

Under these circumstances, I would request the Government to clear the project immediately in the State Sector with appropriate clearance of financial arrangements required in order to reduce demand-availability gap of 457 MW and 866 MW by the end of the 7th and 8th Plan respectively to avoid further time and cost over-runs.

12.29 hrs.

SUPPLEMENTARY DEMANDS FOR GRANTS (GENERAL) 1987-88 - Contd.

[English]

MR. DEPUTY-SPEAKER: The House will now take up further discussion and voting on the Supplementary Demands for Grants in respect of Budget (General) for 1987-88 and also further discussion on cut motions moved on 2nd December, 1987.

Now I request Shri Bhattam Srirama Murty to continue. Mr. Srirama Murty, you have already taken 14 minutes. Therefore, try to be brief.

SHRI BHATTAM SRIRAMA MURTY (Visakhapatnam): Sir, I have yesterday exhorted the Government to be more vigilant and alert and reminded them of the warning given by the Reserve Bank of India about the fast closing debt trap with grave consequences on the economic growth of this country. External indebtedness in fact rose by Rs. 18,500 crores between 1981 and 1987. The increase in six years has nearly equalled the borrowing for previous 30 years.

Now, about the internal debt, there is a large scale borrowing, as much as Rs. 8,570 crores in 1986-87 itself. The public sector undertakings, the financial institutions, even

the private sector units have all resorted to public borrowing. The quantified aid in the pipeline is about Rs. 23,000 crores. Thus the warning of the Reserve Bank of India about the debt trap is of special significance.

Sir, diminishing foreign exchange reserves, increasing debt servicing obligations, annual trade gap are the real danger signals. Deficit financing is swelling into high peak and is giving a more awful picture. About the 7th Plan, I made a mention earlier. But I would again reiterate that the 7th Plan is almost collapsed. Its targets, its resources and resource calculations have all fallen by way side. The Plan outlay for each State and Union Ministries will be frozen in 1988-89 at the current year's level. There will be no growth of income, national income this year. In fact, there will be a decline.

Let me first refer to the Central expenditure. The expenditure stood at Rs. 530 crores in the year 1950-51 and has moved up to Rs. 57867 crores in 1986-87, i.e. an increase of about 21% of GNP. May I point out in this connection that the Government is also taking recourse at certain measures for tightening the belt, by introducing some economy measures. I also had one such experience. When I wanted the front doors of my house which are only of glass to be replaced with wooden doors, from the point of view of security and other things, the Urban Development Ministry has said, in view of the economy measures due to the drought situation, nothing can be done and they would not be able to undertake any improvements, whatsoever, it is very good. But at the same time, may I point out here one thing, When the Prime Minister undertook a foreign journey. His recent foreign journey has cost over Rs.5/-crores. He travelled in one of the world largest jets 747. It was grounded one month in advance for being redone.

Shri MURLI DEORA (Bombay South): It is a wrong story.

SHRI BHATTAM SRIRAMA MURTY:
Right or wrong, it is for them to rebut: It is not for you to rebut.

"Even the President Ronald Reagan does not fly in 747 And the Sultan of Brunei uses a small plane. "

What more can I say? It is not only that. There is again another report, PM's 2-hour Orissa trip to /cost Rs.2 crores. That was in connection with the National Children Film Festival held in Orissa. I may make one more reference in identally. The advertisement costs increased from 1984 to 1987 from Rs.400 crores Rs. 600 crores. This is how the non-plan expenditure is increasing on the one hand. On the other hand, as far as MPs are concerned, even for replacement of doors, it is not possible because of paucity of funds and the drought situation and conditions of economy, which they have imposed.

I may also incidentally refer in this context to the requirements of one of the ex-Presidents of India, Mr. Sanjiva Reddy. It also went on record. Now, not even a Private Secretary has been given to him. He wanted to stay in bungalow. But that was also not given. Therefore, this is the type of austerity measures which the Government is undertaking. While such non-Plan expenditure is ever increasing, the Government is very miserly and meagrely as far as the ex-President, Shri Sanjiva Reddy is concerned.

Now, the Government is following anti-development fiscal policies. That is what I want to point out. The surplus in the Capital account has been increasingly used to finance growing revenue deficit. Asset building resources are used to finance non-Plan expenditure. For instance, in the year 1985-86, the revenue account is minus 5565 crores. Capital account is Rs. 628 crores. The total deficit is Rs.4937 crores. In the

year 1986-87, the revenue account is minus Rs.7233 crores. In the capital account, it is again minus year, -1052 with total 8428, as deficit.

In the year, 1987-88, revenue account is -6742 with capital account 1,054.

Therefore, annual deficit during the last three years has outstripped the total volume of deficits envisaged during the Seventh Plan period which is said to be of the order of Rs.14,000 crores and now we have overreached this Rs.18,000 crores.

Deficit financing is not the method to stem the tide of the present economic crisis. Resorting to heavy and huge internal and external borrowings, I do not commend even that aspect. You cannot indiscriminately impose additional imposts with a view to mobilise funds.

The best course which I can suggest is to prevent the flight of capital to other countries. That is siphoning off our own funds. That is what is happening. You have to take this aspect into account.

Some time back the Prime Minister said "Give evidence. I shall hold an inquiry." Recently, the hon. Minister Shri. B.K. Gadhvi has said that no inquiry into bank accounts had been ordered since we do not have authentic information about the same. There is no authentic information. Therefore, we would not be able to make an inquiry." This is what the hon. Minister said. The IMF stated that nearly rs. 3,000 crores of our country's foreign exchange is salted away in Swiss bank accounts. This amount is growing annually by 15% when the growth-rate of per capita income is only 2.5%. Why does the hon. Minister say that the question of freezing of any bank account in foreign banks does not arise when the IMF has very clearly stated that an amount to the tune of Rs. 1,000 crores is already in foreign

banks ? All numbers and figures are always being frozen. IMF says that over Rs.1,800 crores per annum are slashed away illegally in Swiss accounts by Indian residents. This is a report.

As far as US Government is concerned, they have already published two studies on the size of amount of Indian funds which have gone into other countries. Similarly, Government of India has not taken any steps.

Now, I come to another point namely, the black money. The amount involved in the sales and also purchase every year is about Rs.one lakh crores by most of the public sector enterprises. For instance, ONGC sells crude oil outside the country. Who decides the price of the crude sold by ONGC excepting the officials in the Ministry concerned? Similarly, in regard to fertilisers the contracts are handed over to Swan Pragati. The decision is taken not by Tatas and Birlas but by the bureaucrats in Delhi and perhaps at the instance of the other top people at the helm of affairs. If you add up all such contracts, you have a tidy sum of about one lakh crores of rupees a year in sales and purchase/and even if 1% pay off is there, it comes to about Rs.1,000 crores year i.e. about Rs.3 crores a day.

Similarly, imports amount to about Rs.20,000 crores a year. 10% pay off comes to about Rs.2,000 crores.

The World Bank commented on the high prices at which we are buying power and fertiliser equipment in overseas market. It is estimated that prices at which we buy are between 20-30% higher than the ruling prices in European markets.

IMF has, therefore, said that even if 5 per cent of India's money involved in India's foreign trade - i.e. Rs. 30000 crores was siphoned off, in 15 years, it comes to Rs.

15000 crores. This is how our money is going to other countries. Therefore, something is required to be done so far as this aspect is concerned. So, with these words, I once again request that the Government should take necessary suitable steps to immediately freeze any Bank account abroad. I mean the question of Indian Government's proposal to Swiss Bank authorities to free any Bank Account did not arise, that position the Government will have to give up and suitable enquiry into the Swiss Bank Accounts in general has to be ordered so that the funds may not reach the other countries.

SHRI MURLI DEORA (Bombay South): Mr. Deputy-Speaker, Sir, I rise to support the Supplementary Demands for Grants presented by the hon. Finance Minister. Before I make my observations, I would like to draw my hon. friend's attention here. He said about the Prime Minister's visit to Vancouver and that also in a smaller plane. From India to Vancouver, it is almost 35 hours flying time. He must know that only he can travel, by 747s and not even by 707, 737s or smaller planes which are used in Andhra Pradesh or in Bombay. So, it is not fair to criticise the Government and the Prime Minister's trips just because some Newspaper has written something. There should be authentic reports and then only it is worth mentioning... (*Interruptions*) What we have read in the papers does not mean that it is all true. What we have read in the Paper about you and your Chief Minister may not be true also. Just because is written about the Prime Minister in the Papers, you cannot say that they are all true.

SHRI BHATTAM SRIRAMA MURTY: You speak about your Prime Minister first.

SHRI MURLI DEORA: We are talking about the Prime Minister only. Of course, you cannot speak about the Prime Minister. You will never be able to speak about the

[Sh. Murlī Deora]

Prime Minister, Don't worry.

Sir, I would like to draw the attention of the hon. Minister to the Prime Minister's speech when he presented the Budget. It is contained in Page 12, Para 51 and I quote:

"The deficit is high and I do not like it. I have decided that the deficit in the Budget Estimate for 1987-88 shall not be exceeded...."

This is the commitment of the Government when the Budget was presented and I would like to request the hon. Minister that when the Budget was presented, the House and the people of India thought that there will not be any Supplementary Demands; if there is a Supplementary demand, then it will be with the Matching revenue side also. The deficit announced in the Budget was Rs. 5688 crores. In the first Supplementary Demand, which Mr. Gadhvi himself presented, it was Rs. 687 crores and the second one which is there today before this House, it is Rs. 1780 crores. This means, the total deficit may go up - I say 'may' because I know of some of your revenue measures also - to Rs. 8155 crores. This will be one of the highest deficits faced by the Government of India or the country after the Independence of our country. I would like to draw the attention of the hon. Minister to three basic factors, which are causing this high deficit in our Budget and these three are: (i) the interest charges; (ii) the Defence spending and (iii) the subsidy.

First, I would just like to draw the attention of the hon. Minister about subsidy. In this second Supplementary Demand for Grants itself, there is a provision of Rs. 156 crores for the fertilizers and Rs. 300 crores another subsidy, non-Plan subsidy to fertilizers over and above the original subsidy, Mr. Gadhvi, of Rs. 1910 crores. I wonder. I would like the

hon. Minister to reply to this point when he replies to the debate in this House, whether it is correct that the large amount of fertilizers of different kinds imported by different Ministries due to lack of coordination amongst these Ministries was the reason. A huge amount of fertilizers was imported. There was a serious glut in our Fertilizer Plants because of this. The indigenous Fertilizer Plants could not sell their products. And that is why you are giving this Rs. 156 crores. You are giving to the indigenous plants a sum of Rs. 300 crores extra subsidy over and above Rs. 1910 crores earmarked in the Budget. So, I would like the hon. Minister to correct it in case I am right on this.

The second most important point after the subsidy where the deficit of the Government of India is going up is the interest charges. There are people who are forecasting that the time may come when we will fall into the debt trap. Today the amount of Rs. 10,650 crores is only the interest charges that the Government of India is paying while the net tax revenue of the Union Government is Rs. 27,711 crores. This means that nearly one-third of the net revenue of the Union Government is going as interest charges. There have been some reports that our rates of interest are very high; I have seen some advertisements in the foreign magazines given by the foreign banks, the Grindlays Bank and the City Bank, that India has the highest interest rate. When the interest rates are so high, it becomes very uneconomical for industries to thrive. I agree that the interest rates should be high enough to encourage savings, but they should not be so high as to discourage investment and entrepreneurship. Today the people are feeling as to what is the use of putting the money in an industry; they think that it is better to put the money in banks and get more interest tax-free. Although the Government has corrected it to some extent, Government has reduced one per cent in the last Budget which has helped, still there is a

further scope for reducing more the interest charges.

We are tapping the NRI's foreign money. Nearly Rs. 7,000 crores are deposited with the Government of India under the two schemes, FCNR and NREER - non-resident foreign accounts. But the rate of interest paid to these NRIs is nearly 3 to 3 1/2 per cent higher. I do not know what is the need to pay such a high rate of interest. There are cases which are reported all over the world that some NRIs borrow money at a lower rate of interest, say, 6 or 6 1/2 per cent, and then they deposit this money in the Indian government company at 7 or 7 1/2 per cent. 55 per cent of this money is NREER where you cannot convert it back into dollar or pound. 45 per cent is in the Foreign Currency Non-resident Account. I would request Shri Gadhvi to look into this fact. When we are paying them 10 1/2 or 11 per cent, we are not paying interest only; we are paying the effective devaluation of the Indian currency. At the time of borrowing a dollar was Rs. 12 and at the time of paying back a dollar is Rs. 13 1/2, which means we have paid Rs. 1 1/2 more per dollar; that means, nearly 11 to 12 per cent extra over and above the interest. So, something should be done in this regard. What I would advocate is that, instead of asking these NRIs who have so much money to deposit their money in the banks here which has been done to the extent of Rs. 7,200 crores, it is better to utilise that money for productive investment. Now you have a ceiling; with any public limited company the NRI can hold upto five per cent. Why don't you increase that ceiling? Government should increase that ceiling from five per cent to ten per cent or 15 per cent, which will give a chance to the NRIs to effectively invest in the development of our country.

Due to the severe drought, this year, the foodgrain production of our country has fallen by 10 to 15 million tonnes, and it is

expected that this year the estimated production will be 135 to 140 million tonnes. But fortunately the industrial production is not so bad; this year it has been forecast that the industrial production will reach 7 or 7.2 per cent against last year's 8.7 or 8.8 per cent. I would like the hon. Minister to make some suggestion as far as growth or acceleration in the industrial production is concerned. What is really needed is this. If Government supports the capital market, if Government supports formation of capital in our country, it will automatically give a boost to investment, it will automatically give a boost to more industries coming up which will generate more jobs, which will give more employment opportunities as well as more revenue to the Government. So far as capital market is concerned, in 1986-87 approval by the Controller of Capital Issues was given to the tune of Rs. 5,800 crores, but this year not even Rs. 3600 crores have been given upto now. There is a general slackness. I am not talking of stock markets or share bazars going down or going up. I am not bothered about that.

PROF. MADHU DANDAVATE (Rajapur): You are bothered.

SHRI MURLI DEORA: You may be a share-holder. But I can tell you that you may not be knowing. There is nothing wrong to be a share-holder of any company. What I am trying to say is that recently the confidence of the investors is shaken. Fortunately, the Government have recently constituted the National Security Board. You have constituted a Dave Committee and another Abid Hussain Committee has been constituted. What really needed to give boost to the capital market which will give more production and more employment is the two things. I would like the Hon. Minister to reply to these points when he gives reply to the debate. The first point is there was something called Investment Allowance. Now, when a company puts an industry, when they put equip-

[Sh. Murlideora]

ment, they get investment allowance of 15% or 20% on the total equipment for three years, four years or five years. He is allowed to off-set the losses or the profit. That way, he does not have to pay the income tax. This helps our country in industrial development. Unfortunately, this Investment Allowance is withdrawn and substituted by some other scheme which is not really working in an effective manner. By this scheme, you can deposit money in IDBI etc., without interest. This is only applicable to high profit company and not to new companies. This is discouraged. I would request the Hon. Minister to think about re-introducing Investment Allowance which has worked very well for several years in our country.

The second point is that if you want to give a boost to the capital market and the investment climate, there should not be dual tax. At present, a share-holder or a debenture-holder has to pay a tax as well as the company has to pay the tax. There are large amounts of people in rural and semi-urban areas who want to invest in productive thing rather than on land, gold and other things. In order to encourage or in order to mop up their savings, the Government should remove tax on dividends. Let there be equivalent tax; let it be collected from the company at the time of the dividends rather than at the time of the dividends as well as at the time of receipts. I am not talking of reducing the tax on that. But let the same amount of tax be there and the same amount of tax be collected. What I am trying to say is that if this is simplified, these people in the villages will be helped. They do not want to fall in the tax net; they do not want to go to the income-tax office in the area and fill their 'Bahi-Khata' everyday. *(Interruptions)* I am talking about tax on the dividends which they invest. That is why, they are not investing in the company debentures and shares. Just to give you one example, what happened to cement?

(Interruptions)

SHRI C. MADHAV REDDI (Adilabad): But what happens if there are no dividends declared in a particular year? The company has to pay taxes because the company has earned profits. Now once the tax is to be paid on profits, you are telling that tax should not be paid on dividends. What happens if the company does not pay?

SHRI MURLI DEORA: Just now, the company pays tax on dividends as well as the man who receives the dividends. What I am suggesting is that if the tax is due, if the profit is made, income-tax cannot be met unless and until you get profit, it should be charged at the level of the company. I will give you a note on this. I have submitted a note to the Minister. It will explain how it encourages thousands of people in the rural areas and semi-urban areas to invest their savings for productive purposes. It should help investment, it will help the production, it will encourage new industries. Otherwise, they will be investing in gold, land and all these speculative items.

SHRI C. MADHAV REDDI: What we want is dividends should not be added to other incomes and taxed.

SHRI MURLI DEORA: Correct. How a liberal licensing policy, with a proper tax incentive, helps. Mr. Madhu Dandavate will remember what was happening to cement in India during 1975, 1973 and 1979? How much shortage of cement was there. The market price of the cement was Rs. 60 to Rs. 70 against the official price of Rs. 16, Rs. 17 or Rs. 19. Thirty to forty rupees black market was there. Thanks to the liberal policy of the Government, thanks to the liberal industrial policy as well as proper fiscal incentives, we are producing from 30 million tonnes to 40 to 43 million tonnes. There is no shortage because some manufacturers are allowed to charge Rs. 60 to 65, whatever is

the price. Otherwise, middleman or other people are making money out of it. This has given you the revenue.

In 1981, the Government was collecting Excise of Rs. 137 crores. Today they are collecting Rs. 820 crores - 600 times more Excise Tax you are recovering. The Government should further follow liberal licencing policy. People should be allowed to manufacture a product; rather than calling them FERA, non-FERA, ex-FERA, etc. as my communist friends talk. But when a FERA or a multi-national goes to West Bengal, Mr. Jyoti Basu welcome it rightly. I support that. Here they are talking about ideals and principles. But when it is difficult, they are not following them in West Bengal itself.

A cement plant of one million tonnes costs Rs. 630 crores. Who will come to a cement plant? Only big companies come. If you say that big companies are not going to get exemption, than there won't be cement, again there will be black-market and again there will be imports. The same situation will come. So, I am requesting that the Government must encourage such fiscal incentives, so that like cement, other shortages also can go away.

We are talking about drought. For the last four-five days the House has discussed about the remedies which are needed for tackling drought. I would give one simple solution to the Hon. Minister. Upto the last year there was a provision that under the scheme of rural development, all the industries - all the public and private limited companies - can do rural development work.

PROF. MADHU DANDAVATE Please speak upto the lunch hour. I want to speak afterwards.

SHRI MURLI DEORA OK. If you want, I can speak upto dinner also! (*Interruptions*) Please listen to me Prof. Dandavate, I have

been listening to you for the last 2 1/2 years.

PROF. MADHU DANDAVATE: I have been listening you for the last 30 years!

SHRI MURLI DEORA: That is why you are looking so young and fresh no wonder!

There is a section 80-J which was allowing these companies to off-set these investment. The otherday I was reading a Report on the drought situation. 30% of our tubewells are not working. What is needed is that we should reintroduce under 80-J the rural development work only for one single purpose of taking out underground water in designated areas. In Gujarat, Rajasthan or Andhra - wherever there is drought - these private limited companies and public limited companies have put their plans before the Government. They are ready to undertake the tubewell drilling programme. After being certified by the State Government and collectors, after giving the specific areas, this will give a massive boost to the exploration of underground water.

I was told earlier that when this scheme was in vogue there were some people who took advantage of this and they off-set their other expenses. For two years or three years only for the period of drought - if this 80-J exemption is reintroduced, it will help a lot.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT): I would request that we forego the lunch hour so that we can continue with the debate.

(*Interruptions*)

MR. DEPUTY-SPEAKER: There are many Members; let them speak. Those who want to take food, they can go and come back. I hope the House will accept.

SHRI HAROOBHAI MEHTA (Ahmedabad): I rise to welcome the Motion Placed

[Sh. Harroobhai Mehta]
by the Finance Minister.

Specially several features of the supplementary Demands are worth welcoming. Additional expenditure on the rural employment guarantee programme and additional expenditure on the group insurance for agricultural labourers show the direction of the Government. The Government wants to utilise the resources for the betterment of the conditions of the poor particularly in the rural areas. Therefore, I welcome this.

13.00 hrs.

Sir, there is an item under the head of indirect taxation which pertains to requirement to satisfy certain court decrees. I have been crying horse for several years and even before I entered Parliament that something must be done in order to prevent the courts from decreeing indirect taxation amount collected by manufacturers and traders from consumers. What happens is that a dealer charging say sales tax from the consumer does not pay to the Government saying that it is illegal sales-tax and retains the amount with himself. Similarly, manufacturers collect excise duty and customs duty from the consumer and pay it to the Government and then ask for refund from the Government. The court decrees that amount in favour of the manufacturer whereas the amount must have collected from the consumer. It does not come from the pocket of the manufacturer but after the court decrees the amount it goes back to the manufacturer and not to the real consumer who has paid the amount. Gujarat High Court has taken the view that in such matters the amounts should not be refunded to the manufacturer or tax-payers because the real person who has paid the tax is the consumer and not the manufacturer. So why should there be decrees in favour of the manufacturers in the matter of indirect taxation? But our voice remains a voice in the wilderness. It

seems the bureaucracy or somebody else has not applied his mind to this problem, namely, refusal of refund in favour of the manufacturer when the amount happens to be an indirect tax amount already collected from the consumers. I request the Finance Minister to go into this question so that Government is not faced with decrees in the matter of indirect taxes. We are aware that the question of satisfaction of decrees falls within the purview of items charged on the Consolidated Fund of India and, as such, Parliament does not have voting right on it but by way of observation I am drawing the attention of the Government to this.

Another point is that something should be done to curb the imports. Lot of amount seems to have been spent by the Government on import of non-essential items. When we are having tight foreign exchange position can we not have a tight belt as far as imports are concerned so that non-essentials are not imported. Sometimes in the name of sports a lot of foreign exchange is spent. I am told in arranging Reliance Cup 11 lakh pounds worth of foreign exchange was sanctioned by the Government. Similarly some foreign exchange has been sanctioned for India-West Indies test series. When we are facing drought and stringent financial conditions in the name of sport let us not waste our foreign exchange. Why should foreign exchange be wasted on staging matches like Reliance Cup or 'X' or 'Y' match? After all we are a poor country. We can certainly refuse to spend foreign exchange in the name of sports.

Sir, coming to my constituency textile industry is facing grave crises. Today in Gujarat 28 textile mills are closed - the latest being Ajit Mills. There are several reasons which are held out for closure. Some people say the new textile policy should be reviewed in order to ensure that the textile industry does not face the crisis. Reserve Bank of India analysis says that 52 per cent of the

closures are due to mismanagement by the mill-owners. Even the experience of the workers is like this. Similarly a court of inquiry appointed in Ahmedabad has found that mismanagement by textile magnates is the main contributory factor to the closure of mills. Some people say that central excise on certain types of yarn or fabric is a contributory factor. Recently some modification in the excise structure has caused hurt to the textile industry. I want to point out that due to the said modification cheaper cloth worn by the common man has to bear more excise duty as compared to the affluent more sophisticated varieties of cloth worn by whatever be the cause, the matter has to be set right. I am representing that constituency dominated by workers. I am no scholar in economics. Workers are not concerned with undertaking an exercise in order to find out the causes. The industry has to be saved and workers restored to their employment. They are concerned with the problem of their employment.

In Ahmedabad, the problem is more acute scarcity conditions in the rural areas. About 50,000 workers are unemployed today. A time will come when people will flock into the secretariat to demand unemployment allowance in case the Government is not able to manage the problem of unemployment. It is the responsibility of the Government. Are we not responsible to the people to ensure them right to work? Undoubtedly the right to work occurs in the chapter on Directive Principles. That does not diminish its importance. It is a constitutional obligation of the Government to ensure that right of employment materialise in favour of the people. I, therefore, specifically draw the attention of the Government to apply its mind to the question of textile industry and to ensure that textile industry is restored to its original health so that the employment and production problems should not become more acute.

One more thing I wanted to say. When same financial demand is made from the Government, it is denied in the name of drought. One wonders how despite drought, judges can be given higher house rent allowance. Much of the revenue of the Central and State Governments is bogged down in courts on account of the orders issued by the judges. A time has come to inform the House that smugglers and anti-social economic offenders have started looking at the courts as their paradise. The result is that any socio-economic measure is immediately challenged by them. Even if a raid takes place, they immediately go to the court and take a stay from there. A time has come for the Government to appoint some commission or to have a general review for finding out what is the role of judiciary in hampering the development process and the progress of socio-economic legislation in India. Otherwise you will go on trying to increase the revenue resources and the courts will go on striking them down or staying the recovery and you will be helpless. With these observations, I welcome the motion of the Finance Minister and support it.

Dr. Sudhir Roy (Burdwan): Sir, I oppose the Demands for Grants presented by the Hon'ble Minister. When the budget was placed in this House during February last, many Opposition Members expressed their apprehension that it would give rise to tremendous inflation because there was already a deficit of Rs.5,688 crores. But the Government argued that it would not lead to inflationary pressure. We agree that a severe drought has taken place and there have also been many natural calamities. But what is the net result? Rupee has registered a record low. Viewed in the context of 1950, its purchasing power is now only 9.7 paise.

Often it is argued that some sort of inflationary spiral, some sort of deficit financing is essential for rapid economic development. We do not contribute to this view. It is

[Dr. Sudhir Roy]

also a fact that deficit financing can be taken recourse to only when there is a strong administration dedicated to people's cause. But unfortunately the malady of our under-developed country is the malady of under developed administration. It is not a steed frame; it is a broken reed. But does not down to the pressure of the people who want jobs, who want security and who want food.

This Government is insensitive to the demands of the poor who require house, work, education, etc. But this Government is inclined to the monopolists, World Bank and other multi-nationals. I find that, from an answer given by the Minister, Mr. Arunachalam, within two years the assets of the top monopoly houses increased by 50 per cent. In 1983, it was Rs. 13103 crores, in 1984 it was Rs.15448 crores, in 1985 it was Rs.20136 crores. This shows that top monopoly houses could increase their assets by 50 percent within two years. No wonder that the World Bank, the multi nationals, the top monopoly houses are very much praising this Government for its functioning. These monopoly houses have been building a parallel economy. Many of them are engaged in smuggling of foreign exchange. One of them was caught and the Prime Minister was very much shocked as to why he was arrested. The Government has not been able to control parallel blackmoney because of the policy of taxation. During the 1950s, over 40 per cent of the tax revenue came from direct taxes. But now, it is only 15 per cent and majority of the revenue is collected through indirect taxes and excise duties, etc. Naturally, the burden is borne by the common people and because of this inflation is unbridled. Prices are soaring day by day as has been pointed out by my friend, Shri Bhattam Sriramamurty. Already the prices of foodgrains, edible oils and essential commodities have gone up. It is beyond the reach of the common people. The other day, the Governor of Reserve Bank said that

the country has 18 million tonnes of reserved foodgrain stocks. As the country has 18 million tonnes of reserved foodgrain stocks. As the country has huge foodgrain stocks, it could easily use these bufferstocks to combat inflation. It could supply 14 essential commodities through fair price shops and ration shops. But it would not do that. Naturally, it is the poor people, people belonging to the lower income group who have to suffer much. What is the result of the new import policy? We find that because of the liberal import policy followed by the Government, one after another established concerns are becoming sick. For example, take M/s. A.C.C. Babcock at Durgapur. It was a reputed concern. It supplied boilers to many power plants but because this Government under the pressure of the World Bank is importing boilers from Sweden, Austria, Japan, etc., the ABL is not getting orders. Similar is the condition of BHEL and ABL is closed for 14 months. 7000 workers are now without employment. This is because of the liberal import policy followed by the Government. Because of this policy, our cotton textile mills, the jute mills are suffering. Many jute mills in West Bengal are now closed. In West Bengal, all the political parties including the Congress (I) passed a resolution that these jute mills should be nationalised. But this demand has been rejected by the Centre and because of the import of synthetic fibres, the jute mills are facing a severe crisis. The jute growers are not getting due prices, the cotton growers are also not getting remunerative prices. Therefore, we do not know why this import of synthetic fibres is there. This has not benefited the peasants as also the workers. One after another all the jute mills and textile mills are being closed because of the liberal import of synthetic. I hope, the Minister will answer this.

Yesterday, Shri Madhavrao Scindia in an answer pointed out that the Indian railways would import 40 electrical locomotives

and each locomotive would cost Rs.240 crores. What would be the result? Within a year or two, Chitranjan Locomotive Works would be declared sick. Already more than 1.4 lakh industrial units are sick and as a result, unemployment is mounting. Over three crores of people are unemployed and in the rural areas, crores of people have no regular employment and lakhs of young men and women are going without employment. This is the result of your new economic policy and new import policy.

What is the result of education policy? We have always demanded that ten per cent of the Central Government Budget should be allocated for education and specially the mass illiteracy should be eradicated. The development of a country lies in the development of its human resources, but it seems that the Government and the ruling party have got a vested interest in retaining mass illiteracy. This is because if majority of the people remain illiterate and consequently remain below the poverty line, they would not be able to raise their voice against the Government and its policies. In the name of new education policy, the Government is continuing the old elitist education policy, and model schools have been started. In these model schools, so far as our information goes, only the sons of the top bureaucrats and sons of the rich people have been admitted. When we advocate that the general schools, where majority of the people send their sons and daughters, should be strengthened and when we argue that all sorts of measures should be taken for eradication of illiteracy, this Government has no political will to do that.

The Government under the pressure of the World Bank is singing the glory of import liberalization and South Korea, Taiwan and Hongkong are their models. But I want to remind the hon. Members that these countries have authoritarian type of Government and under the pressure of the imperialists,

they often take recourse to authoritarian methods and deny trade union rights to the working class and others. Since the new liberal import policy has been accepted, the World Bank and other financial institutions would argue that our political structure and industrial culture should also be reformed. But India is not Hongkong or South Korea. Thanks to the people, we have got democracy. This is the result of our peoples' struggle. Therefore, we should not allow our country to become another South Korea, Hongkong or Taiwan.

Now, Sir, we find that the World Bank has said that there will be a zero growth this year and there will be one billion dollars deficit. This is a terrible picture. The economic situation is in the doldrums. Because of this new import policy, because of parallel black money and because of scuttling down the public sector, people are suffering. Therefore, before I conclude my speech I request the Government to take steps so that people may enjoy right to work and right to education. 14 essential commodities should be supplied through Fair Price Shops or ration shops. And then there should be remunerative prices for agricultural produce. As I have already pointed out, jute growers or cotton growers are not getting any remunerative prices. Therefore, I would say that there should be a remunerative price for the agricultural produce and there should be an all out effort to combat the problem of unemployment. With these words, I conclude my speech.

[*Translation*]

SHRI DHARAM PAL SINGH MALIK (Sonepat): Mr. Deputy Speaker, Sir, I rise to support the Supplementary Demands for Grants (General) 1987-88. I understand that Supplementary Demands are presented by the government when funds granted for a year are found inadequate. I would like to give some suggestions in regard to some of

[Sh. Dharam Pal Singh Malik]
the demands presented here. These are especially related to our current problems.

First of all, I would like to say that without doubt our country is passing through very difficult times due to drought for which we need enormous funds. It is therefore necessary that we should be very cautious while allocating these funds to the states to overcome these drought conditions. The Centre should monitor the utilisation of these funds. It should be seen that the funds released for the drought affected areas are not misused, and are made available only to those areas where these are needed. For instance in my Haryana state, today the situation is such that the people are being looted in the name of drought relief measures. The people there call the drought relief fund as** relief fund and** openly misuse it. Instead of affecting any particular person, the drought affects everyone in the state be they beaurocrats, businessmen, farmers or petty shopkeepers. So I would pray that monitoring be done from here so that the people do not misuse the money and do not take advantage of the situation created by drought. Undue advantage should not be taken and people should not be put to any trouble. I will go to the extent of saying that conditions created by drought are so trying that the Haryana State Government has failed on every front. I.A.S. and I.P.S. officers there are being treated as goats and sheep. The manner in which these people are suspended and transferred has created a bad situation over there. Recently two officers of the senior-most Commissioner's rank, Mr. R.S.Malik and Mr. Vashisht, were suspended on flimsy ground without giving any reason. So I would like to say that the government should take note of such things. It should be seen whether the assistance given by the Central Government to the State Governments is not being misused or is not being used for political gains.

These type of things should be looked into. Over there money is being misused in the name of drought relief. This is the kind of situation existing there. I will say that in my Haryana state the law and order has completely failed. Our ex-Minister Shri Rajendra Singh Malik belongs to Haryana. His son was got shot in broad daylight. In it and** an appeal was made but no action was taken. I want to say that in this way congressmen are being shot at and killed and nobody pays any heed to it.

Secondly I would like to draw your attention towards unemployment. Regarding this my view is that many expenses of the Government can either be checked or reduced. All the Government vehicles are misused in the name of official work. Government officials use them for their own purposes and petrol expenses keep mounting. Nobody is bothered about this. Administrative expenses should be reduced and money thus saved should be spent on our country's development work. On the one hand the officials misuse government vehicles in the name of official work, on the other thousands of our youngmen are dying of hunger. During the 1987 elections in Haryana, the Lok Dal promised in its manifesto that if their Government came to power they would give an unemployment allowance. At that time they said that unemployment allowance would be given at the rate of Rs.150/- to matriculates and Rs.300/- to graduates. But I am very sorry to say that they have not kept their promise. They will have to suffer for befooling the people by not living upto their promise. I am only requesting that this disease of unemployment be permanently eradicated. Unemployment is leading our youngmen to follow a wrong path resulting in deterioration in the law and order situation and deficiency in tasks related to development. They instigate the people to resort to strikes and pick up quarrels and thus disturb

** Not recorded.

peace in the country. So I would like to say that some provision should be made under which some allowance of whatever amount be given to unemployed matriculates and above because we cannot provide jobs to all.

Thirdly I would like to say that as far as the question of education is concerned many states provide free education to females backward classes and harijans upto matric level. In this context my request is that education should be free for all upto the Matric level. Not only should it be free but also be made compulsory. In this way the children of poor people are sure to pursue their studies. This will help us to raise their standard of living in future.

I would like to give one more suggestion. This is in relation to electoral reforms about which adequate details have not been made available. It is a very important subject and if enough attention is not given to this matter our entire democratic structure will collapse. Until we introduce election reforms our position will remain uncertain. Today if you go and see in my Haryana state the situation is such that a gunman stands at the polling booth and controls the election by pursuing the people to vote according to his wishes. A ten-year old votes in place of an old man of 60 years and a man votes in place of his wife. I would like to say that this system should be stopped. I would like to give two suggestions for election reforms. One is that identity cards should be issued and the other is that electronic machines should be used for voting. Through identity-cards we will be able to check impersonation and by using machines we will be able to solve problems which we have to face in the course of voting and counting processes. These problems arise when people collude with the counting authorities or people with clout tamper with the processes of voting and counting. The remedy for such ills is the identity-card and the voting machine. After this, I think 90% of our problems will be solved. Whosoever

goes to vote should get his identity card stamped, and signed by the presiding officer. Currently a mark is made on the identity card. If anybody tries to create any disturbance it should be made a cognizable offence. If a man has voted and his identity-card does not have the presiding officer's signature then action should be taken against the presiding officer. This was that I wanted to say in this matter.

I would like to say one more thing. In every state loans are given to the poor people and in relation thereto promises are made by both the parties at the election. Some of the parties try to exploit the poor people and purchase their votes in the name of loans being written off. Such thing will adversely affect our economy to the extent that all the progress we have made in 40 years will come to nought. For this purpose, suitable laws are required to be made so that nobody could indulge in such things that affect our economy adversely. Today, what we see in this that the Chief Minister of Haryana told the people that he would write off all the loans advanced by banks to the people and anyone found realising these loans from the people would be handed over to the police and fearing arrest by the police, nobody dare come their door to demand money from them as the police is in their control, no matter the banks are under the control of the Central Government. So creating an atmosphere in which State and the Central Government appear to be at logger heads, will weaken our economic condition and due to this reason, people have started withdrawing their money from banks and started depositing their money in the banks located in other States. In this way the general public of the State is losing the confidence of the banks. If the banks lose their confidence in the general public, they will not sanction loans to the people. Everybody thinks it proper to get his loans written off without thinking about the consequences of such a step in future. Keeping this in view,

[Sh. Dharam Pal Singh Malik]

our Government should make such a provision under which no political man can indulge in such acts and exploit the people. They should rather think of strengthening the economic condition of the State or the Central Government.

In this regard, I would like the hon'ble Minister to clarify the position of the banks located in our state, as a lot of confusion is there at present. People are facing a lot of difficulties. Neither further loans are being given to them nor they are returning their loan's amount to banks as a result of which their liability in terms of interest on loan's amount is increasing day by day. Their economic condition instead of improving, is further worsening. I urge upon the hon'ble Minister to clarify the position in this regard while giving reply to this discussion so that this malady is prevented to spread in other States.

Another point which I would like to mention here is that it is a very wrong thing to get the people murdered to take political revenge or to take vindictive action against Senior I.A.S. and other officers. In this regard, it is my humble request that judicial enquiry should be instituted in such matters. There must be some legal provision under which the Central Government can get a judicial enquiry instituted if any State Government indulges in such a wrong thing so that the matter could be dealt with properly and set right well in time before it goes out of control.

With these words, I support the Supplementary Demands for Grants.

[English]

SHRI MADHUSUDAN VAIRALE
(Akola): Hon. Mr. Deputy-Speaker, Sir, I rise to support the Demands that have been put before the House. While supporting the

Demands, I will take this opportunity to highlight some points that have been agitating the minds of the representatives of the people.

The main additional demand is for the relief in drought-prone areas and relief in the areas which have been hit by floods. Unfortunately, this has been a very old problem in our country and it is an irony of fate that on one side we have to face the dangers from heavy floods and in the other parts of the country we also face the dangers because of lack of water, even for drinking purposes.

The Government of India since long, has been, thinking and planning in this direction but unfortunately up till now no long term plan has come out. I remember that, when I was in charge of Irrigation in the State of Maharashtra there was a scheme under consideration for connecting the Ganga and the Brahmaputra basins, and also to bring the water to Godavari and Cauvery basins. So many schemes have been discussed but up till now a final decision has not been taken. Every year we spend thousands of rupees for helping the flood-stricken people and for helping the drought-stricken people. I think the time has come when a final decision should be taken as early as possible and the decision should also be taken as early as possible and the decision should also be implemented on a war footing. Resources should not be a hindrance in implementing this decision.

Recently in the media, I have gone through some very good articles. There are two alternatives. The first alternative has been, since the time of Dr. Rao who was in charge of Irrigation Department in the Government of India, the thinking was to bring this water into the Godavari and Cauvery basins. You must have also noticed that for the last two or three days our Members from Bihar have been agitating that water from Nepal and other areas coming to the North-

ern side of Bihar has been causing a great havoc for the people of that State. If a proper consideration is given to this problem, I think this problem can be solved. As I said, in the media, recently I have read some articles which suggested two ways of thinking. One school of thinking was that this water can be connected or brought to South, or to the Godavari and Cauvery basins by canals. Now, the latest idea that has come is that instead of bringing that water by canals it can be brought to the Godavari and Cauvery basins through pipes, and if this is done, so many advantages will be there. Seepage of water will not be there. The time taken for digging canals will not be consumed. It will be easier and the wastage of water also will not be there. Comparatively, maintenance will be easier and the needy areas can be served through the pipeline, and water can be made available to that region.

I take this opportunity - I know that this occasion of supporting additional demands is utilised for highlighting so many different problems _ to highlight this problem and I very sincerely appeal to the Government of India to tackle this problem on a war footing and to take some final decision. I am sure Sir, even if it is taken in public sector, there is a possibility people of this country investing in such kind of projects, which would cost more than Rs. 10,000 crores or Rs. 20,000 crores. People will come forward because that will be very productive scheme, not only productive but it will be a permanent solution for our sub-continent. Our country is just like a sub-continent.

I will now come to the problem of agriculturists. It has been a constant policy of the Government of India and the State Governments to give support prices to the agriculturists. Unfortunately in the prices of industrial sector and other sectors and the prices of agricultural commodities, up till now, there is no parity. The industrial goods are much costlier than the produce which is taken out

of the agricultural lands. To solve this problem, some States have tried and implemented their own schemes. The Monopoly Cotton Scheme of Maharashtra is one such scheme, which tried to help the agriculturists and the Government of India has been helping this scheme. So, this year we have seen a different phenomenon. Because the cotton price had been monopolised, so many people have lost their profits and that is why they are indirectly taking to damage the scheme by purchasing cotton outside the state borders at higher prices. In this connection, we have approached today only the Government of India to allow the Maharashtra Cotton Monopoly Scheme to raise their rates by one hundred rupees per quintal and we also assured the Government of India that this financial burden will not be on the Government of India. We have also asked permission to allow us concession in technicality and to allow us to spend our own money for paying the cotton growers. We are sure, in the end by way of bonus, all these finances can be compensated properly.

I would like to draw your attention to another problem. As regards agriculturists, the sugar policy was decided last year and the decision was taken that the factory which has a capacity of 2,500 tonnes per days should only be allowed. This has affected the small agriculturists adversely and the Government had assured that the factory with the provisional capacity of 1,250 tonnes per day will also be allowed and that proposal was under consideration. I request the Government to expedite its decision in this matter and to allow these factories to come up so that there is an opportunity for the agriculturists to start agro based industry.

Sir, day before yesterday, while discussing the drought problem, complaints were made in this House by the hon. Members that in some areas, the water is saline and it is not potable. Now, the technology has advanced so much. De-salining technol-

[Sh. Madhusudan Vairale]

ogy has gone much forward and my information is that today at the cost of two paise per litre, salty or saline water can be converted into potable water. I would request that the Government, if not on a scale but atleast on a small scale, may try this scheme. I am sure that their own technicians must be knowing about this technology and this technology can be used during the difficult times of drought and help to solve the problem of drinking water.

I would like to bring to the notice of the Government about giving more and more encouragement to agro-based industries. Up till now, as the hon. Minister, Shri Gadhvi comes from Gujarat, he may be aware, that we may be thinking that only cotton is the raw material. But we must know that now new technology has come about and with its help agricultural waste can be converted into a very good raw material for creating substitute for wool. We know that wool has become a rare commodity in the country and is becoming very costly. That also is harming our ecological environment. If agriculturists are encouraged to establish industries based on agricultural waste to produce wool, it will be in the interest of the economy of the agriculturists also.

I am thankful to you for giving me the time. I sincerely hope that though all these things do not directly relate to the Ministry of Finance, I hope that they in turn, will refer all these things to the concerned Departments. I hope that we shall listen something about the concrete suggestions from the Minister. Let us not get the feeling that only those who shout get the reply and those who make study and remain silent will not get the reply. I hope, the hon. Minister will attend to our request.

DR. PHULRENU GUHA (Contai): I stand to support the Supplementary Demands in respect of Budget.

The country is passing through drought and flood. The rural development is under the Agriculture Ministry. As the time is very limited, so I confine my speech mainly on agriculture.

My main purpose of standing today is to take this opportunity to request the Government that usual planning and budget of agriculture will not help our country any more. The whole nature is fast changing. So we have to think completely on new lines. It is important to develop dry land and rain-fed farms.

13.48 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

Although agriculture is the backbone of the Indian economy, still I am sorry to say that it remains more or less a gemble of monsoon.

Agriculture occupies a key position in the Indian economy because of its contribution to overall economic growth through supplies of food, raw materials and exports. It is a source of livelihood for a majority of our population. A more balanced growth of agriculture can lead to a rise in the purchasing power of the rural poor of our country.

Irrigation, drainage, roads, credit institutions are required in less developed areas. Also we need new technology. There should also be afforestation and special plan should be evolved for increasing the output of agricultural production. We should not concentrate on major irrigation schemes only, but concentrate on minor irrigation also. If we do not go for minor irrigation in a big way, I think, the drought and flood will continue in our country. Effective water management is absolutely necessary for an all round progress of the country. Surplus rain water is usually wasted. Why should I say 'usually'? It is always wasted in our country. There

should be arrangement for storing rain water. Sir, we have so much water in our country, we have rivers, we have vast seas and coastal areas. But still we suffer from drought because we are not thinking in that way. I would like to point out that though money is allotted for adult education, actually the trouble is that the release of the grant by the State Government and the Union Government is so much delayed and that it is not possible to imagine the delay. It is delayed not for months but it is delayed for years. The result is that the enthusiasm is completely lost. I request the Government to look into this matter in a very serious way. We have complained about this a number of times. But we did not find any results yet. So, I take this opportunity to request the Government, to request the appropriate authorities to look into this matter urgently. I further suggest that more time should be allotted for the adult education on T.V. and the radio. I have asked the concerned Minister about this and he has agreed for the allotment of time in TV and Radio but only allotment of time will not help the situation. A proper programme is to be drawn up and before drawing up the proper programme, I would request the Government to have a few meetings with those who are working on Adult Education Programme. Only drawing up the programme by the officials will not solve the problem. I am sorry to say that quite often only officers meet and they draw up the programme. They never do any work in the field. But the workers who are working actually on the adult education programmes should be consulted and after the consultation, after the discussion with them, these officers should draw up the programme.

Lastly I would like to point that in my constituency, Contai, the producers of 'kaju' are in difficulty because the export of 'kaju' from that area is not taking place. In this connection, I would request that 'kaju' from that place should be exported to save the growers. With these words, I support the

Supplementary Demand for Grants.

SHRIMATI GEETA MUKHERJEE (Panskura): Sir, the Supplementary Demands are very limited in nature, but this occasion is being used by all the hon. Members to discuss the general economic policy and the general scenario and I also refer to them today. At the outset, I should say that I do oppose the Supplementary Grants not because I am sitting on this side but because of the general economic policy followed by the Government. Now, the scenario is very big. For instance, the average consumer price index for industrial workers has been rising unabated in the last seven months. It was a 9-point rise just in one month, that is, between August and September. In the Capital itself, it shot up to 64 points in July and August. I need not go into the plight of the house-wives and their resentment on this question. But that is a very very sore question which we should understand. The Government has decided to use the rocket of price-rise for jumping into the 21st century. That seems to be the best vehicle for them. Well, it may be so for the Government, but for the people it takes them to the 18th Century back, from the point of view of their living standard. The drought situation doubtless has added to the plight of the peasantry very much. It is known that fertiliser and pesticides are in good stock though compared to the requirement it is not very much. But even then our peasants are not in a position to buy. That shows their plight. Also, Sir, it is true that in the agrarian scene, the policy followed of the so-called Green Revolution has not even utilised the full potentiality of expanding domestic market. The gains of the so-called Green Revolution in production and productivity have been so unevenly distributed both socially and geographically that relative price stability as well as excess of the mass of the people to the available supplies have not been achieved and land reform has now been given a go-by. So, the whole strategy itself has restricted

[Shrimati Geeta Mukherjee]

the domestic market and has led to various social tensions. This is the situation in the agrarian field.

As far as the general economic policy and its effects are concerned, we understand that the mid-term appraisal of the Seventh Plan is being made. Unless a very strong crutch is there, the plan is going to be in great jeopardy due to resource constraint. In this situation foreign debt has been growing and everybody has pointed out that this year it stands at Rs. 31,919 crores, and in one year only there is an increase of Rs. 1600 crores in terms of foreign debt, and it goes without saying that in the present context, deficit financing is going to be the highest this year. Now this situation has not arisen because it was an inevitability. As I said, there could be no other alternative emanating from the Government's economic policies.

On the question of zero growth of GNP which is being apprehended in the coming years, incidentally here only Deoraji who is the true exponent of the capitalism claimed that there will be 7 per cent growth in the industry. It is known that in the agricultural sphere up to 25 per cent production may be less. But the question is, whatever growth is taking place in industry, for what purpose at whose expense and to whose benefit? Here, Sir, I want to say that there is a linkage between deficit budget, heavy domestic and increasing foreign borrowing and the new pattern of consumer's life-style that is being encouraged by the Government. This is an integrated result of the present policy. As far as this question of the total linkage is concerned, here comes the question of foreign debt and liberal import. Our foreign debts have increased and many of these debts are also related to foreign collaboration projects and also our industrial policy inside the country. Whatever little growth that is taking place actually for the elite consumers. That

is the drive.

14.00 hrs.

You are importing such things which need not be imported even in the capital goods field. For example, why do we need fast food technology? Why technology of good cars? Why should there be import of technology of consumer durables in the electronic fields? There is a method in the madness. This is not our priority area. Even then, priority is being given to those items for which definitely our foreign debts are increasing and also deficit financing has contributed to it. There the main thing is, first in the name of technological advance, the capitalists both in foreign and domestic sectors are aiming at small market for affluent middle class and serve the policy in a way so that, they can have imports in those fields, even in the sphere of capital goods, in order to produce luxury goods, not for developmental purposes for our country, not in the major sectors where we need to be self-sufficient which is our declared goal. But they enter into another sector which will be catering to affluent strata of population, up to the very affluent middle class and cater to that market and to have maximisation of profit. Therefore, in this strategy, development is no more the goal. The goal is, satisfying a small strata of population. In this process, employment generation has become a main casualty. It is because neither in agriculture the main thrust is such as would develop economy in a big way and generate employment, nor certainly in the industries.

Incidentally, while talking of industries, let me say, sick industries are creating a big problem. Government has taken a very funny attitude. They are trying to wash their hands off. Even those projects which are under Government management for a very long time are being denotified, saying that there is resource constraint. One such case is the

Bengal pottery where so much money has been spent for giving wage for a long time but the working capital was never supplied to them. Now the Government says, because there is drought, it cannot give Rs. 15 crores which need not have to be given at a single point of time, but to be phased out. Even that money is denied, saying that they would denotify the industry: let the workers go to hell. The golden hand-shake which is offered has actually become a golden hanging rope. This is the drive of the entire economy which has created this state of affairs. Therefore, there should be basically change in the ideas now being propagated. The earlier ideas have been given a go-by. I have not said that the earlier ideas were implemented well; they were not. But the difference is, even those earlier ideas have been given a go-by, not to talk of their implementation. There is no apology of these slogans like self-reliance, land reforms, no import of nonessentials etc. These are all being given a go-by. Therefore, unless totally a different direction is taken, they would land in a far bigger mess, the preliminary soundings of which we are already seeing today in all these fields.

In this background, many things have been said about the Plan, the Plan resources. The question is, priority and non-priority. Priority sectors are not being given priority; non-priority sectors are being given new priorities. If I may indulge in going to a small thing, because that is somewhat relevant, there is a question, how do we spend and all that. I understand that Government has given direction that there should be a curb on non-Plan expenditure and all that

In this very background, I see that one of our Ministers from West Bengal has built two bathrooms in his bungalow at a cost of Rs.80,000 which seems to be a great priority in expenditure. This is happening in a situation when the maximum limit for flood relief and rehabilitation which was stipulated by

the Central Government has not yet been reached and the Central contribution is still far behind and the Prime Minister is saying that we are not giving account. The entire direction of the economy must be changed.

With regard to the supplementary Grants, there is the Grant No. 5 for Haldia Fertiliser Project. I would like the hon. Minister to examine if the amount of Rs.600 crores which has been spent for this Project has produced 60 tonnes of fertilisers. Without really going into the total reorganisation of the plant, will this save us? I do not know. Haldia Fertiliser is next to my Constituency and is in my home district. Therefore, I know the things personally. You being doing things without just taking the view as a whole and neither looking backward nor forward.

Another grant of Rs.23 crores to NTC and Rs.16 crores to NJMC has been allocated. On the one hand, you are getting from outside this synthetic granules. On the other hand, you want to give help to this IJMA people. IJMA people are not coming forward. You are not making NJMC state enterprise a leading organ of your intervention. NJMC management was not changed as it should be and workers, participation has not yet been given though in nationalising those mills they were very active.

These Supplementary Grants will not really have any serious impact on the economic situation unless the entire direction of the economic policies is changed.

[*Translation*]

Dr. PRABHAT KUMAR MISHRA (Janjgir): Mr. Speaker, Sir, I rise to support the supplementary demands for grants amounting to Rs.1780.49 crore that have been presented before the House. I am of the opinion, as drinking water problem is likely to arise in the time to come, we will require more water resources. For this pur-

[Dr. Prabhat Kumar Mishra]

pose, we will have to install more rigs. But on going through these demands for grants, I find that a very meagre amount has been provided for it. 70% of population of our country lives in villages and is dependent on agriculture. At present, they are facing many problems. So, we will have to pay more attention towards proper utilisation of water resources in the rural areas. As my colleague who spoke before me, has pointed out, we will have to make more allocation for setting up fertiliser plants.

Necessity for supplementary demands for grants arises because the amount provided in the budget is, later on, found insufficient to complete the work or financial difficulty arises in completing the work, secondly because there are some plants, which are not making any production. For example, I would like to mention Korba Fertiliser Plant which was set up at a cost of Rs 20 crores. But it has not so far started production. Lakhs of rupees are being spent on it every month. Thus we should check the misuse of public money and prevent the economic damage being caused to our country so that we could get return by making use of such things which are beneficial to our economy.

Similarly, we demand money for drought relief operation. For the last so many years, we have been requesting the South-eastern railway, Bilaspur to accord sanction to the Bilaspur/ Mandla railway line by including it in the plan. I think such type of work, which is likely to continue for 10 to 15 years, will provide concerted relief to the local people and we will get fruitful return from it. Thus, we should utilise our money in a planned and systematic way.

I would like that more amount should be provided in this supplementary demands for grants for tele-communications. Today, tele-communication services are required even in rural areas. Therefore, tele-commu-

nication facilities are required to be expanded by spending more amount on it.

Some time ago, the Govt. of India declared that interim relief would be given to the workers. In fact, some workers were given interim relief, but a large number of workers were not given interim relief due to paucity of funds, as a result of which workers are going on strike everywhere. For example, as I have told you that in the Korba industrial complex where coal mines, the N.T.P.C.'s plant and BALCO are located, workers are on strike due to non-payment of interim relief to them. In order that the strike in BALCO does not engulf the N.T.P.C. & Coal India also, thereby damaging our public sector, I request you to spend more money on this count in time so that the work in our public sector undertakings is not interrupted.

In the context of public sector I would also like to point out that in view of the nature of its organisation, it can contribute to the development works of the country even going beyond their activities. As we know that a lot of water gets accumulated in mines, if this water is properly utilised, it is drained out to the fields of the farmers, irrigation facilities can be provided at a less cost, thereby saving money for water resources and helping in increasing production in the country.

In the same context, I would like to say something about cottage industries. No special attention has been paid to it. Today, a situation has arisen that the people are migrating in search of work. After harvesting season, our rural areas are otherwise also short of work. In such circumstances, incentive should be given to such cottage industries which are likely to continue round the year and by which people could supplement their income.

I would also like to invite your attention to agricultural produce as no proper ar-

rangements are made for marketing of agricultural produce and in view of the present prices of inputs required for production of agricultural produce, farmers are not getting proper return. I would like to give an example. In Madhya Pradesh, milk is supplied to Raipur from Indore, Milk producers of Bilaspur produce milk with the help of loans taken from banks, due to which their cost of production is higher. But the producers there get less price because of the low fat percentage in comparison to that of brought from Indore because of its high fat percentage. As a result, the farmers, who produce milk by purchasing milk cattle after taking loans from banks remain under debt and their economic condition continues to be weak. I, therefore, request that arrangements should be made to ensure remunerative prices for agricultural produce by making proper marketing arrangements.

It is also submitted that thousands acres of acquired land is lying unutilised at many places. In Bilaspur district, thousands acres of land has been acquired for Tilahati Cement Factory but it is lying unutilised, nothing is being produced there. Neither the C.C.I., nor the SAIL is coming forward to set up factory there. In the conflict between the C.C.I. and the SAIL, thousands acres of land is lying unutilised and the nation is not getting any benefit out of it. So, such type of work which weakens our economy is also one of the factors for asking supplementary demands for grants. Similarly, those people who want to improve their economic condition after taking loans from banks, become defaulters due to some pressing circumstances and thus they are deprived of the benefits of the new schemes of the Govt. by which they can improve their economic condition. In the same context, I would like the hon'ble Finance Minister to find some ways and means to give benefit to such thousands and crores of villagers who are defaulters because they are unable to get rid of the present pitiable condition. In regard to

the incentive being given to industries, I would like to say that the incentive is being given at the cost of agriculture. You see that in order to set up an alcohol plant, land and loan are provided by the Government, even electricity is provided at concessional rate, but the people living around the area have to suffer as a result of pollution caused thereby. Their medical expense increases year after year due to outbreak of diseases and their livestock catch diseases. In this way a damage is caused to them. Even drinking water is also polluted. So, in my opinion, there should have been some provision for all these things in the budget and special attention should have been paid to this problem. Mostly small towns are facing problems caused by pollution and environment. I cite some examples. In such small towns with ten to twenty thousand population, where there are fisheries, not only urea is mixed in the water of ponds, but drainage water is also discharged into them for getting better yield the residents of these villages use the water of that pond for drinking purposes as well as for other requirements of daily life. They suffer a lot due to this. Similarly, there is the Brooks Bond Paper Mill in Bilaspur. Anybody entering into the river in which the water of this mill falls suffers from blisters. It is a dangerous situation and causes financial loss to the people. The amount of their annual medical bill increases due to water-borne diseases suffered by them or by their animals. The people who are negligent about the environmental problem pay a heavy price. Rather, everybody has to pay this price.

Finally, I would like to draw your kind attention towards the statement of my previous speaker, Shri Vairale. All the programmes formulated by you should be agriculture oriented so that they are beneficial to the farmers who are 70 per cent of our country's population and are dependent on agriculture. With these words I thank you once again and conclude.

SHRI. JAJHAR SINGH (Jhalawar): Mr. Chairman, Sir, I would like to express my views on the Supplementary Demands for Grants which have been presented before the House. As has been said by my previous speakers, an amount of Rs.1780.49 crores has been sought under these Supplementary Demands for Grants and this is the second time when a supplementary budget has been presented before the House. More than two-third of this Budget will be spent on floods and drought. Rs.300 crores are being provided for fertilizer subsidy and Rs.815 31 crores for drought.

Famine and drought have become a regular phenomenon in our country and their effect and fury go on increasing year by year. It is not known for how long this state will continue. More than the total amount earmarked for floods and drought for the entire five year plan period has been spent within one year. There is no guarantee that we will not have to face such a situation next year. There has been a lot of discussion on floods and drought during the past few days. I would not like to repeat those very points. But I would like to request the hon. Minister to make some permanent arrangements so that the frequency of floods and droughts is reduced. Now I would like to tell something about the area from where I have been elected. Though Rajasthan is a famine affected state there is no famine in my area I have no hesitation to admit this before you. There have been normal crops in Jhalawar and Kota regions except famine in some pockets. But had there been no rains for 15 days, there would have been such a severe famine in Kota region as would have not occurred in any other part of Rajasthan. It is because the occupations of the people living in other parts of Rajasthan are different from those of people of my area. In the desert area of Rajasthan one person in almost every family is in the army and one or the other almost every family is employed with some industrialist. They get some support from

outside employment. But the people living in my area entirely depend on local resources. In the event of an emergency a very serious situation will arise there and the people will die in their houses. I would like to submit that this is an area where famine should not occur at all. Water resources are maximum in my area. Water is available there after every three miles. There is a lot of both surface and underground water. But the hon. Minister will be surprised to know that the average of irrigation in my parliamentary constituency is 14 per cent against 22 per cent in the whole of Rajasthan. Thus the average in respect of my area where 80 per cent area could be brought under irrigation is less than that of Rajasthan and the people have to face famine for not utilising the water resources in a systematic way, may be either due to indifferent attitude on the part of the Department of Planning and Administration or due to political considerations. Why these resources are not being utilised? Secondly, even from those water resources which have already been developed water is not being supplied for irrigation. It is also there in your reports that there is a gap of more than 5 million hectares between the water resources so far developed and the quantum being utilised. An area of more than 50 lakh acres can be irrigated. Resources have since been developed, but they are not being utilised for irrigation purposes. This potential is even more than that which you have envisaged to develop in the Seventh Five Year Plan at a cost of Rs. 14 thousand crores. Who is responsible for this? Water is available, but it is not being utilised. Similarly other resources developed by you like electricity, etc. are also not being fully utilised. Presentation of supplementary budget has now become a regular feature and now its frequency has increased. If there can be a little efficiency on the part of the administration this gap can be reduced. Since you come from a rural area you know that there is a lot of corruption, carelessness and callousness. It might have come to your notice

that all bags of foodgrains contain 10 to 15 kg.

[*English*]

Who is responsible for it? Why can't something be done? When you calculate this total, it comes to more than thousands of crores of rupees which is just wasted because of negligence and callousness of the officers who are handling these food bags

[*Translation*]

Actually what happens is that the foodgrains is damaged due to rains, etc. because of our carelessness. Nobody bothers about it. As such the foodgrains rot. It is for this reason that the Government brings Supplementary Budget every year to impose taxes on the people. If the Government pays due attention towards improvement of the efficiency of the people who ultimately handle such things, this gap could be reduced to a large extent. I would also like to point out that there are several reasons behind the disturbance in the rain cycle. It is because deforestation is taking place on a large scale. I know that these incidents take place in other parts of the country also. As I have already submitted that the land use policy of the Government is defective. There is a flow of water after every two, three or four miles in my area. It is but natural that erosion takes place where ever there is a flow of water. Under the land use policy of the Government barren land becomes loose, the rate of erosion increases. When floods occur in the rivers of my area sitting increases. Which in turn gives rise to erosion. If any land, which is close to a river and is prone to erosion, is given to a landless person for agricultural purposes, erosion will take place there. Such land should be given for tree plantation for which the Government has already launched a programme. This will not allow the soil binding become loose. If this provision is made and land allotted,

there will be less erosion. On the other hand after a little rains rivers start overflowing due to sitting in the river. In the absence of forest cover rain water falling on the earth reaches the river be within a few hours and it starts overflowing after a few hours. This causes heavy losses.

The menace of drought and flood visit us due to removal of forest cover, deforestation, defective land use policy and manmade reasons. I request you to take action as per my suggestion.

With reference to Rajasthan in a reply to a question in the Rajya Sabha it was stated that for three plantation a sum of Rs. 87 crores was released during the last one year. There is a lot of corruption and wastage in the name of tree plantation. I would not like to say anything on this subject now. But the tree plantation programme undertaken by the Government will not stop soil erosion. It is because tree plantation is being done at places where the Ministers and leaders can show and publicise that something is being done. But the work of tree plantation and afforestation should be done at the sites where erosion is on the increase. What steps the Government is taking to maintain and preserve the traditional forests which have been denudated? Of course the Government is releasing Rs. 85 crores for tree plantation but the Government should also take steps to preserve the traditional forest. If no arrangement is made in this direction floods will occur, erosion will take place and the fertility of the land will go down. There should be some balance and practicability whatever is done.

The main point, I have told you is that the administration should be made efficient. Today the sphere of the Government has become so wide that at each step the people feel the presence of the Government on which the people have to depend for money, land etc. It is therefore, necessary that the

[Sh. Jajhar Singh]

Government should be efficient otherwise the people will feel annoyed and disturbed and a sense of revolt will spread among people. Kindly balance the Budget by paying due attention to various aspects.

* SHRI A.C. SHANMUGAM (Vellore): Hon. Chairman, Sir, on behalf of AIADMK, I rise to support the supplementary demands for grants for 1986-87.

The accompanying Bill seeks to appropriate a sum of Rs. 1780 crores. Deficit in the budget is steeply increasing. During 1985-86, the budgeted deficit was Rs. 3650 crores, but it actually touched 8285 crores. During 1987-88, the budgeted deficit was Rs. 8688 crores, but it has already crossed 8000 crores.

The anticipated budget deficit for the whole of the 7th five year plan was only 14,000 crores. But the deficit, at the end of 3 year period of the Plan, has crossed Rs. 17,000 crores. This is a very serious matter which requires the attention of the hon. Finance Minister. The conditions of the agriculturists in our country are, as many other Members have pointed out, far from satisfactory. Agriculturists are the backbone of our economy. Agriculturists all over the country, candidly speaking, are not getting remunerative prices for their products. I invite the attention of the hon. Minister to the pathetic condition in which the agriculturists are living. On the one hand prices are increasing and on the other hand, the agriculturists are not getting remunerative prices. This is the irony. All steps should, therefore, be necessary taken for fixing remunerative procurement prices of agriculture products. Conditions are being created in this country that a day is not far when the very profession of agriculture may be given up by our farmers for obvious reasons. The prices offered

for rice and sugarcane must be raised immediately.

Next come the textile workers. The weaving industry is in doldrums. 4 lakhs tonnes of cotton have been exported which has contributed to rise in prices of cotton yarn in the country. We have allocated Rs.700 crores as assistance for modernising textile industry. But only 53 crores have been allocated for handloom industry. This 53 crores assistance includes handloom clothes like Janata brand and other yarn, the prices of which are controlled by the Govt. This is a paltry allocation. The Govt must pay more attention to handloom industry. The Govt. has been providing 60 days wages has subsidy to handloom industry but they have now halved it to 30 days wages. This 60 days wages as subsidy must be restored orthwith. There is also recession in handloom industry. If recession in handloom industry continues, poor handloom workers will not be able to lit fire in their hearths. Govt. must take immediate steps in preventing this. No doubt, you must carry on the process of modernising the textiles industry but not at the cost of handloom workers. Their interests cannot be neglected. These 2 to 3 crores of handloom workers will have to be provided alternative employment.

I must with regret state that the quantum of financial assistance being provided to States is on the decline. During the 5th five year Plan, the financial assistance to the States was 41.5% of the total resources. In 6th five year Plan and 7th five year Plan, the percentages came down to 31.6% and 23%. This has pushed the States to a corner and they have to function under heavy financial constraints. I hope, at least in the 8th Plan period, the assistance would be increased to 45 to 56%. Many of the hon. Members here have pointed out that the increased allocations have been made for meeting the

* The Speech was originally delivered in Tamil

drought situation. I welcome this. However, the financial assistance provided to State Govt to tide over the drought situation should not be treated as an advance money out of plan allocation for the State Govt. It must be treated as a grant and should not be adjusted against the plan allocations for that State. Drought is a natural calamity. You provide grants to tackle the situation rising out of floods and you must provide similar grants for managing drought situation also.

During 1986-87, the Central Govt has levied administrative taxes to the tune of Rs.2000 crores. The proceeds has not been distributed to States thus imposing a serious constraint on the finances flowing to the State Govts. from the Centre.

For the past 7 years, Rs.4200 crores have so far been spent on managing the drought situation. We could have prevented such a huge spending if we had devised some prudent and permanent ways of managing drought situation. While we are utilising only 46% of the existing water resources in our country the rest of waters are being wasted into sea. We must make use of these waters also. We must plan linking different river water systems for efficacious use of water resources in the country. The peninsular river development scheme is long pending. It proposed to link Mahanadi, Godavari, Krishna and Cauveri.

The Govt must also come forward to execute the Ganga-Cauvery project. If you specify 10 or 15 years time span for completing the project, then every year you will be allocating paltry funds and the project will accumulate dust after some years. Cost escalations will also be there. Therefore, execute the project within the shortest possible time. Mr. Chairman, Sir, a regretful fact about Tamilnadu industry is that after 1967, no big industry has so far been set up by the Central Govt.

Our Chief Minister, Puratchi Thalaivar (Leader Revolutionary) Dr. M.G.R. has consistently supported all the constructive programmes of the Central Govt. whether it was led by Madam Gandhi or by our present P.M. hon. Shri Rajiv Gandhi. Our Govt. under Dr. MGR. continues to extend support to the Central Govt. on all matters and has cordial links. But, do corresponding benefits flow from the Central Govt to the people of Tamilnadu? I would say, definitely, no! Hon. Minister may have to learn this sad fact.

Many of the plans sent by the Tamilnadu Govt. are in cold storage at the Centre. But many new projects are coming up in the North. As our late Chief Minister Perarignar (The Enlightened) Annadurai said, while the North is prospering the South is being doomed.

Next is about the Telugu Ganga Project. It was inaugurated by our late beloved P.M. Madam Indira Gandhi. She made the initial allocations and with her own hands inaugurated the scheme. The Tamilnadu Govt also paid their share of money in the hope that Krishna water would come to Madras. But still clearance has not been given to the Project. The Centre, if it wishes, can complete the project within a very few years. I would like to invite the attention of the hon. Minister that the residents of Madras city are suffering without drinking water. Though some Southern districts of Tamilnadu have recently registered sporadic rainfall, northern districts like Madras, North Arcot and South Arcot districts have not received any rain. Big lakes are dry. There is acute shortage of drinking water. Hon. Minister must therefore clear the Krishna water Project immediately for execution.

The Cauveri river water dispute is also a long pending problem. This a discord between two States. Official level talks were held. Ministerial level talks were also held. Even the hon. Chief Minister of Tamilnadu

[Sh. A.C. Shanmugam]

and Karantaka have conferred over the matter. We have also brought this matter to the notice of Govt for the last three years. After the talks held under the Chairmanship of former Minister Shri B. Shankranand have failed, The matter was left to the Central Govt for setting up a Tribunal for adjudicating the issue. We really do not understand why this inordinate delay in setting up the Tribunal. When talks have failed between the Chief Minister of the States it is incumbent upon the Central Govt to appoint the Tribunal without further delay. I hope you would at least heed to the appeal of our Hon. Chief Minister Dr. MGR in this regard.

If you take 2 to 3 years for appointing a Tribunal, the worst losers would be only the once fertile lands in the Cauveri delta area. That area is turning into a desert. Thousands of agriculturists are affected by this.

Mr. Chairman, Sir, Hon. Minister Shri Chidambaram, hails from Tamil Nadu and he has made a statement in Tamil Nadu. He has stated that the 1924 agreement on Cauveri river has lapsed in 1974. It is a matter of great regret that a Minister who hails from Tamil Nadu should have spoken such words. There is no provision in the Agreement for lapsing of the Agreement. What indeed contained in the agreement is that both parties after 50 years of the agreement might make a review of sharing the surplus water and resolve the same by negotiations. The Hon. Minister and the Hon. members assembled here may, therefore, appreciate that the agreement has not lapsed as has been wrongly stated by the Hon. Minister Shri Chidambaram. No clause of the agreement contains a provision for renewal of the agreement after 50 years. Instead of impressing upon the Central Govt. for speedy setting up of the Tribunal over the issue, the Minister has sorrowfully uttered these words.

There is traffic congestion in Madras during peak hours particularly. To obviate the traffic congestion, the Rapid Transit System was planned. Every year, they are allocating 1 crore or 2 crores and they are not going to complete it in the near future. Now the Central Govt. is asking the State Govt. to bear 50% of the cost of the Project. But the Central Govt. has provided 100% assistance to the Calcutta Metro Project. But the Central Govt. now asks us to share 50% of the cost. Why this discrimination? If we bear 50% of the cost of -RTS project in Madras, then will you confer on us the rights to run the railway and an equal share of the earnings? Hon. Minister may kindly reply. I, therefore, request the Govt. to expeditiously execute the project.

We asked for a steel plant in Salem. What you gave was is only a steel rolling plant. You also propose to expand the steel plant in salem at a cost of Rs. 54 lakhs. I hope the Govt. will at least complete this expansion quickly (*Interruptions*)

I will take only two minutes, Sir.

Coal sold at Rs. 1000 per tonne in Delhi is being sold at Rs. 1200 in the South. Iron at Rs. 4000 a tonne here is sold at Rs. 5000 there. An uniform price policy should be there all over India.

The Tamil Nadu Electricity Board has made a demand for import of coal from Australia. The demand has been rejected on the ground that the imports would erode the foreign exchange reserve with the Govt.

The coal from Singerani and other northern parts contains more ash content. Further it is costlier than coal from Australia. Stones are also there. Permission must, therefore, be granted to import coal from Australia.

If imports of coal affect foreign ex-

change reserve, then why did you allow SAIL to import 2.5 m tonnes of coal from Australia? Is it because SAIL is a central Govt. undertaking? TNEB is a State Govt. undertaking and therefore you have denied permission for import of coal.

The Tamil Nadu Electricity Board is doing great service to the Tamil Nadu people by providing electricity free and at cheap rates. Dr. MGR has provided with free electricity to 5 lakh villages. Small farmers have also been provided with free electricity. Annual nominal charges are made in the case of big farmers. Electricity charges are the least in Tamil Nadu comparing the charges made by other States. This has resulted in Rs.200 crores revenue loss to the State exchequer. The Central Govt. must generously come forward to provide financial assistance to tide over this revenue loss.

Next is about the Okkanekhal Hydrel Project. It can generate 1200 mw of hydrel power. Govt must grant permission for this project or otherwise take over the project.

We have also sent the proposal for repairing the irrigation canals in the Cauveri delta region with the assistance of 150 m from the world bank. Even that proposal is awaiting clearance of the Central Govt.

Funds must also be allocated for the 100 crore project for converting sea water into drinking water for the benefit of Madras city.

(Interruptions)

Last point, the State Govt. has asked for 359 crores as Drought Relief Assistance. The Centre has disbursed only 34 crores. The Central Govt. must realise that this is totally inadequate and provide the assistance in full sought by the State Govt.

Lastly, Sir, the report of the Sarkaria

Commission is also with the Central Govt for a final decision. A decision to implement the recommendations of the Commission may also be taken at an early date for healthy and cordial Centre-State relations.

[English]

SHRIMATI JAYANTI PATNAIK (Cuttack): I support the Supplementary Demands for Grants placed by the Minister. In order to tackle the economic situation of the country, there is every likelihood of unforeseen expenditure and hence the Supplementary Demands for Grants. The Supplementary Demands for Grants, in the wake of far-reaching effect of the unprecedented drought that is prevailing in the country, are to be taken seriously. A sum of Rs.815 crores which is related to drought and flood relief measures has very much relevance. The quality seeds are to be supplied to the farmers for which the supplementary grant is required, to provide funds to the National Seeds Corporation. My point is that the farmers should be supplied good quantity of seeds because previously they used to get seeds from their own fields and in the context, it is not possible for them to get the seeds. So also for the fertiliser development programme the supplementary grant is there. Fertiliser is an important input for the agriculture and hence it is required in the present situation of the country. We have to see that the use of fertilisers should be raised, specially in the backward areas which are much below the national average in consumption. There is increase in expenditure of our requirement and uncovered deficit is going on increasing. We have to see the price rise and the inflationary trend are contained and the prices of essential commodities and vegetables are also contained because this shortage of these items will exercise a tremendous pressure on the price line. The shortage of these items will put a tremendous pressure on the price line. We are facing drought this year. In fact, every

[Shrimati Jayanti Patnaik]

year we are facing some short of calamities. The drought situation this year that is prevailing throughout the country should be a warning year for our planning and action. What do we find today? We do not get rains, or if we get rains, it is not in time. So, there is a change in the atmosphere and ecological environment. We should, therefore, have a long-term and short-term planning. As far long-term planning, I urge upon the Government to prepare a National Water Policy. We should have proper water management. As regards short-term planning, we have already discussed it; bunds should be constructed for the perennial streams, there should be water sheds, lift irrigation and all that. But what I feel is most important is that we should learn from such situations and there should be some change in the cropping pattern.

Several strategies have been worked out to increase the rabi crop production, but what we see and apprehend is that the total foodgrain production target is unlikely to be met and hence this will affect our economy.

Agriculture has been neglected in the 7th Plan. Irrigation in the plan has been reduced to only four lakh hectares as against 2.5 to 3 million hectares in the earlier Plan. A long-term strategy for fighting droughts and promoting dry farming was formulated in the early seventies. The centrally sponsored National Wasteland Development Programme for rain-fed agriculture is merely Rs.239 crores and intends to cover no more than two to three lakh hectares per annum. The Plan outlay for soil and water conservation measures is less than Rs.200 crores. The Plan outlay in 1987-88 has been cut. The progress in command area development has been tardy. Alongwith this, we are facing the drought situation. It is affect the country in various ways like drop in the supply of food-grains, sudden adverse shift of real incomes, rise in prices of food and

essential commodities and lead to unemployment.

When the disruption goes so deep, it impedes recovery in the next year too. The rain may come next year, but the asstts required for agricultural operations by that time will not be left. Economy will be badly affected. Therefore, we have to think seriously of some programmes for the farmers. There should also be rural development programmes meant for the agricultural labourers.

One section of the society which has been badly neglected is the women. Women are engaged in the agricultural operations right from the beginning, from the farming stage to the stage of preservation of foodgrains. It has been stated by the FAC that more than 80 per cent of the agricultural operations are being carried out by women. In the drought situation, when the women do not have any work, some special measures should be taken for them. The country, specially the bakward States are facing hardship due to severe drought. Those States should be given drought assistance as hundred per cent grant instead of advance Plan. My State, Orissa, has faced every year, either drought, flood or cyclone. In 1980, my State faced severe floods and in 1982 and in 1985 also, there was the severe flood of 1982, a parallel of which we did not have in the last 200 year. Again in between we faced drought and cyclone. The present situation is that the whole State is facing the drought. Here, I just want to quote what an opposition Member said. One of the hon. members from the Opposition benches said that the drought assistance has been diverted to other work. With the other work he meant to say for the development of the Cuttack city. It is not at all so. In 1982, the Cuttack city faced every danger. It was once upon a time the Capital city and was known for its cultural, commercial and educational heritage. Now, we have taken up the

strengthening of the embankment, expansion of the embankment and the construction of barrages which will be useful for the farmers. Still they are not looking towards the backwardness of the city. They are not looking at the improvement of the Cuttack city. They are just saying that the funds have been diverted for some other work. It is not, so, Sir. The only thing that happened is that there is slight diversion of funds from one department to another and which was also regularised by voting on the floor of the assembly.

There is also another criticism from the Opposition side about the Report presented by the House Committee. Our hon. Members are saying that the House Committee went to Kalahandi. It is true that the House Committee has gone to Kalahandi to probe into the matter and it has said that there was no starvation death. So, I request the hon members that they should give the authentic report and not what appear in paper. This is my earnest appeal to them.

Sir, the Budget of the backward states will face the difficulty because of the resource mobilisation. In our State with 40 per cent of the SC and ST population, the resource mobilisation is bound to be affected and as a result the plan development of State in the Five Year Plan will be affected. There is no doubt about it. So, the Government of India should come forward to assist the backward State like Orissa.

Sir, I am giving much emphasis on afforestation because it not only preserves the ecological environment but also generates employment. More women should be employed for the afforestation work, especially, in view of the present situation of the State.

Sir, the infrastructural development of the backward states should not be slackened. More emphasis should be given in the field of power generation because this is the

basic requirement of the agriculture as well as the industry. So, the IB Valley Project and the Talcher Super Thermal Plan of Orissa should be properly financed as early as possible. In order to have these projects, Coal Mine development should start immediately and in order to do this, Orissa badly needs at least a Division with a divisional officer at Bhubaneswar.

In order to boost up the economy of the backward states like Orissa, port development is necessary. We must thank our Minister of Surface Transport for clearing the long felt Paradeep Port expansion project and asking the Hundai Corporation of South Korea to prepare DPR. This project which includes expansion of the Port, improvement and development of the minning and completion of the railway lines leading to the Port must be expedited.

We need the development of the backward states, comprising 40 per cent of the Scheduled Castes and Scheduled Tribes of the total population. We need to fight against the natural calamities. We need to take up drought relief measures; we need flood control measure. When we consider all these things, the most important thing to bear in mind is the removal of regional imbalances in respect of economic development. Accordingly, the backward states should be helped with more funds and should be helped in all respects.

[Translation]

SHRI BIRINDER SINGH (Hissar) : Mr. Chairman, Sir, I rise to support the Supplementary Demands for Grants. Demands for Rs.1780 crores have been presented, out of which Rs.815 crores have been set aside to deal with drought and floods in the country and Rs.300 crores have been allocated for subsidy on fertilisers.

Mr. Chairman, Sir, out of 35 meteoro-

[Sh. Birinder Singh]

logical zones in the country 25 zones are in the grip of drought whereas 10 zones are stricken by floods. I mean to say that the Kharif Crop is badly damaged because of failure of monsoons in most parts of the country. Our foodgrain target was 90 million tonnes but we expect a shortfall of at least 20 to 25 per cent in it, because of failure of monsoons. The way monsoons have behaved this year throughout the country and even in the area which is called the Granary of India, it seems there would be tremendous shortfall in our target. The geologists and other scientists have termed this failure of monsoons as El Niño Phenomena. The scientists believe that changes in temperature and atmosphere take place after every 30-40 years particularly in the Pacific Ocean area where pressure develops. Consequently, the clouds drift away from land and burst in the sea, thereby resulting in quick evaporation. Some scientists are of the opinion that there has been heavy snowfall in the Himalayan ranges between January and May during the past few years. I mean to say that besides changes in the surface temperature of the Pacific Ocean there can be other reasons as well. The nuclear tests can also be one of the reasons. Keeping in view the possibilities of monsoon failure in the years to come what means and arrangements have we made to provide regular supply of water to the farmers whether it is under-ground water, canal water or river water? I see a ray of hope in the melting snow of Himalayas. If that could be regulated and diverted to the granary of India i.e. Haryana, Punjab and Western U.P. - where 80 per cent of foodgrain stocks are stored it can solve the problem to a great extent. But prior to that we will have to make arrangements in order to make the farmers aware of the way monsoons will behave during the next two years. They will have to be made aware of the climatic conditions, the amount of rainfall and the knowledge of allied things. In this connection, an eminent agro-scientist

Shri Swaminathan had recommended to set up a National Centre for Monsoon Management, so that we could conduct weather analysis from time to time and warn the farmers of impending drought or flood in the country. The meteorological and oceanographic experts will have to come together to help in this research. If such centre are set up, we would be able to make proper assessment of monsoon and work accordingly.

I would also suggest that all the canals and channels of snow-fed rivers should be made *pucca* so that the farmers get regular water supply for their fields.

15.00 hrs.

Rs.300 crores have been provided for fertiliser subsidy. I am surprised that on the one hand we have such a large stock of fertilisers whereas on the other we talk of producing more. When there is drought in the country, the consumption of fertilisers will automatically decline. A subsidy of Rs. 2,000 crores is being given for fertiliser out of which Rs.400 crores will be provided for transportation. I would like to cite an example which would amply make it clear the way this subsidy on transportation is being wasted. The IFFCO factory at Kandla produces Urea. The NFL factory at Panipat also produces Urea with the help of the same formula. I am not able to comprehend, why a rack of fertilisers is sent from Kandla to Panipat to be sold there, whereas another rack of fertilisers is sent from Panipat to Jharia to be sold there. In this way, Rs. 400 crores are being wasted. If there is a demand of 20 lakh sacks of IFFCO mark fertiliser in Haryana and Punjab, then why can't 20 lakh empty gunny bags be sent to Panipat, where they can be filled up. This would save us Rs.400 crores of subsidy amount. Besides, the Government says that Rs. 2,000 crores worth of subsidy on fertilisers is being given for the welfare of farmers and to

compensate their cost of production. But who decides the cost of fertilisers? It is the factory owner, whether he is in the co-operative sector, private sector or public sector. When the cost of fertiliser is to be decided, the representative of factory and the representative of Government are present there. Suppose the cost of fertiliser has come to Rs.150. It is decided that Government will give subsidy of Rs.50 and the farmer will have to pay Rs. 100. The method of costing is not practical. A farmers' representative should also be present there when the cost is decided, so that Rs.2000 crores subsidy on fertilisers which is allocated in the name of farmers is spent on them instead of on factorised.

I would like to submit a point regarding crop insurance cover. We launched a crop insurance scheme. The members who spoke prior to me pointed out that crop insurance scheme insures the loan amount which is take through cooperatives. I would like to submit that if the Government wants to implement the crop insurance scheme in right earnest it should implement it on all the crops throughout the country and deduct the premium amount from Rs.1600 crores which is given as subsidy in the name of consumers and Rs.2,000 crores given on fertilisers. I feel that this can be a way by which the farmer could be saved from natural calamities like drought and floods.

I want to submit one thing more. For the last 17 years we have been hearing that Ravi and Beas waters will flow in Haryana and irrigate over 30 lakh acres of land in our State. Besides, for past many years construction work on Sutlej-Yamuna link canal is continuing and I am sorry to say that in spite of an assurance four years ago that 117 km. long stretch on the Punjab side would soon be completed it has not been done so far. The farmers of Haryana are braving a loss of Rs.400 crores every year because of non-availability of water from this canal. I

would like to urge the Government that keeping in view the present day situation in Punjab the construction work on this canal can be expedited. If this canal is completed it would not only benefit the farmer of Haryana but also the entire country. Today Haryana produces over 30 lakh tonnes of foodgrains. Early completion of this canal would give a tremendous boost to foodgrain production and benefit the country in general and the farmer of Haryana in particular.

15.05 hrs.

[SHRI ZAINUL BASHER *in the Chair*]

The hon. Minister is present here. He belongs to an area where there is no rainfall and the underground water is saline. That water cannot be used for irrigation, though no doubt we have developed the technology of utilising saline water. Our army jawans are posted there and they are trying to desaline sea water in order to make it potable. Our scientists could also work in this direction so that desalinated water could be supplied to farmers for irrigation. Besides, our scientists could also tell the farmers about improved techniques of agriculture so that their economic condition improves.

We have been hearing for quite some time that agroscientists in the country have developed new techniques for the promotion of agriculture. Earlier, 20 maunds of wheat was produced in one acre of land but today 60 maunds are produced in the same area. That is true. But the need of the hour is that scientists should develop such varieties of seeds which can produce in drought hit areas.

Where there was drought last time in our area, the Kharif Crop was completely ruined. Mustard and Toria Seeds could not be swon in September and October because there was excessive heat in earth. The seeds which were sown did not sprout. The

[Sh. Birinder Singh]

agro-scientists should develop such techniques which could enable the farmers to produce foodgrains even if there are such natural calamities.

In the end, I would like to say that new and improved techniques should be introduced in agriculture so that the economic condition of farmers and others living in the villages improves.

[English]

PROF. MADHU DANDAVATE (Hajapur): Mr Chairman, Sir: The Minister has presented a demand for Supplementary Grants. Normally, one would not object to conceding the Supplementary Demands at all. But I think it is an opportunity and occasion when we can discuss whether this Government and its financial management deserve the Demands being granted; and that way, it is a good opportunity to scrutinize the work of various departments of the Government, of course very briefly.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K.GADHVI) : And relevantly

PROF. MADHU DANDAVATE Relevantly, of course. I am not a Minister. So, I will be relevant. (*Interruption*) When I was a Minister, I was more relevant.

Sir, the economy today is completely mismanaged, and corruption has become quite rampant.

PROF. N.G. RANGA (Guntur). 'Hear, hear' you said.

PROF. N.G. RANGA: No; I am saying 'Arre wah'. I did not say 'Hear, hear'.

PROF. MADHU DANDAVATE: If you

do not accept it, you can just push it below the carpet, but sometimes the carpet may blow away.

As I was saying, because economy is mismanaged and the corruption is rampant, a lot of burdens are thrown on the people, and the Minister comes forward with demands for fresh Grants. I will pick up only a few issues to demonstrate the manner in which very skilfully this Government is mis-managing the economy of the country.

KUMARI MAMATA BANERJEE (Jadavpur): *rose*.

PROF. MADHU DANDAVATE: I am not referring to West Bengal; I am referring to the Centre. I will take a concrete illustration to show how partisan the entire machinery has become. Take, for instance, the question of loan *melas*. As far as various schemes to give loans to the weaker sections are concerned, Weaker sections particularly from among the women. If any accelerated schemes for giving loan to the women beneficiaries or the weaker sections are prepared, one would be very happy about it. But the trouble with this government is some of the best schemes can be spoiled. They have got technique and the technology to do that.

Take for instance the question of loan *melas*. Recently, there were meetings on 14th and 10th November in Bangalore of various bankers. I want to give here an evidence as to how partisan is the machinery. When you are sitting in the Chair, you are not a Congress. You are just a Chairman. Therefore, I am taking an advantage of your neutral stance. You will be probably shocked and surprised to hear as to what type of forms are circulated when applicants come to get the benefit of loan *mela*. But before I read out that, I would just like to say something about the style of functioning of our Ministers. I have respects for the young

Minister Mr. Poojary. He is a good friend of ours; nothing personal. But sometimes when the power comes, it bring along with it a certain abrasiveness in functioning. Every Minister must remember that the staff that is associated with his Ministry are the staff for the Minister to assist him and sometimes even to advise him. But now the employees and the officers of the Ministry are to be treated like bonded labour; the bonded labour laws are to be applied not only to the manual labour outside but also to various Departments of the Government by the Minister. I am sorry to say about the abrasive manner in which our Ministers treat various employees including the officers and extract work out of them; it is an extremely abrasive manner; many of them feel like that; they have no voice. We, the MPs, have voice, but officers and employees have no voice, but I am expressing their voice; many of them feel that they are functioning like bonded labour. Instructions are thrust on them and even if there is a partisan touch, jolly well, they have to implement them because they have to worry about the security. When these loan melas are organised and the forms to the applicants are circulated, what is the proforma of the forms? I have here with me a form. It was circulated to those applicants who are sympathetic towards the ruling party. Of course, there are various good questions; they are very nice that is whether you could get loan very easily; whether there was any difficulty, whether there was any middleman; and if they find that there was a middleman he can be eliminated. I am not referring to Bofors; I am referring to bank loans only. So, the middle man can be eliminated. It is a good thing. I have with me a scheme of ration card loan for which some forms were prepared; and un-officially a form was circulated containing the following questions.

SHRI B.K. GADHVI: I am not on a point of order but on a point of information to the hon. member. He is a senior Member. He

may kindly refer to rule 216 of the Rules of Procedure and Conduct of Business in Lok Sabha. On page 100, it reads as follows:

"The debate on the supplementary grants shall be confined to the items constituting the same and no discussion may be raised on the original grants nor policy underlying them save in so far as it may be necessary to explain or illustrate the particular items under discussion.

So, there is no item like that. That is why stated, be relevant; kindly come to relevance.

(Interruptions)

PROF. MADHU DANDEVATE: I have studied all these rules.

(Interruptions)

KUMARI MAMTA BANERJEE: Are you heading for the poor men?

(Interruptions)

PROF. MADHU DANDEVATE: With the permission of Kumari Mamata Banerjee, I will proceed further. I fully appreciate the point of order, but he can also go through all the debates right from the First Lok Sabha up to the last.

MR. CHAIRMAN: That is not his point of order.

PROF. MADHU DANDEVATE: His point of information is point of order; that is right. Very nice. First he said, point of order; then he converted it into point of information. It is very nice. So, that suits me very well. In the form that was circulated, — it is a typed, cyclostyled form—and I can give you a hundred form if you want, instead of one.

[Prof. Madhu Dandavate]

Question No. 15, circulated to the applicants, women, among the weaker sections, question No. 15 is, "Whom do you intend to vote next time," (Interruptions) Then, Question No. 16 is, "Have you heard about Janardhana Poojary?" (Interruptions) Question No. 17 is... (Interruptions)

MR. CHAIRMAN : You should be tolerant. Please take your seat. (Interruptions)

SHRI. T. BASHEER (Chairayinhil): We want to know what form is it. (Interruptions)

PROF. MADHU DANDAVATE: You ask me the question. (Interruptions)

SHRI. F. BASHEER : Is it given by the Bank?

PROF MADHU DANDAVATE: How can it be from the bank? (Interruptions)

Unfortunately, the tragedy is they are not listening. They are exercising their fundamental right of ignorance. I have already said that this is an unofficial form that has been circulated to those who are the sympathisers of the ruling party and I will get you one hundred forms from Bangalore and I shall produce them before you, if you so order. (Interruptions) I can produce them before you.

MR. CHAIRMAN : Professor Sahib, when it is unauthorised you should not quote. It may be distributed by anybody. If it is unauthorised, do not quote. (Interruptions) Please take your seats. When I am standing you should take your seat.

Professor Sahib, when it is unauthorised, you should not quote.

PROF. MADHU DANDAVATE : I am fully armed. Whether it is X or Y during the debate I am fully authorised. During the

import licence scandal in this very House so many unauthorised documents were read.

MR. CHAIRMAN : The form is not authorised. It is an unauthorised form. You should not quote.

PROF. MADHU DANDAVATE : I am not making any allegations against anyone.

MR. CHAIRMAN: Kindly do not do it.

PROF. MADHU DANDAVATE: I am fully within my rights. I will give you precedents. When the import licence scandal was being discussed in this very House many unofficial documents were read and ultimately Mr. Dhillon gave a ruling in this House.

MR. CHAIRMAN: You cannot quote anything like that. It is not an authorised form. It may be circulated by anybody.

SHRI A. CHARLES (Trivandrum): He cannot quote. (Interruptions)

PROF. MADHU DANDAVATE: I shall never be cowed down like this. Let it be understood. (Interruptions) Lot of material is yet to come. This is the beginning. Lot of material is yet to come.

SHRI. A. CHARLES : We will not allow this sort of thing.

MR. CHAIRMAN : You please take your seat. (Interruptions)

PROF. MADHU DANDAVATE : Who are you to allow me? Madhu Dandavate will not be allowed to be cowed down like this.

(Interruptions)

MR. CHAIRMAN : Hon'ble Members, you take your seat.

[*Translation*]

You please sit down I will see what is relevant in it.

[*English*]

It is for me to see. It is not for you to do: Please take your seat.

SHRI A.CHARLES: Please do not allow him.

He should withdraw it. (*Interruptions*)

PROF. MADHU DANDAVATE: Sir, have I made any defamatory remark? Is 'Mr. Poojary' unparliamentary?

(*Interruptions*)

PROF. MADHU DANDAVATE: I can even refer the name of the Prime Minister

(*Interruptions*)

SHRI MANOJ PANDEY (Bettiah): I quote Rule 216. It says:

"The debate on the supplementary grants shall be confined to the items constituting the same and no discussion may be raised on the original grants nor policy underlying them save in so far as it may be necessary to explain or illustrate the particular items under discussion".

(*Interruptions*)

PROF. MADHU DANDAVATE: He has forgotten the latter part.

SHRI MANOJ PONDEY: This point is absolutely relevant so far as the discussion which is going on in the Lok Sabha is concerned. The discussion is related to the

General grant of the Budget. This is absolutely relevant. So, I would request your ruling on 216 Sir.

PROF. MADHU DANDAVATE: Before you give the ruling, shall I make a submission on the point of order.

(*Interruptions*)

MR. CHAIRMAN: I had appealed to you. please hear me first. Then I will hear you.

PROF. MADHU DANDAVATE: I want to tell what Mr. Murali Deora has said....

(*Interruptions*)

PROF. MADHU DANDAVATE: It is the convention of the House that whenever we are asked to sanction the Demands, we have the right to tell them that you are mismanaging the economy.

(*Interruptions*)

MR. CHAIRMAN: I have heard your point of order. Please take your seat.

SHRI T. BASHEER: Sir, it was a false document. He is misleading the House.

MR. CHAIRMAN: There is no ruling. Please take your seat.

(*Interruptions*)

PROF. MADHU DANDAVATE: These are the people who have read out the newspaper clippings about C.I.A. Agent in this very House. They had fifty C.I.A. Agent clippings from the newspapers sent to their addresses.

(*Interruptions*)

MR. CHAIRMAN : You have only a very little time. Please continue your speech.

(Interruptions)

PROF. MADHU DANDAVATE : He has already ruled out your point of order. Please take your seat.

SHRI. A. CHARLES : This is a false document. We won't allow.

(Interruptions)

PROF. MADHU DANDAVATE : Let them not exhaust their shouting on one item....

(Interruptions)

PROF. MADHU DANDAVATE : Then, the next item : ' If you get a chance, would you vote for him.' If you know any background about the same, then what is your opinion on all these things?

(Interruptions)

SHRI T. BASHEER . This is highly objectionable. He is reading the false document.

MR. CHARIMAN Your turn also will come. Why are you worried ?

PROF. MADHU DANDAVATE Now, they want the official document. Now I am coming to the official document. Please take your seat.

[Translation]

Mr. CHARIMAN: We will examine what he has said. Nothing parliamentary will go on record.

(English)

PROF. MADHU DANDAVATE : You better examine them next week Sir. They want the official document. Here is an official document. What is this document ? These are the minutes of Bankers' meeting held on 4th November, 1987 in connection with the programme of accelerated lending to women belonging to weaker sections in Bangalore. *(Interruptions)* These are the minutes of the bankers' meeting. I take the responsibility.

SHRI. GIRDHARI LAL VYAS (Bhilwara) : These minutes must have been set by Mr. Hegde

(Interruptions)

PROF. MADHU DANDAVATE : They are not prepared to forget that they have been kicked out of power from Karnataka. Every time they remind me that. Why do they remind me that?

Now I come to the official document. *(Interruptions)* I will submit it to you. In that meeting, "Shri Paldiyar, Deputy General Manager, Syndicate Bank, informed the meeting that as advised by the hon. Minister the convenor bank has given 85,000 application forms to the social workers nominated by the Minister for the purpose." He gave 85,000 forms to the social worker nominated by the Minister, Mr. Poojary. That is how they are managing the economy. That is how they are using this national institution. That is how they are using the banking machinery. So long as they are conducting the banking institution in that particular manner, they are behaving in a very aggressive manner with the members of the staff... *(Interruptions)*

SHRI A. CHARLES: I want to know whether those forms were printed by you? *(Interruptions)*

PROF. MADHU DANDAVATE: If I had

printed them and you have the evidence. I can be alleged of forgery; I can be put in the court of law. Sometimes, they are calling us anti-nationals. They say that we are the destabilisers, that we are unpatriotic. For that we will be treated guilty of treason. We are always prepared for that. Let them charge me of forgery also if they want.

MR. CHAIRMAN: Your time is limited.

PROF. MADHU DANAVATE: What is to be done? Do you not think that they are taking more of my time? (*Interruptions*) We are in the opposition not to offer *aarti* to you, but we are here to expose your failures. We are not here as sycophants. We are not here as His Majesty's Opposition, to sit here to become the sycophants of the ruling party. That is none of our task. I am performing the task of a vigilant opposition member and that I will continue to do. (*Interruptions*) You may shout hundred times, but I will never be cowed down. When we could not be cowed down during the emergency, we cannot be cowed down during normal times. You can shout to your heart's content, my voice will never be suppressed. Rest assured. I can speak even upto 12 O' clock if you want and if they continue their heckling like that. My voice will never be cowed down.

We come to the second part. There is a loan that is granted—a very fine scheme—of Rs. 25,000/- to educated unemployed. I welcome this measure. If it is utilized in a proper manner, it will be a very fine device. I shall request you as the Chairman occupying the presiding authority just now, let the Government appoint a committee, even a committee of the Members of Parliament, and try to find it out. I do not mind even if it is 100% ruling party Members' committee because we will put before them the evidence about this. There are many cases in which you will find that out of Rs. 25,000/- only Rs. 10,000 or Rs. 15,000 reach the pockets of the unemployed and rest of it is

swallowed by the middlemen. Appoint a committee of Members of Parliament. Let it be a committee of the ruling party members alone. We shall be prepared to place before them and we will produce the people who are prepared to admit that out of Rs. 25,000, they could get in their pocket only Rs. 10,000 or Rs. 15,000 (*Interruptions*)

SHRI GIRDHARI LAL VYAS: He is saying about the ruling party in Karnataka. (*Interruptions*)

PROF. MADHU DANAVATE: He does not understand that unemployment loan is given not by the State but it is given by the Centre; it is given by the Bank. He has forgotten that banks have already been nationalised. Sir, he is still like a 'Rip van Winkle' in the olden days. He is still roaming in the old days.

I will come to another point. As I said, not only the economy is mismanaged, but I will give a few more examples. Now I come to corruption. Please remain silent for some time. Sir, as far as corruption is concerned, recently when there were severe droughts in various parts of the country, various Chief Ministers, Chief Minister of my own State, we all MPs and those belonging to the ruling party in the State made our demand at the initial stage of about Rs. 480 crores. Initially we were given only Rs. 30 crores. I do not blame the Central Government because unfortunately they have mismanaged and they have squandered away the money in such a way that middlemen had swallowed it to such an extent. What can poor Prime Minister do? There are a lot of leakages in the Central Treasury.

Sir, International Monetary Fund has come out with a report that in one Swiss Bank alone, so much amount has been deposited by those persons who have violated FERA and kept the money there. They have amassed money and taken it out of the

[Prof. Madhu Dandavate]

country and the fact is that the Swiss Bank does not reveal their names. The total amount indicated by IMF is Rs. 1332 crores and a former Finance Minister also confirmed that it is exactly Rs. 1332 crores. Now, this amount is lying in Swiss Bank alone. God alone knows how much is in Paris, how much is in London, how much is in Washington and how much is in Frankfurt. In one bank alone, to which the IMF made a reference, they have kept Rs. 1332 crores. Now, Sir, I will refer to the official document laid on the Table of this very House.

Sir, the Indian Institute of Public Finance and Policy has prepared a report on the amassing of black money in the country and that report was laid on the Table of this very House by the finance Minister and there, in that report, it is mentioned what is the latest figure of annual amassment of black money in the country excluding smuggling. It is Rs. 38,000 crores. Now, if Rs. 38,000 crores excluding smuggling is supposed to be the accumulation of black money annually in this country, which is lying in a single Swiss bank alone, then it is all due to mismanagement of the economy and this has been mentioned in the Report of the I.M.F.

Then, Sir, Government has accepted *prima facie* case and therefore, I can refer to it. This morning only, Mr. Speaker, told us that already this question had been referred to and an enquiry is going on. Sir, we have already got the document and it has been established. I would like to tell you that the Registrar of Property, Revenue, in Switzerland has already given the document. It has been published everywhere, it has been published in that country, published outside, in which it has been accepted that a 5-room villa has been owned by Ajitabh Bachchan and its valuation was originally put at Rs. 48 lakhs and now it is found to be anywhere between Rs. 65 lakhs and Rs. 80 lakhs.

Obviously, money has travelled out of India and that was in foreign exchange release and therefore FERA was violated. And this particular purchase has taken place on 3rd April, 1986. So at that time the Foreign Exchange Regulation Act existed. At that time this gentleman, let me call him Advani, he was Indian national. Five-room apartment was already owned by him, its evaluation was between Rs. 65 lakhs and Rs. 80 lakhs. From where did he get it? Somebody contradicted the report earlier. But after going away from the House, we find that that is correct, the documents are correct. And, Sir, in doing that, in having the foreign exchange sent out of the country, which are the sections of FERA that they violated? Firstly, Section 8 of FERA in so far as he has acquired foreign exchange to purchase the apartment, that has been violated. No. 2—Section 9 of FERA transferring the foreign exchange to some one else outside the country without taking the permission of the Reserve Bank of India. That is the second violation. No. 3—Section 25 of FERA, that is, without the permission of the Reserve Bank of India he acquired immovable property situated outside India. So, FERA violations—Section 8, Section 9 and Section 25—have taken place. Unless you are able to find the facts and tell the House that 'we are going to punish the guilty'—every one should not be sent out of the country when he is required as a culprit, every one should not be Charles Sobraj—when he is required, he goes out of the country. And therefore, this case must be investigated. So far nothing of that type has been done.

Sir, only a few minutes more. Sir, extract the hecklers' time!

I will come to an eternal problem. Sir, the Maruti factory was set up in the country. In the morning one Congressman congratulated the Government for liberalisation of licence policy. Sir, Maruti factory was an epitome of liberalisation of licence policy. I

would like to tell you, Sir — you are an old parliamentarian — when Shri Fakhruddin Ali Ahmed was Industry Minister in the Government of India, he had announced that the Government policy will now be not to give licences for manufacturing small cars because, he said on the floor of the Parliament, what the country needs today is public transport, we have enough factories manufacturing small cars and therefore, the public transport factories will get the licence. The moment Sanjay Gandhi put in the application, the policy was changed within 48 hours. Maruti Car got the licence, but they were told that it was 100 per cent indigenous factory, the motor car. Today, if you see the Maruti-Suzuki car, try to find out whether that indigenous character has been maintained. In today's Maruti car, if you ask me a question 'what is indigenous?', I will say, only the air inside the tyre is Indian, otherwise everything is actually imported. That is the position. All right forget the past, Sir. Past is past, Sanjay Gandhi has also gone. But let me tell you, Sir, afterwards when the Maruti was in loss, it was nationalised. I say it is nice, nationalisation of losses, when it was nationalised. And recently when we had the collaboration with the Japanese company, Suzuki, Sir, only last week you must have read in the newspapers, the multinational Company Suzuki, the Japanese Company, has demanded that their equity share should be increased from 26 per cent to 40 per cent. Sir, we are talking about self-reliance, we are talking about strengthening the economy of the country and if we allow them to increase their equity from 26 per cent to 40 per cent, it will mean the share of the public sector Maruti Udyog factory will be transferred more and more to the Japanese multinational. That is the policy that they are following.

Once a friend asked me whether this Government supports the public sector or the private sector. I said, the simple proposition is, they publicly support the public sector

and privately support the private sector. That is exactly what is happening. Today, increase from 26 per cent to 40 per cent of their equity share—that is going to happen.

Sir, because the Home Ministry's Demands are also there, I will give only one instance as to how the Home Ministry Functions. Of course, I don't blame the Minister. Somewhere the mistake has been committed. But in good faith, as one who has also participated in the freedom struggle, I welcome this list of 97 veterans who participated in the freedom struggle. Unilaterally the Government correctly decided to give them freedom fighters pension, because they are towering freedom fighters. You will be shocked and surprised to know as a freedom fighter, that Shri Bhagwat Dayal Sharma, the former Chief Minister of Haryana—I may differ with him but I can never forget that he was a great freedom fighter—his name was included in the list of freedom fighters, but you will be shocked to know that a communication went to him from the Home Ministry that: your name has been included in the list of eminent freedom fighters. Kindly send your passport size photograph and your finger prints. They asked for his finger prints. Criminals are asked to give their finger prints, not freedom fighters. Those of us who have fought for India's freedom or God's freedom, we are proud that we have not committed any crime and if the Government or any officer treats the freedom fighters as criminals and demands finger prints from them, it is a matter of shame for all of us, even for you, who has been occupying this Chair. And, therefore, the style of functioning has to be changed.

Unless the style of functioning is changed, the economy is properly managed, austerity is observed, mismanagement is averted and bureaucratism in the functioning of the Finance Ministry is averted, it will be difficult for you to manage the resources. That is why, I recorded my

[Prof. Madhu Dandavate]

protest. This is the only way, we can give voice to the sentiments of the people, grievances of the people. Sir, I am thankful to you for having given me a patient hearing despite the background music.

[Translation]

KUMARI MAMATA BANERJEE (Jadavpur): Mr. Chairman, Sir, I rise to support the Supplementary Demands for Grants. There has been a tradition that Government expenditure is got approved in the legislature and Parliament through supplementary Demands for Grants.

Many hon. Members have pointed out that prices are rising at a fast pace. Similarly, inflation is also increasing because of drought and floods in the country. It is true that last year the estimated deficit was Rs. 3,703 crores whereas the actual deficit touched Rs. 8,285 crores. The earlier Supplementary Demands were for Rs. 687 crores and once again the Government has come with Supplementary Demands. It is very easy to criticise the Government but I would suggest that the opposition and the Ruling party should come together to solve the problems of the country and work towards achieving progress and prosperity. I do not hesitate to utter truth. I belong to the ruling party, but if my party commits a mistake, I shall raise my voice, because I am the representative of the people. The prime duty of a public representative is to listen to the grievances of the people and that is what we do. We have high regard for Prof. Madhu Dandavate but it is unbecoming of an opposition Member to criticize at such a crucial hour instead of giving constructive suggestions. We want the opposition to give us constructive suggestions regarding curbing the rate of inflation, checking floods and drought and controlling price rise. But it is unfortunate that even though Dandavateji is a Senior Member of the House, he is lev-

elling charges against a Minister by furnishing forged documents and thereby supporting a corrupt Bank Officer. The Government has 20 point programme for the upliftment of the poor but the Opposition has 1 point programme that of criticizing the Government. They do not have any other programme. The entire House witnessed the adjournment motion. But what for had they brought it? There was no political issue for the opposition. They had to create a scene during the zero hour and that is why they did it. There was no point in bringing an adjournment motion. They had just to create pandemonium. The projects of the non-Congress (I) States should be cleared. We also emphasize on it. That is in public interest. There are many pending projects in West Bengal. Those should also be cleared. We are also concerned about it. But no purpose will be served by creating pandemonium in the House. The Speaker would simply adjourn the House and go away. When the issue of price rise is being discussed in the House not even a single opposition Member is present here.

(Interruptions)

AN HON. MEMBER: The House is discussing Supplementary Demands for Grants.... *(Interruptions)* Supplementary Demands have been brought in the House.

(Interruptions)

KUMARI MAMATA BANERJEE: There is no doubt that the opposition will level allegation against the Government. That is its business. But at the same time the opposition should ensure whether it is appropriate or not. Whether there is a point in it or not? Whether it is authentic or not? That is all I want to say to the opposition.

Sir, I did not want to raise this issue but because Madhu Dandavateji had pointedly spoken about it I had to mention it.

Sir, Indiraji nationalised the banks for the welfare of poor people. We are not supporting the management but we also do not say that all the bureaucrats do not cooperate. There are bureaucrats no doubt who do not cooperate with the Government and who pass on confidential documents to Opposition and ask them to raise it in the House.

Sir, two-three days back many hon. Members had pointed out that the management of banks is not proper. Nobody works there. It was suggested that a team of MPs should be sent there. It would have some impact on the State of affairs there. There are large scale irregularities in bank loans. Particularly, in case of poor people this should be enquired into. If a poor man is to receive a loan of Rs. 500, he gets only Rs. 300 from the bank. The middle man swindles away Rs. 200. Prof. Madhu Dandavate speaks a lot about middlemen in Bofors deal but he is not concerned about middlemen in banks. I want to say that there should at least be no difference of opinion among the MPs. We should cut across party lines on such issues. We should safeguard the interest of people. You are the representative of people and so are we.

Sir, I would like to draw the attention of Government to another point. The Government has paid attention to modernisation of industries. It is true that inflation has increased in India but it is a world wide phenomena and not a problem for India alone. Besides, the country is marching towards industrialisation. Industries are the backbone of our country. If we do not set up industries the unemployment problem cannot be solved we support Prof. Madhu Dandavate for his plain speaking. Shri Murti Deora has also pointed out that the new entrepreneurs should be provided more incentives so that they could set up new industries in the country. There are many sick industries in our country. The Government does not believe in the policy of taking

them over. When an industry becomes sick it is the worker who is rendered jobless thereby suffers. The person who belongs to the management is able to manage a job somewhere, whether in the public sector or elsewhere. But there should be a special rehabilitation package for the workers of sick industries and they should be given interim relief. I would like to cite the example of Bengal. It tops the list of States where there are maximum number of sick industries. Special rehabilitation package should be formulated for Bengal. Similarly, we can revive some of these industries. The Government should pay attention to the AVL. It can reopen if necessary attention is paid to it. The condition of Hindustan Fertilizer, located at Haldia, needs to be reviewed and a time bound programme made for it. If there is a problem somewhere it percolates down everywhere. Today it takes 6 month to one year for a file to move from one table to another. The Government should accept the schemes suggested by MPs because by the time these are launched we may or may not be here, as ours is a democracy. Something should be done for the people of our Constituency.

I have already spoken about price rise. The prices of baby food, rice, wheat, vegetables and edible oil have risen tremendously. This should be checked immediately and there is need to pay attention in this direction. Similarly, there is need to pay attention to the public distribution system in the country. It should be improved in the states where it is not properly functioning.

I want to mention an important point regarding ban on recruitment. There is serious unemployment problem in the country and ban on recruitment for the last five years has further worsened the situation. This ban should be relaxed so that the unemployed youth get an opportunity. The provision of examination fee should be removed in the case of unemployed youth. Numerous youth

[Kumari Mamata Banerjee]

in the villages are not able to apply for jobs because they cannot pay the fee, even though they are brilliant. Therefore, there is need to improve the system.

(Interruptions)

Floods and drought are causing serious problem in the country. Adequate facilities should be provided to Gujarat, Rajasthan and Orissa to deal with these natural calamities. The Government has provided lot of assistance to the States and for that it deserves to be congratulated. But we have come to know that many States are not maintaining proper accounts of the Relief Fund and therefore attention should be paid in the direction. The accounts should be properly maintained. Shrimati Geeta Mukherjee and Shri Tiraky has also pointed out that more funds should be provided for flood relief. *(Interruptions)* I support this suggestion. There are CPI and CPM Members in this House but they cannot raise this issue, because they know that if they did, they will be removed from here. I am not a partner of left front Government but I know that they have adopted a resolution to this effect. The CPM Government in Bengal has not given flood relief to the workers *(Interruptions)* I want to submit that the Centre should provide as much flood relief to the States as they want but it should ask for proper accounts. *(Interruptions)*

There is need to increase the number of credit camps, because the number of unemployed youth is increasing in the country. Besides, more such credit camps should be set up for women and Scheduled Castes and Scheduled Tribes. When the Banks were not nationalised, only the industrialists used to get credit but today poor people are also benefited by the banks. The allegations hurled by the Opposition will not have any effect. This is their habit. Whatever we have to do for the country that has to be done. We

went to Nagaland during elections. We are aware that proper communications facilities are not available in Arunachal, Meghalaya and Tripura. The Government should pay more attention so that communication facilities may improve. As Mr. H.K.L. Bhagat and Mrs. Sheila Dikshit are present here, I want to submit an important point. We are the representatives of the people and hence we have to work for the removal of their grievances. If we don't take up public grievances then who would do it? The fact is that when we forward someone's representation about a certain grievance, the letter goes to him instead of coming to us. The M.Ps and M.L As are the representatives of the people and therefore when someone files a complaint we should also know about its fate. I had forwarded a representation of one lady who had some problem. Subsequently, a letter reached her which I quote:

[English]

Mr. K.C. Seth, Deputy Director of Administration (for Director General), has given one letter to that lady.

"Subject: Warning under rule 20 of the Central Civil Service (Conduct) Rules, 1964.

"This Directorate is in receipt of a letter No. Nil dated 18th June 1987 from hon. Miss Mamata Banerjee, Member of Parliament, Lok Sabha, regarding absorption of Shrimati Mira Mukhopadhyay in the post of Production Assistant.

"Under rule 20 of the Central Civil Service (Conduct) Rules, 1964, a government servant has been prohibited to bring outside influence to further her interests in respect of matters pertaining to her service conditions. Shrimati Mira Mukhopadhyay is, therefore, advised not to approach

Members of Parliament/Members of State Legislatures either herself or through any of her relatives/friends in future...."

(*Interruptions*)

DR. CHANDRA SHEKHAR TRIPATHI (Khalilabad): It is a shame on democracy.

(*Interruptions*)

PROF. MADHU DANDAVATE: Sir, you should direct the Minister concerned to say something about it.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): The service regulations are in the jurisdiction of the Department of Personnel. I completely appreciate the feelings of the Hon. Members. Certainly we will bring it to their notice.

(*Interruptions*)

SHRI NARAYAN CHOUBEY (Midnapore): These rules must be changed. The rules must be scrapped. (*Interruptions*) He must explain.

(*Interruptions*)

[*Translation*]

MR. CHAIRMAN: Mamataji, please conclude early.

KUMARI MAMATA BANERJEE: We want to request the hon. Minister to look into it. Our Government is committed to the Welfare of the poor and of the nation but sometimes, certain people....

MR. CHAIRMAN: Mamataji, you may continue tomorrow.

16.00 hrs.

[*English*]

DISCUSSION RE: RISE IN PRICES OF ESSENTIAL COMMODITIES-*Contd.*

MR. CHAIRMAN: We now take up item No. 16, Discussion under Rule 193. Shri Sriballav Panigrahi.

SHRI SRIBALLAV PANIGRAHI (Deogarh): Mr. Chairman, Sir, I thank you for giving me this opportunity to participate in the debate on price rise which is going on in the House for some days past under rule 193.

16.0 1/2 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

Sir, the price rise is a problem not confined to India alone but it is a global problem. It is a knotty, vexed and global problem. But the question is that the price rise should be kept at the minimum possible level. However we may try, the prices that were there in 1947 at the time of achieving our Independence or in 1951 at the beginning of our Five Year Plan, we cannot expect that price level to exist now. It will go up. It has gone up. But actually, the question is how to contain it. Considering that, now the situation in our country is really unsatisfactory, it is serious and that is causing concern in various circles including the Government. I know the Government feel concerned about it. Government have started taking several measures to contain the price rise, to make essential commodities available to consumers throughout the country and at fair price.

Sir, the rate of inflation that we are having now is 8.7% at the end of August 1987 and it was 7.5% in April, 1987. This shows how the rate of inflation is on the increase. There is an apprehension that we may have a double figure inflation this year.