to speak after you.

[Translation]

SHRI RAJ KUMAR RAI (Ghosi) : I convey my thanks to you for giving me an opportunity to speak on the Finance Bill. Sir, almost all the sections of the House had praised the Budget with one voice earlier also. They termed it as a Budget which would ensure all round development of the country and accelerate the pace of development. Sir, I support the Budget. The hon. Finance Minister, Shri Vishwanath Pratap Singh and the Shri Janardhana Poojary, while formulating the Budget, have ensured that the poorest of the poor in the country are taken care of. In any country, if the interest of the poor is not taken care of in the Budget, it cannot be termed as a good budget. The Budget has been criticised on two to three points. The hon.

Finance Minister should not be afraid of these criticisms and slow down the process of conducting raids, because raids are conducted on big people who have vast assets and who do not want to contribute a part of their income to run the country and Government. They have vested interest in it. They have got good lawyers to defend their cases. They have their own newspapers. Therefore, they can criticise the Budget in such a way as to demoralise the hon. Finance Minister. In this way the programmes chalked out for the poor are stalled. It has been established that the Government is not going to bow before them and you are trying to take the country forward under the leadership of Shri Rajiv Gandhi. The way you are preparing the Budget and the blueprint that you are drawing for the development of the country, will help the poor of the country immensely to make progress speedily. Therefore, there is no need to get afraid of it ; on the contrary the process of conducting raids must be stepped up. If there are more raids, it would instil fear in the minds of the people. Persons like Shri Palkhiwala and Shri Bahuguna are criticizing that Raja Saheb and Poojaryji look like Saints but their hearts are black and these raids are being conducted with some ulterior motive. I had read their statements in the newspapers and journals from which it seemed that there could be no better way to discourage them. Therefore, I would like to support the Budget first.

[English]

The entire emphasis is on my command.

[Translation]

Shri Bahaguna has said that the Budget is very harmful and misleading. On the face of it, the Budget appears to be innocuous. He has said it straight away during the course of his interview Shri Bahuguna is annoyed with Raja Saheb because Shri Vishwanath Pratap Singh helped Shri Amitabh Bachchan to win the Lok Sabha seat from Allahabad. Therefore, he is opposing even his right steps.

Secondly, the people who have criticised the raids in their speech on Budget, have welcomed it also. I do not agree that those persons who welcomed it, consider the Budget a right one. People like us are neither an authority on economics nor have any knowledge about these technical matters. I am quoting Mr. Palkhiwala.....

[English]

“.....The shroud of secrecy, a feature of the past budgets, was absent this time. The promise of stability, given last year, had also in a large measure been fulfilled. The lower rates of individual and corporate tax had been continued. The much-needed reliefs to the middle class and to the poor were also welcome”.

They ought to be welcome. This is what Mr. Nani Palkhiwala says.

[Translation]

In this Budget there are two such features—Anti-Poverty Programme and National Integration—for which the former Prime Minister Shrimati Indira Gandhi lived and died and she will always be remembered for it. There are many things like N.R.E.P., Minimum Guarantee Programme, R.L.E.G.P. for which the Government have made provision of crores of rupees for the State Governments. They have allocated vast amounts for these schemes in the belief that with this amount, the State Governments will undertake programmes to improve the condition of the labourers and the poor so that they may be able to earn enough money after the day's hard labour to meet their both ends meet. It is a good thing. But it is unfortunate that the State Governments are misusing the fund. The funds which are being allocated to the State Governments under N.R.E.P., are being pocketed by the contractors and the officials. I represent east Uttar Pradesh but I know the conditions prevailing in the western Bihar also. This region is the most densely populated in the whole of India and is known for its poverty and backwardness. You can see the whole Budget and if you find a single such scheme under

N.R.E.P. in which the work has not been got done through the contractors, I shall be prepared to accept whatever condition the hon. Minister or Mr. Chairman impose on me. All the works are handed over to the contractors and whatever allocation of Rs. 4 to 5 crores is made under the programme, is being pocketed by the contractors and the rest is pocketed by the Government officials by way of commission.

Sir, if you permit me, I would like to say one or two things. These days it is imperative to pay attention to the security in banks. If any bank has not been robbed it is not because of the improvement in the law and order situation but because the dacoits have spared it. I had put a question to the Government in this House vide unstarred question no. 6376 whether it had been established from the dacoities committed in Allahabad and Kanpur that banks can function smoothly only if they have been spared by the dacoits and not due to improvement in the law and order situation. In response to my question the Government replied in negative on 11th April, 1986. When in the same question, I sought information regarding the bank dacoities in Uttar Pradesh during 1985, I was told that 8 incidents of dacoities and robbery took place in the public sector banks in Uttar Pradesh in which a sum of Rs. 26.39 lakhs was involved and 15 persons were stated to have been arrested. So far as the fraud in the banks is concerned, the Reserve Bank of India has informed that the present figures do not give state-wise information. However, as per the consolidated upto date information in regard to the 28 public sector banks, as many as 2157 cases of fraud took place during 1985 in which a total sum of Rs. 53.49 crores was stated to be involved. This makes it clear that Government is helpless against the people indulging in frauds and dacoity in the Banks. Therefore, Sir, I would like that arrangements for special security should be made in the banks so that the public money is not frittered away. In conclusion, I support the Finance Bill and state that you may also look into the matter of drinking water overhead tanks, removed during the Sixth Five Year Plan.

SHRIMATI USHA CHOUDHARI (Amravati): Mr. Deputy Speaker, Sir, the Finance Bill presented in the House resolves many problems. I support the Bill and want to say a few words on this. We are aware that it is necessary that the Government should have economic success but what is more important than that is that the economic policies we are going to frame are not harmful for the society. Therefore, I do not have the courage to support the increase in the taxes on the lotteries, gambling and the races. I want to ask the hon. Finance Minister that he must reveal in his reply the money which the Government earns from activities like lottery sale. Irrespective of the income from the lotteries, it is a harmful tendency. There are certain things like these which are covered under our economic policy. We want to know from him about these things. May be that we are getting excise duty from liquor and earning profit from lottery sale but people at large and the women folk in particular will say that they are ready to accept one point less in the 20 Point Programme or a little lesser economic help but they are not ready to accept a thing which extinguishes hope and peace in life. This is the view of the people at large and women in particular. I, therefore, want to know how many poor people have benefited from it. Rather I would say that people with black money buy the tickets from the winners of lottery and convert their black money into white money. Therefore, we do want that we may mobilise resources but it must be done in a manner that it does not adversely affect the poor and brings money from the rich.

While supporting the Bill, I want to give certain suggestions. Whereas we want to bring the people living below the poverty line above this line, we observe that the rich are also becoming richer. Their hopes and aspirations are increasing. It is necessary to check that. We should bring the poor above the poverty line but at the same time we have also to see that upto what limit the rich should be allowed to rise. Put some restriction on this also.

My second suggestion is that just now an hon. Member stated that a new and

good housing scheme for the urban areas is being considered. It is a good thing, the Government should consider this but at the same time I would request that the Government should think of the rural areas too. In the cities, you provide flats with many rooms but the Government should think of providing clean, small flats in the villages also. The Government should formulate a scheme to provide small houses to the poor, common man, farmers and employees in the villages. For this, if necessary, the Central Government should take loan from LIC. The Central Government should at all costs prepare a scheme of this type and help the people by providing houses to them.

My third suggestion is that the poor villagers living in the rural areas do not have hospitals and schools for their children. State Governments have no funds to provide these facilities. For this also the Central Government should provide funds even if it has to borrow from the LIC so that the people in rural areas are able to get these facilities.

Mr. Deputy Speaker, Sir, a lot of discussion has taken place here about the farmers. Not saying much about the farmers I would say only this that the Government has recently enforced crop insurance scheme for fruits and foodgrain crops. We want that this scheme should be applicable to all the crops of foodgrains and fruits throughout India so that the farmers are able to get some relief.

Mr. Deputy Speaker, Sir, I suggest that a group insurance scheme should be implemented for the landless labourers.

I want to ask the hon. Minister that when the poor approach the banks for loans under the National Rural Development Programme under the 20 Point Programme, the banks refuse to advance them loans. But during the last two years there has been bungling of crores of rupees in the banks. Whether the Government will get this matter investigated which is nothing but fraud and give deterrent punishment and streamline the working of the bank? On the one hand the money is mis-appropriated and on the

other had the banks refuse to give relief to the poor. The Government should take some concrete steps in this direction.

Supporting in particular the long term fiscal policy of the Government, I want that when we are entering the 21st century for removing the economic disparities, our Government's economic policies should be reflected in the working of the banks. With these words I conclude.

15.31 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

[English]

Eighteenth Report

SHRI R.P. SUMAN (Akbarpur) : I beg to move :

“That this House do agree with the Eighteenth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 24th April, 1986.”

MR. DEPUTY-SPEAKER : The question is :

“That this House do agree with the Eighteenth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 24th April, 1986.”

The motion was adopted.

15.32 hrs.

RESOLUTION RE : ELECTORAL REFORMS—*Contd.*

[English]

MR. DEPUTY-SPEAKER : On the last occasion the House was adjourned for want of quorum when the resolution moved by Shri D.N. Reddy was being discussed. I would like to inform the

House that already 8 hours and 11 minutes have been taken on this.

THE MINISTER OF PARLIAMEN-TARY AFFAIRS AND TOURISM (SHRI H.K.L. BHAGAT) : I propose that the time may be extended by 1.1/2 hours.

MR. DEPUTY-SPEAKER : Is it the pleasure of the House to extend the time on the resolution moved by Shri D.N. Reddy on 28th February, 1986, by 1.1/2 hours ?

SOME HON. MEMBERS : Yes.

SHRI S. JAIPAL REDDY (Mehboob-nagar) : I do not really remember what I spoke the other day. I better begin all over again.

As I mentioned the other day, there is a need to lift the level of debate on electoral reforms above the lines of party divisions. It is very gratifying to note that India has retained its democratic system though it has been only at a developing stage. In spite of interminable series of serious structural failure on the economic front, our democracy has not only survived but taken strong roots in our soil.

15.35 hrs.

[SHRI VAKKOM PURUSHOTHA-MAN *in the Chair*]

But we will have to take note of the fact that even this singular achievement of India polity is being threatened by increasing vitiation of electoral process. The menace of total perversion of electoral machinery is really looming large on our democratic horizon. Electoral reforms are no longer an academic issue to be debated ad nauseam in symposia and seminars but, in fact, a burning problem crying for instant action. The Election Commission, in its Report this year, talked of the threat posed by three kinds of power, namely, the money power, the muscle power and the media power. I may also add two more kinds of power to this list, namely, the magisterial power and the machinery power. It is, in fact, to put in nutshell 'M' to the