

[Shri K. Rama Chandra Reddy]

Central Government is requested to take steps to start T.V. Relay Stations on Horsely Hills and on Palakonda Hills in between Kediri and Pulivendula.

(v) **Need to take immediate Steps for proper functioning of production Centre at Ettumanoor Kottayam in Kerala**

SHRI SURESH KURUP (Kottayam) : I would like to bring to the notice of Government the sorry state of the Production Centre owned by the Government of India at Ettumanoor, Kottayam, in Kerala. The Production Centre was started in 1957 for giving employment to the skilled people and also for the manufacture of machine-tools. For the last so many years, this Centre is running at a loss. There are 145 Workers in this factory. They are not given proper salary. Now it is heard that the Ministry of Industry is planning to stop the production in this Centre and trying to make it a training Centre. I request the Minister of Industries to take immediate steps for the proper functioning of this Production Centre.

(vi) **Need of clear the Mandovi and Tillari Irrigation projects at the earliest in the interest of the people of North Goa.**

SHRI SHANTARAM NAIK (Panaji) : Two irrigation projects, namely, Mandovi Irrigation Project and Tillari Irrigation Project have been proposed by the Goa Government and the same are pending with the Central Government.

Mandovi is a Medium irrigation project in the basin of river Mandovi, which will give the benefits of irrigation to command areas in Satari and Bicholim Talukas of Goa District. The length of the dam is 1080 metres with a maximum height of 56.00 m. There will be a gross storage capacity of 111.19 M.C.M. The cultivable command area under this project is 5902 hectares.

The Tillari Irrigation Project is a joint venture of the Union Territory of Goa, Daman and Diu and the State of Maharashtra.

This project will have storage capacity of 462.27 M.C.M. The total area that will be irrigated by this project is 22,338 hectares out of which 16,978 hectares will be within Goa. The cost of this project is to be shared by Goa and Maharashtra in some agreed share.

However, these two projects are pending with the Central Government at various stages of process.

It is earnestly requested that these projects may be cleared in the interest of the people of North Goa.

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12.34 hrs.

**SUPPLEMENTARY DEMANDS FOR GRANTS (GENERAL) 1985-86—CONTD.**

[*English*]

MR. SPEAKER : The House will now take up further discussion and voting on the Supplementary Demands for Grants in respect of the Budget (General) for 1985-86. Shri Suresh Kurup was on his legs ; he may now continue his speech.

SHRI SURESH KURUP (Kottayam) : Mr. Speaker, Sir, I rise to say a few words on the Supplementary Demands for Grants. The Government of India claims that the tax collections are good so that they can tide over the Budget gap of Rs. 3649 crores. But the fact has proved otherwise. The very fact that Government is presenting a Supplementary Demand for the second time in this House only shows that the Government's claims are wrong. The Supplementary Demands are for Rs. 1824 crores.

12.35 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

The Government was claiming that it is going to cut the non-plan expenditure and it claimed that it would cut it 5 per cent, but the non-plan expenditure which has gone to Rs. 1,111 crores shows that the claim of the Government in this regard is wrong.

Another fact I want to mention is regarding trade deficit. Today the trade deficit is alarmingly high. It comes to about Rs. 6000 crores. I want to know how this has happened, how this deficit is going up, whether it is due to the licence given for imports or due to the reduction in exports. In this connection I would also like to mention an important fact concerning the economy of Kerala, i.e., regarding the price of coconut. The import policy of the Government of India is giving a death blow to the whole economy of our State. Respected Deputy-Speaker, Sir, you know this thing was again and again discussed in this House and the concerned Ministers again and again gave assurance that the price of coconut won't go down. And the moment they give the assurance, again the price will go down. This is because the Government is yielding to the pressure of big industrialists in our country. Sufficient production of coconut oil for the internal consumption is there in our country, and I want to know why the Government is insisting on imports. I think it is right that it is only because of the pressure of big industrialists. A product which is sufficiently produced in this country both for industrial purposes and for other purposes is imported and this can be seen in respect of all other agricultural products. On the one side the farmers are not getting sufficient price for their product, and on the other side the consumers, the ordinary people in India, are paying heavily for all those commodities they want. The statistics show that the wholesale price index is coming down. But I do not know why the ordinary people in our country are forced to pay exorbitant prices for the commodities they purchase. I do not know whether the Minister is going to blame the traders for this but this is a fact. So, my request to the hon. Minister is that the Government should find a way out to control the price situation in the country. The people in our country do not want statistics showing that the prices are coming down. In the morning they read the statistics in the paper and when they go to the shop they find that the prices are higher than Yesterday. So, a long chain of fair price shops should be started and Government should ensure that these shops function properly.

I want to mention another point regarding the amount given by the Central Government for flood relief. My request on behalf of my State and also on behalf of the other States in this country is that the relief given for flood should totally be given as grants. Giving some percentage as loan and some percentage as grants should not be the case. The whole amount given for the flood relief should be given as grants and that is an urgent demand of all the concerned State Governments in this country. Every year, the flood situation occurs. The other day, one hon. Member was mentioning about the revolving fund that could be constituted for giving relief to the flood affected States. Such a fund should be formulated and the Central Government should assure the people of Kerala and of other States who are facing the flood situation that this amount will be given as grants.

These are the few points that I wanted to mention in this direction. With these words, I conclude my speech.

[*Translation*]

SHRI MANVENDRA SINGH (Mathura): Mr. Deputy Speaker, Sir, I support the supplementary demands for grants for the year 1985-86 presented in this House and thank and appreciate the hon. Finance Minister and the Minister of State for Finance who have formulated programmes for controlling the black money and by raiding certain premises have added crores of rupees to the Government exchequer. This has discouraged the persons holding black money. Last time also, speaking on the subject I had requested the hon. Minister that stern measures should be taken against sales tax or income tax evading industrialists so that the 50 per cent revenue which is pocketed by these people could be realised. In this direction some commendable job has been done and the authorities have got success also, but I would request the hon. Minister that more stringent steps should be taken in future and also he should keep a watch over these people so that the people at large may get relief.

Regarding price rise, I would say that the efforts he has made have resulted in checking the price rise to a large extent

[Shri Manvendra Singh]

through businessmen, specially the hoarders. As in the case of sugar, when its prices had soared high, a fervent appeal was made to the Government in this House, the prices were brought down within few days and since then sugar and other consumer commodities are being made available to the people at fair prices. But at the same time I would appeal to the hon. Minister that arrangements should be made that all the shopkeepers, both in the urban as well as rural areas must display the rate lists so that the shopkeepers are not able to sell the commodities at arbitrary rates and people are able to get the things at fair prices.

Sir, so far as drought and floods are concerned, every year in one or the other State these natural calamities go on occurring. For that I will request the hon. Minister that he should create a special fund at the Center so that money may be made available for immediate relief to those places which are affected by floods, drought or any other natural calamity. For this purpose a control room should also be set up so that reasonable assistance could be provided for every district of all the States at the time of floods, drought or any other natural calamity.

Sir, we all know that India has been predominantly an agricultural country and 80 per cent of its population depends on agriculture. If we have a look on the agriculture sector we find that the efforts made by the late Prime Minister, Shrimati Indira Gandhi brought the green revolution and from that period onwards farmers have been given more facilities. With the efforts of the Hon. late Prime Minister ; Banks were nationalised and the money, which was in the hands of a very few people, was given in the form of loans to poor people in villages. Today, we are proud to say that every Indian can make use of that money without any restriction, which was in the hands of a very few people and a few industrialists.

Sir, with the efforts of our Hon. former Prime Minister, late Shrimati Indira Gandhi, 20-point programme was implemented under which Bank funds are being utilised for the people of weaker sections of society, landless

and the Scheduled Castes and the Scheduled Tribes in the rural areas. Besides, I would like to draw the attention of the hon. Minister that special funds may be provided to undertake welfare measures for farmers and agricultural workers in the villages, where there are no roads, electricity and irrigation facilities.

The farmers are facing a lot of difficulties. There is shortage of power in villages water is saltish. No irrigation facilities exist there. If Tubewells are there, adequate power supply is not made available. In this way they are experiencing many difficulties. In canal areas irrigation facilities are quite inadequate. There is need of constructing more canals. I would like to submit to the hon. Minister that by constructing barrages and dams on the rivers, water reservoirs may be provided. Adequate funds may be given for this purpose so that more and more irrigation facilities could be provided there.

So far as the question of power generation is concerned, I would like to submit to the hon. Minister that there is an oil refinery in my area—Mathura where the entire gas is burnt. Why power houses based on gas should not be set up there in order to increase power generation ?

It would be better if we pay attention towards primary education system in order to provide medical and educational facilities in rural areas. Most of the primary schools in villages are lying in dilapidated condition. No educational facilities exist there for the children who are the future of our country. Even today, children are given education under the trees in rural areas and schools generally remain closed during rains and winter. Why should more funds not be given for primary schools ?

The farmers experienced great difficulty in selling their sugarcane. I would like to request the hon. Minister to set up more sugar mills in order to improve the condition of farmers and to remove the shortage of sugar.

Although I have many things to say, yet due to shortage of time I conclude my speech here.

[English]

SHRI G. L. DOGRA (Udhampur) : Mr. Deputy Speaker, Sir, I am conscious of the limitation of time ; so I will try to co-operate with you as much as I can.....

MR. DEPUTY SPEAKER : Thank you.

SHRI G. L. DOGRA : I not only support the Supplementary Demands for Grants but I congratulate the Finance Minister for taking bold steps throughout his tenure and I hope he will continue to march on the same path and give a good deal of strength to our economy. The bold steps in taxation that have been taken have proved that our taxation policy which we have been following so far was burden some and the burden was on the limited middle class people. Therefore, as it has been, the rigours have been relaxed and the collections have gone up. The Money that was circulating under illegal channel has come under the control of the Government and actually our economy is put on the right path. It has started coming and I hope by the next budget we are going to have a very sound economy and economic policies.

While supporting the Demands for Grants, I would like to draw the attention of the Government to a few facts. It was conceived during Panditji's time that so far as the northern and the north-western parts of India are concerned, they are cut off, they are backward and they require to be opened both for economic development as well as for the defence of the country.

Sir, an organisation called Border Roads was set-up and its duty was to open up the most cut off areas in North and North East States. The department has been working satisfactorily. It has been doing good job. but the problem is so enormous that we must increase its activities to a great extent. We are thinking of developing technology, modernising our economy and doing many good things and developing enormously in the already developed areas, which is absolutely necessary, but there is likely to be a big gap between those areas and the areas in North and North East States which are cut off States. We have promised free education to the girls upto 12th standard. We have promised health services to the

people. We have started 20-point programme and we are helping rural poor but this part of the country which is not open up all these things are not reaching there. In Jammu province both in my constituency and the constituency of my colleague, Shri Janak Raj Gupta, I would like to draw the attention of the Government towards a road which is absolutely necessary to open up the area for economic development as well as for defence purposes.

There are two roads. One starts in Udhampur district from Majalta and goes to Basantgarh and from Basantgarh to Dudu, Lati, Mantalai, Chinani linking Jammu-Srinagar highway. This is very important. The whole area is cut off and the people are living only in the pastoral stage of development and they are not able to educate their children. Some of them have not even seen rail so far. A few of them are acting as shepherds. Others are living in a state of neglect. Before we enter the 21st century we must open up these areas.

Secondly, for defence a road from Kishtwar-Marwa-Warwan to Kargil is very necessary because the existing road from Srinagar to Kargil is exposed to enemy fire. Because of improved weapons of war and modern aircraft this road is absolutely vulnerable. Therefore, it is very necessary that we connect Kargil by a safer route and road from Kishtwar to Kargil is absolutely necessary. Without this road we would not be able to defend our border. It is high time we think of this. Pakistan is linking the road which goes from China to Gilgit by a series of roads towards our border and we have not constructed even the second one. Therefore, it is very necessary to have this road in order to match them in defence. We are trying to make arrangement to protect our country from atomic weapons.

13.00 hrs.

But at the same time, these routes which are absolutely necessary for land warfare and for aerial warfare are being neglected. These are the two routes to which I wanted to draw the attention of the Government.

[Shri G. L. Dogra]

There is another point, that is, for the production of tea in Himachal Pradesh and in some parts of our state originally the tea market was at Amritsar. But now it has been completely disturbed. Tea from Amritsar was going to Afghanistan through Pakistan and there was regular trade. In this connection, I drew the attention of the then Commerce Minister, who is now holding the portfolio of Finance Ministry, Shri Vishwanath Pratap Singh, that in Amritsar, Tea auction Centre should be started and tea trade must be revived. The Government of Afghanistan is still getting tea from Amritsar. But there is no land route. Therefore, transit facility for marketing tea to Afghanistan through, Pakistan is absolutely necessary. Sir, it has been announced that President Zia of Pakistan is visiting India on 16th of this month. I hope the Central Government will take up this matter with him.

Another point is regarding distribution system in far-flung and highly areas. Sir, without healthy cooperation of all concerned, it is not possible to give the necessities of life at a very cheaper rate to the people in these areas. I would request the Central Government to give instructions to the State Governments to establish a strong healthy consumer cooperative movement in the highly and cut-off areas so that essential commodities are provided to those people. Sir, the Central Government is spending so much and there is negligence on the part of the State Government and this creates restlessness among the people in the sensitive areas. I would therefore request the Central Government to give attention to this matter and direct the State Governments to make the distribution system in a fool-proof manner and make available the necessities of life at a very reasonable price to the people who are living in far-flung and hilly areas. With these words, I support the Supplementary Demand for Grants.

13.03 hrs.

*The Lok Sabha then adjourned for Lunch till Fourteen of the Clock.*

*The Lok Sabha reassembled after lunch at six minutes past Fourteen of the Clock.*

[MR. DEPUTY SPEAKER *in the Chair*]

SUPPLEMENTARY DEMANDS FOR GRANTS (GENERAL) 1985-86-CONTD.

[*English*]

MR. DEPUTY SPEAKER : Prof. Madhu Dandavate.

PROF. MADHU DANDAVATE (Rajapur) : Mr. Deputy Speaker, very briefly I would like to make some observations on the Supplementary Demands that have been presented by the hon. Minister. Before I do that, I would like to make a general comment on the new style of functioning of the Government for the past few years. For the past few years, the Government has got into the practice of destroying the sanctity of the Budget. There is one unofficial budget before the official budget in which considerable amount of revenues are mopped up.

SHRI JAFFAR SHARIEF : Those past few years include your Party's rule also, I suppose.

PROF. MADHU DANDAVATE : I said last several years, including your Railway Ministryship ;

SHRI JAFFAR SHARIEF : Yours and mine, both.

PROF. MADHU DANDAVATE : Then followed by the official budget, there are supplementary demands again. Also, additional hikes and all that come up. As a result of that, the sanctity of the budget that existed in the old times, seems to be eroding to a great extent. There is no surprise, therefore, if there are supplementary demands for a second time. This is mainly happening because of the fact that the Government is not taking a telescopic view of the polices and perspectives before the Government and as a result of that, one has to live from hand to mouth and one has to come forward with *ad hoc* proposals to make certain demands before the House.

Sir, touching one important aspect regarding the deficit that was projected in the last budget, you may recall what I had predicted then. We were told that the deficit would be of the order of Rs. 3349 crores. Of course, after the reply, certain changes took place. Looking at the trend of growing deficits for the last several years, I had predicted that by the end of the financial year, this deficit, which is of the order of Rs. 3349 crores, would reach at least Rs. 6000 to Rs. 7000 crores minimum and that will exert inflationary pressure on the economy. At that time, this criticism was met by the Finance Minister by saying that if we get a better monsoon, the shock of this deficit would be absorbed. Now the monsoon ultimately did not satisfy them well and the monsoon gamble also did not succeed to the extent that they would like it to succeed. Now today with an addition of Rs. 1824 crores, the deficit will be crossing the order of about Rs. 5000 crores.

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH): But where is the inflationary pressure that you connected with it?

PROF. MADHU DANDAVATE: That is exactly what I am telling you. You have been giving us certain figures to indicate that the prices have not risen to the extent we expected. We should have been extremely happy if our predictions were to come to be untrue. But every time, I do not want to repeat what I said during the debate on prices. But I would like to point out to you that they also have a very interesting method of projecting the figures of rising prices and gauging the inflationary pressure. They would not take a long span of time and try to project before the country what exactly is the inflationary rate. But they would only take up a small span of time or they would like to quote point to point inflationary figures and thereby they try to give a complacent picture, as if everything is all right and nothing is wrong in their kingdom and probably there is no room for any fear at all. But these are not borne out by facts. These aspects are not borne out by facts. Now, as far as trade deficit is concerned, on this floor itself, the Finance Minister has admitted from April to July or probably, June, it has gone to

the extent of 3,000 crores. In this context, I would like to touch one important aspect because that is very relevant. In fact if the overall policies are properly tuned, in that case these ad hoc demands that are required would not be required at all. Take for instance the overall policy of this Government regarding imports and exports. Because that is relevant as far as the trade deficit is concerned.

Now, I do not know Sir, whether our Members remember it, but only a few days back speaking in a seminar the Prime Minister made a very dangerous statement and I would like the hon. Finance Minister to take the opportunity of this debate to clarify that perspective. He referred to the import also. He referred to the import substitution. And as I could read the reports of his speech in the seminar, he is reported to have said that if the import substitution becomes very costly, we should be prepared to liberalise the import. So, it is a very dangerous philosophy. We might have differed with various Governments, but one goal was accepted, as the national goal and that is the spirit of self-reliance. And when we stood for self-reliance, we should not take this attitude that if the manufacturing cost of certain commodities in our country is high that is enough ground to import these commodities from outside. If we accept this logic, probably there will be a room even for the import of steel from foreign countries. Therefore, I reject this proposition altogether. A very dangerous enunciation has been made by the Prime Minister, I do not know, whether he has made that statement with much thought or he has spontaneously reacted to certain situations and made the statement. If the statement is a serious one and if that indicates the policy of the Government that if the import substitution in this country become costly, we should be prepared to liberalise the import. In that case, we are likely to go in for very heavy import in this country. And when we have heavy imports in this country, that will mean frittering away our foreign exchange reserves and that means increasing the trade deficits in the country, and that way an adverse effect on the entire economy of the country. Therefore, I would warn the Government about such adhoc policies as far as imports and

[Prof. Madhu Dandavate]

self-reliance are concerned. Sir, in this context, I would like to take up an illustration of textiles. Since, I had initiated in the last Session, an elaborate discussion on Textile Policy and again I made my own contribution in the last week's Calling Attention Notice on Textile Policy, I do not want to spell out the details. But in the context of this policy of imports, I would again like to touch this particular point regarding the Textile Policy. In the Textile Policy, you have said that we would like to modernise the textile mills in this country. For that we would like to import the sophisticated technology from outside countries and then we will do it. The excuse given is under the pretext of augmenting our exports of quality production, they are going in for heavy imports. Now in textiles, at the present level of employment in the country, as far as the textile report is concerned, they have said out of 120 lakhs persons employed in the entire textile industry, organised mills as well as decentralised Sector, 13 lakhs are supposed to be actually employed in the organised mill sector, 32 lakhs are supposed to be employed in the powerloom sector and 35 lakhs are supposed to be employed in the decentralised handloom sector. So 107 lakhs of employees are in the decentralised sector and only 13 lakhs in the mill sector. Already what they called as 13 lakhs has already been reduced to 11 lakhs. And many economic statistics indicate that the number has already come down from 11 lakhs to 8 lakhs and if further sophisticated technology is inducted into this country, I am afraid these 8 lakhs will go to 5 lakhs. To give a concrete instance. In a spinning Department of the Textile Mill, if we induct the *Suljerloom*, in that case in the Spinning Department, the work that could be done by 5000 persons, the same could be executed by 20 persons and as a result of that, out of every 500,480 people will be displaced from their jobs.

Now about the policy before the Government. No doubt we want to modernize the country; we want to rationalize the technology. But in this land of Gandhi and Jayaprakash, we want to maintain a balance between man and the machine. We are not against the machine, but we do not want

man to be destroyed and made to remain completely buried below the debris of the machine. That is not our aspiration. Therefore, that particular aspect has to taken care of. If indiscriminate import of sophisticated technology is allowed, I am afraid it will lead to further displacement of labour, which will create other problems in the textile industry. So, because of this, this import problem is linked up with that.

There is also another aspect. To the entire taxation policy, the excise duty policy, various levies, the differential between various sectors etc., I do not think this Government has given adequate attention. As a result of that, so many problems are created. For instance, they have given exemption from duty on polyester fibre, and not on the filament yarn. Already we have in this country smuggled goods of the order of 3,000 million metres of cloth i.e. synthetic textiles coming in this country. That would mean smuggled goods of the order of Rs. 3,000 crores. This is the degree of smuggled goods coming into the country. If you can imagine that that smuggling can be totally removed, such a big wedge will be created, and that can be filled by additional potential in the decentralized sector in the economy-like powerloom. So, that aspect has to be taken into consideration. This differential between various levies, excise duty pattern various levies to imposed on that etc. have also to be actually revised.

Again, they have completely surrendered themselves to the big industrial magnates in textiles. They have given them whatever they want. They have removed all the restraints and constraints on the capacity expansion in the mills. At the other end there will be the handlooms; and when, there is an unequal competition between handlooms on the one side, and the mills and powerlooms on the other, you will find that the handlooms will be totally ruined. So, all these policies, in their totality, are linked up with the general perspective of the Government. I think they will have to review that.

I can understand their desiring to appear the consumers' new habits; but in doing that, while they have given new incentives to the man-made fibre and the synthetic fibre,

cotton has been relegated to the background; and as a result of that, in the current year, there are 101 lakh bales of cotton. In the coming year, there is likely to be 105 lakh bales of cotton. If you find that the cotton yarn is relegated to the background, large amounts of cotton bales will remain unlifted. That will create insurmountable difficulties and sufferings to cotton producers in this country. So, it has been rightly demanded that either you build up the buffer stocks of cotton, or allow us to export more; but who are coming in the way of more exports of cotton? I think again the big industrialists lobby is acting on this Government; they are pressurizing the Government; and they are interested in seeing that cotton is not allowed to be exported on a larger scale. Because if more cotton is exported and a small quantity of it is left out, because of this artificial scarcity you will find that the prices of cotton will go up. In that case the big mill magnates will be required to purchase cotton for their yarn at a higher price. Therefore, they are pressurizing the Government and saying: 'Don't allow them to export.'

I have demanded in this House during the debate on textiles that the Expert Committee's report on Textiles should be laid on the Table of the House. They have refused to do it; and they will never do it. One day, I will spring a surprise and place that report on the Table of the House. I am interested in doing it. There are a number of trade unionists in that committee who have made certain suggestions which were definitely anti-industrial magnates. They have been rejected. And paragraphs after paragraphs which are the recommendations of the industrial magnates have appeared, as they have been made, in the textile policy document that has been published. I want this House to know what type of textile policy documents is prepared in the final stages.

All these aberrations and distortions are there. Unless they are able to correct them, viz. by giving better justice to handlooms, better justice to powerlooms, more security to the jobs of people employed in the organized mill industry and also a better deal and remunerative price to agriculturists, the problem cannot be solved. These are the important aspects that have to be touched.

Then they want certain amounts for the public enterprises. Here I would like to sound a warning. I am not among those who take it for granted that private sector is a paragon of all virtues and all the defects, distortions and aberrations are found in the public sector. But, as the government has very often said, while discussing the problems with the trade unions, that the government must be an ideal employer. The public sector must be run in a better manner because public sector is the commanding height of economy in the country. If there are less profits in the private sector, society might not lose. But in the case of public sector the surpluses in the public sector are to be ploughed back for the further expansion of public sector and they are to be utilized for the welfare and development activities. Mopping up of surplus in the public sector is essentially absolute character for the economy of the country and therefore public sector must be run more efficiently and effectively, than even private sector in the country, because it has more social content and the surpluses are to be ploughed back for social and development activities and therefore they must go in depth about the working of the public sector in the country and must hand over management of the public sector to those who have genuine commitment into the philosophy of the public sector. Unfortunately that is not happening. There are men in the public sector who conduct public sector with the philosophy of the private sector, and that particular contradiction has to be removed.

As far as priorities are concerned, I would like to warn this government on the occasion of supplementary demands that if they do not want to live on *ad hocism* from time to time, they must change their basic priorities. I would repeat one aspect which I had said at the time of debate on the Finance Bill. They have shifted and topsy-turvied all financial priorities. Which are the allocations that have been reduced? Agricultural financial institutions, their allocations have been reduced; industrial financial institutions their allocations have been reduced; self-employment scheme in the urban and the rural un-employed, their allocations have been reduced; allocations for the consumer industry have been reduced;



[Prof. Madhu Dandavate]

and as a result of that you will find that because of topsy-turvyed priorities, their economy is coming into trouble and therefore this aspect is to be changed.

Our Prime Minister is, in an extreme hurry, to reach the 21st century. Those who of us who will survive for 15 years, they will automatically land themselves into 21st century. But when he talks of 21st century, there is a particular philosophy behind his mind. He wants the country to move in such a manner that affluents and elitists and technocrats in the country should be in a hurry to reach the 21st century and as a result of that what will happen. I am not so much worried about rich and the elitists moving from the 20th century to the 21st century. I want that those who are living below the poverty line and who live in the 20th century, at least they should survive in the 20th century and should not be relegated to the background in the 19th century. I am afraid, the present policy and the technique of the country will take one section of the affluent class to the 21st century and drive away the poor in the country to the 19th century and the century gap between the rich and the poor will increase besides economic disparity. I hope and trust that they will take note of it, and taking note of it, they will change the direction and the priorities and the entire perspective of their economic policy. If they are able to do that and achieve it and move greater and greater in the direction of self-reliance, then only they will not have to live in *ad hocism* from time to time and every time come before the House with the supplementary demands.

**THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH)** : I have great respect for what Prof. Madhu Dandavateji has said. In many areas I do agree with what he has pointed out, but in certain areas, I think, he is not quite properly informed. I have been going through the debates and the points made by hon. members. I will confine myself to some broad aspects of the debate. One is of growing trade gap, import policy implications, non-plan expenditure, public sector role, inflation and deficit.

There will be other points which my colleague Poojariji will be responding, But I think these are the broad parameters in our economy which came up in the earlier debates.

Concern was expressed about the rising imports and trade deficit. But before coming to that the rationale of this Supplementary Demand itself was raised. And if we look to the Supplementary Demand, we will see it. Shri Kurup dismissed that the non-Plan expenditure is Rs. 1,111 crores and that there is a gross increase in non-Plan expenditure. If we look at it, what is there? Out of Rs. 1,111 crores Rs. 490 crores is transferred to States. Here, in this very House, on the floor of the House, hon. Members from the opposite benches always raised this point that States are being starved, that the Centre is keeping everything, and so on. Now we come to transfer the funds to the States and a point is raised 'why are you transferring? Rs. 550 crores is the subsidy on food and fertilizer.

**PROF. N.G. RANGA** : Which everybody wants.

**SHRI VISHWANATH PRATAP SINGH** : Let us give an honest answer to it. Do we want it or do we not want it? And if our food production has gone up, if our fertilizer utilisation has gone up, and on that count we have to subsidise it, it will be reflected in our non-Plan expenditure. It is paid in Hindi, which translates as :

[*Translation*]

On seeing the envelope we come to know about the contents inside. But here people see only the envelope. They have seen the supplementary demands for grants superficially card to see the object behind them ... (*Interruptions*)

**PROF. MADHU DANDAVATE** : When you write on the post card only, the question of reading the envelope does not arise.

... (*Interruptions*)

[English]

**SHRI VISHWANATH PRATAP SINGH :** Therefore, let us see, fertilizer subsidies or transfer of subsidies to State Government is given here, and even in that, in the supplementary Grant Rs. 250 crores is released for natural calamities. Now, the point *ad hocism* was raised. I do not know how we can plan our natural calamities :

Then Rs. 96 crores is for the National Rural Employment Programme and another Rs. 96 crores is for Rural Landless Employment Generation Programme. On the floor of this very House I had said that as we go ahead— I had said it during this very year — that we are going to raise our allocation to anti-poverty programmes, and here is the positive proof of it. Our commitment to eradication of poverty and our commitment for resources has never been diluted. It is there. It is positive proof of it and we have come for sanction. It is clubbed into the Supplementary Grant, and we are told that it is 'wasteful expenditure'.

Then Rs. 300 crores is against increased small savings collection. It is a compliment to the State Governments that they have increased the small savings collection and this is the proportion that we are giving to them.

May I request you, one thing ? Out of this Supplementary Grant please find out one item that is wasteful.

But it is right that we have to look to our non-Plan expenditure and see what we can do about it. When we come to non-Plan expenditure, it is generally the impression that the administrative expenditure is going up. It is not. I have figures to show.

**PROF. N. G. RANGA :** For the first time they are being brought down.

**SHRI VISHWANATH PRATAP SINGH :** Yes, I am coming to that. First, the basic impression I want to put before the hon. Members,

If we take the figures of 1980 and 1983, for 'Salaries and Wages of Central Government employees', this always has been the concept of expenditure. As a percentage of the total expenditure of the Government, it was 10.2 per cent. In 1985-86 though the figure is Rs. 4,953 crores, as a percentage it has come to 9.6. The Government is not wasting. The crux of the non-plan expenditure is—we have to face it and I will share the wisdom and experience of Dandavateji also in this—defence, interest and subsidy on fertilisers and food, which constitute 70 per cent of our non-plan expenditure. The defence expenditure which was in 1980-81 Rs. 3867 crores has risen to Rs. 8200 crores in 1985-86. The subsidy on domestic fertiliser which was Rs. 170 crores in 1980-81 has gone up to Rs. 1450 crores in 1985-86. Subsidy on imported fertiliser has gone up from Rs. 335 crores in 1980-81 to Rs. 601 crores in 1985-86. Food subsidy has gone up from Rs. 650 crores in 1980-81 to Rs. 1650 crores in 1985-86. These are the basic things to which we will have to honestly address ourselves: We cannot go on hammering that the non-plan expenditure is bad. The issue involves what we have to do with this 70 per cent of expenditure that is on defence, interest, etc. We have to search our hearts and find an answer for it. We have applied 5 per cent cut and we expect to make Rs. 800 crores saving—about 50 per cent may be on defence. But there is a limit to it. We cannot jeopardise or compromise with the security of the country. We have also made effort of raising taxes. I will not go into that. Further we are thinking of bringing in zero base budgeting technique which will mean that every expenditure will have to be justified *ab initio*. Here we only justify the incremental expenditure. We assume that the current expenditure is O. K. We will have to select areas. It is a difficult technique. We cannot apply it in one year all across the board. It will take time. But this is what we have committed ourselves to.

I do agree that there has to be self-discipline even on the Central Government. I do not know in what form it should be. But a time has come when the Government will have to take a view of the total deficit and also the net credit from RBI to Government has to be decided. Some countries

[Shri Vishwanath Pratap Singh]

have got a formal constitutional provision that if you cross it you will have to come to Parliament. But I do not think that would be feasible in our context. But some sort of discipline on this with some norms and barriers will have to be there. I do not disagree with the basic concept of it.

PROF. MADHU DANDAVATE : But our convention is when you come to Parliament you show deficit.

SHRI VISHWANATH PRATAP SINGH : We have also to think about some of future anticipations on expenses on our capital spending. If we can have one project and anticipate in three or four years what would be its pending, then we will know what is our future commitment. Many a time there is a provision of taken grant. It leads to non-funding and non-completion of the project. This we want to obviate. These are the directions in which we are thinking. I thought of sharing with the House that this is concerning us. There can be no two debate on it.

I will not go into the detailed figures of our tax effort. But it is relevant in the sense that the whole debate on the budget philosophy hinged on two things—the impact of deficit on budget and concessions on the taxes. The whole economic philosophy hinges on whether this deficit will lead to double digit inflation and whether this tax concession will lead to tax loss and lesser effort of funding the public sector.

I think enough time has elapsed and we have the truth before us. There has been rise in the total taxes during April-October. The budget estimates were 12 per cent higher than those of the previous year. The gross revenue from taxes is higher by 22.54 per cent. And here is the real issue. It is not that we have covered up this rise by indirect taxes, the buoyancy in the direct taxes is 25.4 per cent which is double than what we had anticipated. This clinches the debate. We have got more taxes. We have realised much more. Do you want the rate or do you want the tax? We have got the tax and we have, by this process, netted more to the treasury and for our public sector. At the same time, much was said about

deficit. I have said that all these are in our mind and I have said that these are the steps we have in mind to contain deficit. I have spoken even of self-discipline. But deficit in the economic sense is not a gross figure which you can compare this year and that year, deficit has to relate to GDP and to the increases in GDP and the absorption capacity of the economy. Why do we fear deficit after all? We fear because of its inflationary pressure. If we could have 4.6 per cent inflation rate and yet have the deficit, in fact, we have done a wiser thing, otherwise out of the scare of deficit, we would have cut our plan, we would have cut development. While we have been able to maintain it by taking a wise decision, we have neither cut plan, nor subsidy, nor Central assistance to States. We took a conscious decision of taking this deficit and we have an inflation rate of 4.6 per cent when the annual inflation rate generally on an average has been nine to ten per cent. But I do not say that by this method I am advocating a philosophy of high deficit financing. No we have to take care of it. But I say that it has not really hurt us.

A point was made about the imports and the import policy and its implication. I quite agree that while we have been able to manage our foreign debt problem in a very admirable way, credible way, not walking to a debt trap, but, at the same time, we have to be cautious also. we cannot be in a euphoria because, firstly, the IMF's instalment will become due and, secondly, the rate at which the crude oil production was there which was our main foreign exchange saver, will not be sustained. We will not be able to sustain the same rate as it was in the Sixth Plan. Already concessional aids are drying up. There is a pressure towards commercial borrowings which is highly costly. In this scenario we have to be cautious and I think it is the time that we give the signal to the country that we have to be cautious. I am quite confident, we will manage our foreign debt problem as prudently as we have done in the past. There is no doubt that self-reliance has to be the key of management of the economy in the country. It has given us strength that we have today. In various forums we can stand up and say this is our standpoint. Our leaders gave us this principle of self-reliance and our economy

is built on that principle. It is as valid today as it was before and it is the main crux of our economic management. Any liberalisation has to be subservient to our objective of self-reliance. Liberalisation on the import side also is a question of one's pocket. It is not a question of principle only or some ideology that you are following blindly. After all, we have foreign exchange constraints. The question of import liberalisation depends upon how much foreign exchange we have got in our pocket. Certainly we are not going to go beyond our pocket, take loans and then have liberalisation. This is not our policy. If this debate is to dispel this perception, I want to make it quite clear that this is not our perception.

PROF. MADHU DANDAVATE : If you permit me, I made a pointed reference to the statement of the Prime Minister.

SHRI VISHWANATH PRATAP SINGH : I am coming to that point, but I want to make it clear what we perceive. We want to put it in the proper context. Import substitution is also very relevant in this context, and more so when we are facing on the export front quite strong protectionist tendencies. There are leading industrialised countries who have brought in laws, inspite of professing that they are following liberalisation, which are going to directly affect the developing countries and the textiles in which India has an interest. When there is such a scenario, import substitution as a method of saving our foreign exchange is a very valid and it is the Government's policy that we will have our policy of import substitution.

The point which the Prime Minister made—and which Prof. Madhu Dandavate has referred to—is about the cost of import substitution. That is also relevant today because if we have only a facade of import substitution without looking to the cost and without seeing whether there is any real saving of foreign exchange, and how much worthwhile it will be, it will not serve our objective. Within the placard of indigenous name, if there is 90 percent of the imported component, and total saving is only 10 percent of foreign exchange and then you have the whole thing hiked up, because you

have a protected market making 100 percent profit, this is only a facade of import substitution.

PROF. MADHU DANDAVATE : That was not the PM's argument of import substitution.

SHRI VISHWANATH PRATAP SINGH : I am giving the basic argument. If there is to be a cost of earning a dollar, it has to be a valid cost and it is in this context certainly it will be much economically viable if you are importing the whole thing rather than the high cost.

PROF. MADHU DANDAVATE : Sir, he said it without much thought.

SHRI VISHWANATH PRATAP SINGH : In this context also, if we talk of trade, our trade with socialist countries is relevant. Certainly no socialist country has adopted a protectionist measure where India would be out. In the context of being free from the foreign exchange problem our trade with socialist countries becomes of great relevance. Therefore, I think in imports a conscious decision will have to be taken. In regard to the things which we can buy from the socialist countries, we should decide to buy more and more from them. Certainly the factor of prices have also to be gone into in any trade with any country. It not only saves us of our foreign exchange problem, but at the same time it guarantees our exports because it is on a balanced trade basis. So, it assures both of us. In this context South-South cooperation with the developing countries in trade matters is of as much relevance. I think the time has come—with the protectionist tendencies which we are facing—that this South-South cooperation has to be built. It is a very happy occasion that in Delhi (when the developing countries met) they decided on a schedule of programmes that we could progress towards trade preference regime for the developing countries. That is the tendency which we have to strengthen. When we were talking, I think, some of the debate is a little bit confused. I went into the element of what has caused these high imports. It is very necessary to analyse these things and come to prescription of a correct medicine for it. Correct diagnosis

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is as much important. Analysing the September import structure, the rise in POL compared to last year is Rs. 250 crores; fertilizers Rs. 200 crores, sugar imports Rs. 150 crores; imports of equipments etc. by all sectors, Rs. 500 crores. So these are the heavy imports which are basically in the public sector, Liberalised policy or non-liberalised policy, it is independent of them. In our security requirement, the increase over last year of OGL etc. is only 20 per cent. 80 per cent bulk increase has been on other public sector canalisation or Government decisions. So, it is not the case that is being made out that this liberalised policy has led to this. About liberalisation, within the frame-work, it has got to work. I have already made my comments. It has to lead to self-reliance. Where we have critical gaps in production, in technology, only there—we have to liberalise our imports—and also in respect of critical raw materials which will go to strengthen our exports. It is not our policy to open up all over and do it blindly. Not at all. If you make a wrong diagnosis, you will get a wrong medicine. So we have to see all these things. I was looking into the figure of POL consumption this year which has touched the estimated consumption of the last year of the seventh plan. The projected additional imports will be Rs. 1500 crores. I think we will have to look at it. And, we are looking at it. At the same time, we have made certain decisions on edible oil, phasing out edible oil imports. We have been trying to manage the economy on these grounds, on edible oil imports and sugar imports. When prices shot up, we did manage it by imports. But, that is not the whole medicine. If you have Malaria, then Crocin can for some time help you. But it is not a cure. We should not be in the euphoria that we have got so much foreign exchange, that we can spend all that, that we can eat it up! If there is a problem, we should share it with the country and tell it frankly that we just cannot afford these imports. We protected our industries from imports. It had a period of growth. Now they are strong enough. We are exposing them to limited competition, restricted competition,—not unlimited competition. In the same way, take the agricultural sector. We are an agricultural

country. We are surplus in wheat. We are short of foodgrains. Edible oil and sugar we should import if something occurs. We shall have to adopt the same policy which we adopted in industry. We protected. We cut off imports from abroad. We will have to cut off these imports from abroad. There will be a price rise. The Finance Minister will be on the mat. But I am ready to be on the mat! It is not that one can save one's skin for the long-term interests of the country! By the price mechanism the farmer will get better prices and there will be more production of edible oil seeds in this country and one day we will be able to get rid of imports and that is the strategy which we are adopting and if there is some rise on this, hon. Members will bear it, it is a conscious decision, we have done it on the sugar side as well as on the edible oilseeds side to get out of this ....

**SHRI V. SOBHANADREESWARA RAO:** You have helped the sugar industry rather than sugarcane growers.

**SHRI VISHWANATH PRATAP SINGH:** The point is, we have to make the sugarcane grower to have healthy interest in it as well as to keep the industry also healthy and they have to keep both to be good. Let us shed some of our hypocrisy. (*Interruptions*). The other way of management is, let us be honest, I could continue with imports and keep the supply. Their demand is 84 lakhs tonnes, production is 62 lakhs tonnes. We have given two-and-a-half rupees rise for the farmer. If we do not give this rise, there is going to be a shrinkage of acreage.

**SHRI V. SOBHANADREESWARA RAO:** We are very happy that you have increased to 16.5 per cent.

**SHRI VISHWANATH PRATAP SINGH:** All right, at least you are happy on this portion.

**SHRI V. SOBHANADREESWARA RAO:** But you could have made it 18 with 10 per cent more on the free sugar.

**SHRI VISHWANATH PRATAP SINGH:** I take note of your suggestion.

Prof. Ranga has made a point yesterday and Dandavateji has also mentioned, about the public sector performance. I quite agree that we have to improve the efficiency of the public sector. It was needed, when it was born, basically to have self-reliance, to keep multinationals out, and to build the basic infrastructure in the country. It has served this purpose well and we intend to keep it as the key of our economic structure. In the Sixth Plan 46 per cent was the investment for public sector, in the Seventh Plan it will be 48 per cent. So, we are keeping that. But the point is, now it is the Stage where the public sector should give to the country resources rather than absorb. So, efficiency has to be improved because out of Rs. 1,85,000 crores, Rs. 35 crores has to come from the public sector. If Rs. 35 crores is not coming from the public sector, we will not have a Seventh Plan. The other would be of making larger deficit, of cutting planned development. So, that is the hub of the public sector contribution to the Seventh Plan and it owes it to the country, whoever is managing, including all of us. And what happens when losses occur? There are two mechanisms to make up the losses of the public sector—increase the administered prices or give budgetary support. Now, so far as budgetary support is concerned, it goes to increase deficit, both become inflationary in that sense. So, losses of the public sector apart from funding it also become an inflationary factor into the price mechanism which gets transmitted through administered prices or through deficit budget. So, it is vital for development as well as stability in prices that the public sector perform well and efficiently, and here I am in total agreement with what Prof. Ranga said and what Prof. Dandavate said. In this, there is not only the Central public sector, but also the State public sector because they make up the electricity losses by raising electricity duty. And some of the structure of the State Governments is such that even on basic raw material they are going to put a cess of 20 per cent or entry tax. If all the basic raw material in every State is going to be taxed by the entry tax, what will be state of economy? They have got their powers and are right under the Constitution. But I think there will have to be a dialogue with the States, on basic

raw materials, there should be harmonious thinking of how much they will tax and what would be the structure.

The last point which I will make is ..

**PROF. MADHU DANDAVATE :** About the take over of the industries, unfortunately only when industries start losing and they are inefficient, then you take them over. So, profits are left to the private sector and losses are nationalised. That is what is happening. I think, this policy needs to be changed.

**SHRI VISHWANATH PRATAP SINGH :** Coming to prices, even if it is 4.6% inflation which may be lower than that of several years...but still it is inflation. Zero percent inflation, I suppose, not any—one of us can really think of. We cannot have zero rate of inflation. But a moderate rate of inflation. That is a practical thing that we can aim at.

What are the various factors which into price structure? I think, there are 4 elements which are concerned with Government action—tax structure, deficit financing, money supply and administered prices. These are squarely for decisions of the Government which affect the price. On the tax structure, we have seen that indirect taxes have a cascading effect. We are coming with a tax reform in the next Budget where we will try to minimise some of the aspects of the cascading factors due to indirect taxes. But indirect taxes being our main source of revenue, we cannot effect a reform in one year, because that will cause huge loss of revenue. But we can phase it over three or four years where this cascading effect of indirect taxes could be minimised.

On the direct tax side, while taxes have been made reasonable, the tax ratio of direct tax side has to be increased. In spite of reducing the taxes, it will be our effort, indirect tax vis-a-vis direct tax, to increase the direct tax ratio. That can be possible by better realisation of direct taxes which we are committed to.

[Shri Vishwanath Pratap Singh]

On deficit side, I have already said about some of the steps that we have proposed. I will not go into all those point like cutting of expenditure, zero-based budgeting. All this we have said earlier. There is also need for discipline. The elements of non-plan, defence, subsidy are already mentioned. This is the area where there are difficulties. This is not done at one stroke. But these are difficulties which I want to share with you. Another element has been floods and droughts on non-plan expenditure. I want to share with the hon. Members that in the Sixth Plan, the total expenditure on drought and flood was Rs. 1,965 crores. This year, already we are committed ourselves to Rs. 775 crores in one year. Now, what do we see on non-plan expenditure on this account? Well, in the Sixth Plan, already we have touched 1/3rd of it in one year. Now, these are the very hard facts which are sometimes not told. I think, we should all apply ourselves to this point.

About money flow, I am happy to inform the House that this year in respect of the M—3, money supply, we have been able to have much tighter control as compared to last year. During 1985-86, till the end of October, M—3 growth was 7.7% against 10% of last year.

15.00 hrs.

M.] grew at 1.6% only, against 8% of last year. We have kept the money supply tight.

PROF. N. G. RANGA : When you do it, you do it on the wrong side for the farmers. When they take their produce to the market, you take it.

SHRI VISHWANATH PRATAP SINGH : It was done much earlier. If you tighten the position now, you will not have the impact now. You will have it later. It was done much earlier. And for growers we have increased minimum prices. We have given support prices and support operation. We are committed on this account. There are no two opinions on it.

PROF. MADHU DANDAVATE : This is only white money supply.

SHRI VISHWANATH PRATAP SINGH : You have black money supply also. You are talking of textile magnates, that you have given everything to textile magnates. You know what happened to textile magnates when they go wrong.

These are the four Governmental actions, tax, deficit, money supply and administrative prices. Administrative prices, as I have already said, will be the crux in our Seventh Plan.

The other factors are apart from this also. One is demand supply, and now there is fall in cotton, in jute, in edible oils and yet there is no credit to the finance Minister that he has been able to reduce the prices. It is a demand and supply phenomenon. The same applies to the rise in sugar. You may criticise me but really that criticism is not valid. It is also supply and demand. From now on, we will try to manage by supply and by demand. Let us see what factors have led to this. I have given Government response.

Then there are the other factors which we seriously apply and I will conclude my remarks.

So far as managing high cost economy is concerned, there is obsolescence of technology, capacity utilisation, unutilised capacity and in many sectors like steel, the prices will go up. There is choice of investment as in copper. This ore itself is so low that our copper cost is twice the international price and the size of the unit in some industries like man-made fibres is relevant so far as external competition is concerned. If it is going to be small size, it has to be high cost.

Dealing with prices, it is not one mechanism that you will look into the Budget and find out. It is across the whole economy that we have to take action and Government is quite aware of it and is determined to take action on all fronts and over-protection is also another cause of high profits being made without economic justifiability. We are taking care of that also.

With these words, I conclude.

(Interruptions)

SHRI E. AYYAPU REDDY : The entire rural economy is in doldrums.

SHRI VISHWANATH PRATAP SINGH : That has been looked into.

[Translation]

SHRI RANA VIR SINGH (Kaiserganj) : No doubt, you have announced the support price, but the farmers have not so far got the benefit of support price, particularly in the matter of procurement of paddy. Merely making arrangements for the procurement of paddy is not sufficient. It must also be ensured that the farmers get the benefit of support price.

[English]

SHRI VISHWANATH PRATAP SINGH : As Finance Minister, I can assure you that there will be no shortage of funds for support price.

SHRI RANA VIR SINGH : This assurance is not enough.

[Translation]

SHRI VIJOY KUMAR YADAV (Nalanda) : Mr. Deputy Speaker, Sir, the hon. Finance Minister has made a reference to a number of things just now which shows that country's economy is going to be improved much. But the fact is that the situation developing in the country is going out of government's control. Now, a slogan is being given about moving into the 21st century and this slogan is being given in a backward country like India which stands nowhere as compared to the developed countries. In our country more than half of the population lives below the poverty line and there is acute unemployment problem. In such circumstance we are talking of new technology and are trying to enter the computer era. The whole country is worried about it. Multinational

companies are being invited in the name of entering computer era. Hundreds of foreign companies are being invited here. Under the old industrial policy of our country, public sector would have dominant role, but now private sector is being encouraged.

It is a well known fact that it would affect country's economy. It requires fresh thinking in this regard in country's interests and in order to solve the basic problems such as poverty, unemployment and self sufficiency.

I would like to refer to two or three things on this occasion. In many parts of the country incidents of terrorism, extremism, murders and police atrocities are increasing considerably. We have seen in Punjab that incidents of murders still continue to occur.

15.06 hrs.

[SHRI N. VENKATA RATNAM  
in the chair]

A peculiar situation exists in our state. The hon. Minister must be aware of developments in Bihar. Bihar is the only state where incidents of murders have been taking place since long and such type of terrorism has been flourishing there. Even now-a-days political murders are taking place there on a large scale. Particularly those persons are being murdered who speak for the rights of sharecroppers and Harijans. During the last one month many leaders and workers belonging to our party have been murdered. Leaders and workers, who take active interest in implementation of radical land reforms and Government policies, are murdered in connivance with the landlords and police. Terrorism is flourishing in our State.

You might be aware that there are many districts of Bihar like Monghyr, Nalanda, Gaya, Patna, Bhojpur and Rohtas where in the name of terrorism, Naxalites create tension among Harijans, and other poor people on the question of land, minimum



[Shri N. Venkata Ratnam]

wages, housing problem, etc. Then the so-called feudalists raise a number of armies against them. The feudalists raised 'Kunwar Sena' in 1969, 'Bhumi Sena' and 'Patel Sena' prior to 1977. 'Brahmrishi Sena' in 1983 and 'Loric Sena' in 1985 to suppress them. When interests clash, they create caste frenzy. Naxalite activities do take place there. This also generates tension among the people. These 'Senas' murder innocent people, landless persons, workers and Harijans.

Murders and counter murders have taken place recently in Jaintipur, Barari, etc. in Nalanda and Gaya. You might have heard the incident taken place in Monghyr. In the first instance 11 Yadav children were murdered there and then in retaliation many persons of 'Vind' caste were murdered in Tauphir Diara and Laxmipur. Such incidents are taken place in Bihar on caste basis. The Government helps the feudal elements and in this way politics of murder and terrorism is going on there. It is a fact that the matter relates to the State Government and relates to law and order, but this situation is arising because the Government is unable to solve the problems of Harijans and to remove unemployment. We talk of progressive land reforms and allotment of the land, but the Government is not fulfilling its commitments and the number of cases are mounting.

Regarding 20-point programme I would like to ask as to what is happening in Bihar? Only yesterday, one Hon. Lady Member was talking about West Bengal. What is happening in our State? There, the 20-point programme is on paper only. Regarding poverty removal programmes only figures are presented here and no actual work is being done. The Government says, that it wants people's cooperation but in the committees constituted for this purpose only Congressmen are taken and none else. This is happening in Bihar. It is possible that someone may be taken in the capacity of MP or MLA, but so far as the question of party is concerned except congress party, members of other parties are not taken in the implementation committees. The corruption is at its peak today. The Harijans and other poor people have to shell out 75

per cent of the amount as gratification from the amount given to them as loans. They hardly get 25 per cent. Consequently, the Government programmes cannot be implemented and the poor do not desire any benefit from them.

I would like to touch one more point. Today the number of bidi workers in the country is 40 lakhs and they are not getting even the minimum wages. They do not get more than 7 to 8 rupees per day. The matter relating to increase in their wages in conformity with the rise in price should be raised in the Labour Minister's conference held at Central level, but it is not raised even there. Whenever the State Government fix a minimum wage, the factory owners go to the court and get the increase stopped. I have suggested many a time that the Government should provide that when the Government have fixed the minimum wages, the factory owners should be barred from going to courts on that issue. The women *bidi* workers are getting even less than the male workers. They do not get the facility of provident fund. Though the law regarding bonus has been enacted in the entire country there is not a single *bidi* worker who might have got the facility of bonus and Provident Fund. Similar is the problem of the service card. I had raised a question also in this regard. There are 40 lakh *bidi* workers, but not even a single factory owner has provided service card to the *bidi* workers. The law has been enacted by the Centre, but obviously the responsibility of implementation is of the States. Whenever the question is raised, it is said that it is responsibility of the State Governments. It is not being enforced in whole of the country. Therefore, I want that the Government should make ucl arrangement, evolve such a machinery that the Central Laws are enforced in right earnest so that the people are benefited.

**SHRI VIRDHI CHANDER JAIN** (Barmer) : Mr. Chairman, Sir, I support the supplementary demands for grants. I want to say something on the demand for grant relating to natural calamities. Rajasthan facing acute famine. Out of 38,129 villages 26,726 villages are affected with famine which has affected a Population of 2,18,00,000. 3,04,00,000 cattle are also affected. Rajasthan

Government had submitted a memorandum on 15th October, 1985. A study team had also gone there and has submitted its report. In the memorandum which was submitted a sum of Rs. 580 crores was demanded. As per the recommendations of the Seventh and Eighth Finance Commissions, in such a severe famine situation, the total assistance should be provided as grant-in-aid. The present famine is the severest famine of the century. The entire region is reeling under famine. Therefore, you should fulfill your duty by giving maximum grant to the famine struck regions.

Secondly, NERP and RLGP schemes are being run. The Central Government has allocated 24,000 tonnes of wheat. The hon. Agriculture Minister has assured us of additional 72,000 tonnes. If this wheat is given to us, the two schemes mentioned above will be implemented in a better way and more and more people will be given jobs. I submit that concrete steps should be taken in this regard also.

Thirdly, time and again assurance has been given that the income tax laws will be simplified, but the laws have not been simplified so far. I want that during the Budget Session a set of simplified laws should be presented. We appreciate that raids have been made. The raids, and recoveries made as a result thereof will not be considered successful unless income-tax authorities file the prosecution cases against the persons from whom gold, ornaments and cash have been recovered. Your achievement depends on the fruits of the raids and the success achievement in prosecution launched. Therefore, you should also take concrete steps in this regard. I want to say something about sales tax also. In the election manifesto of our Congress Party we had promised about this, but we have not been able to abolish sales tax yet. We should be informed of the steps taken in this regard. Regarding prohibition neither the State Governments nor Central Government have taken any concrete steps. Liquor intake is increasing so much that it is causing havoc to the health of the people and poverty is increasing. The Central Government has provided that the State Governments enforcing prohibition will get 05 per cent assistance to meet their losses

in revenue, but 50 per cent assistance is not sufficient for them. I want that they should be provided cent per cent assistance to enable the State Governments to take concrete steps to enforce prohibition. You have taken strict measures regarding opium. Similar concrete steps should be taken by the Central Government in the matter of implementation of prohibition programme.

One more submission I want to make and that is regarding potable water. Though you have taken positive steps to make drinking water available, yet in the case of Rajasthan, unless you make drinking water available from the Rajasthan canal, you cannot find a permanent solution of this problem. Therefore, if you want to solve the problem of drinking water in regard to the desert areas during Seventh Five Year Plan, the permanent solution for this would be to make available water to the desert areas from the Rajasthan canal. For this, adequate provision should be made in the Seventh Five Year Plan.

You have made a provision of Rs. 245 crores for the Desert Development Programme in the Seventh Five Year Plan and have taken certain steps recently. I would like to express my thanks to you for that. But for the Hill Areas Development Programme you have provided Rs. 870 crores. My submission is that keeping in view the population of the desert areas, the amount provided for the Desert Development Programme during the Seventh Five Year Plan should be at least Rs. 500 crores.

I hope that you will reply to the issues I have raised to our satisfaction.

SHRI BANWARI LAL PUROHIT (Nagpur): Mr. Chairman, Sir, first of all I heartily welcome the hon. Minister. I welcome him because the way he clarified the position and replied to the queries—Shri Daga you came late—it was so convincing that all the Opposition benches became empty, because after listening to his replies they could not stay.

The Supplementary Demands for Grants for the year 1985-86 have been presented in the House for discussion. In this connection I would like to submit that along

[Shri Banwari Lal Purohit]

with spending money, you should exercise some control over the expenditure also. You have demanded Rs. 1,800 crores under these demands. Had you demanded Rs. 2,500 crores, we would have passed even that amount also, because you will have to spend where it is necessary to do so and the House will have to give its approval to that. No work of the country can be held up, but it is necessary to exercise a little control over the expenditure.

Today what is the situation in the country. You go to any locality in Delhi, you will find that smuggled goods are available openly : if you need 555 brand of cigarettes, you will get from the 'thelas' ; you will get other foreign items also like video, television etc. This shows that you have not been able to check smuggling. If we are to strengthen our economy, it is very necessary that the smuggling at the borders is checked and for this you will have to be very vigilant. If you need more money and had you demanded more money, we would have passed even that amount also. If you say that you require an amount of Rs. 100 crores to enable you to post more personnel on the borders and to create new machinery for this purpose, we would have happily passed those demands also.

You have done a good job by reducing the rates of the taxes, because by doing this you will earn more revenue. But even now what has been generated is a good amount. According to a rough estimate black money to the tune of about 30 to 40 thousand crores of rupees exists in our country. You have not taken effective measures to force that money out. That money has not come out. You should formulate a scheme which may bring out the black money. It is being observed that these sporadic raids are not proving very effective to curb the black money.

In our country a large number of persons have housing problem. They have to live in slums. There is need to construct new houses. You should prepare a scheme so that the housing problem is solved and people make investment in construction of houses so that their problem of housing is solved. Secondly, you should bring a

scheme in the Budget which may help the poor who live in jhonpris and slums. Otherwise their problem will remain unsolved. You can get this work done by warning the authorities concerned. If you direct that within three months all the black money should come out, otherwise the people found concealing black money will be imprisoned for 6 years, then that will have salutary effect. Other similar harsh measures could also be taken.

You have control over the banks. But their condition is not good. I have received a letter from the Chambers of Commerce that though they are earning huge profits, they have increased the discount rates on cheques and 'hundis' from 100 per cent to 700 per cent. What was the necessity of all this ? Whom will it affect ; have you ever studied this ? It will affect the poor. The businessmen are not going to pay from their own pocket. You just tell us what was the necessity of doing all this ? On the one hand you want to serve the people through the banks and on the other you want to charge arbitrarily for the small facilities. You should pay attention to these aspects also.

The maximum problem today is of the cities to which we are not paying attention. We say that the poor should get employment so that they may become self reliant. In every city this problem is very grave, to which no one is paying attention. This problem relates to small hawkers who are thrown away. These poor people with articles worth Rs. 100 or Rs. 200 sit down anywhere and earn Rs. 10 to Rs. 20 per day to maintain their families. What have you done for them ? You should prepare better plan for urban development ; construct shops for them in good areas after demarcating areas for them. They can sit there and earn their livelihood. They do not want much from you. They do not want loans to the tune of Rs. 20,000/- from Banks. They just want to make both ends meet with their own small investment of Rs. 500 to Rs. 700. You have not paid any attention to them. No Government speaks for them. Even the attitude of this Government is the same, that is, that these persons are encroachers and they must be thrown away.

You have spent large sums on the slums, but what is the actual result? You have no scheme; you just give money and they construct tenements. These tenements cannot last for more than one year. You should formulate schemes for their maintenance also. Unless you provide for their maintenance, no improvement can be brought about. If you provide say Rs. 2,500/- and that amount is spent on the provision of taps, latrines etc, you can ask them to pay Rs. 5 or Rs. 10 per month. It should be made obligatory. But the Government has not prepared any such scheme,

There are many other important points which I am unable to submit as the Hon. Chairman is not giving me further time.

I felicitate you for this Budget, and along with that I hope that the points I have touched will be taken care of by you.

\*SHRI S. PALAKONDRAYUDU (Rajampet): Mr. Chairman, Sir, supplementary demands for grants show that the Government have allocated more munds for food and Civil Supplies Department. These supplementary demands do not show any allocation for the Steel and Mines Ministry. Due to the paucity of funds the work in the Visakhapatnam steel plant in Andhra Pradesh has been painfully slow. Due to the delay in execution of the work, the cost of construction is going up rapidly. Hence I request the Government to provide more funds to Visakhapatnam steel plant.

Food and Civil Supplies Ministry are seeking Rs. 300 crores more through this supplementary demands. But this Department's performance is far from satisfactory. Food Corporation of India is the epitome of inefficiency. This organisation has not been serving the cause for which it was founded. FCI is not in a position to supply quality food grains to the people. On the contrary only the rotten grain is being distributed through this FCI. The hon. Minister for Food and Civil Supplies should take interest in the matter and set things right in FCI. Also, I request the Government that it should start distributing food

grains immediately after its procurement. The Central Government should give powers, to the State Civil Supplies Departments, as desired by the Government of Andhra Pradesh to procure foodgrains on their own. I request the Union Government to concede to this request of A.P. Government to allow the State Civil Supplies Department to procure foodgrains by providing more powers.

I take this opportunity to request the Centre to take up construction work of projects on various major rivers in the country. This will help boost our food production.

Sir, it is most unfortunate that the Central Government are not extending any help in the construction of the prestigious "Telugu Ganga" project. On completion, the Telugu Ganga can turn the drought parched lands of Rayalaseema into a green belt. In addition it will also provide drinking water to the people in Madras. I request the Centre not only to sanction this project but also take up the responsibility for its construction.

I request the Centre to provide special funds to drought hit areas. Rayalaseema is a drought-hit area and the conditions of the farmers there, are the worst. The rainfall in this area usually will be very low. Even this scanty water is going waste as it is not being stored. Constructing the bounds etc. is an immediate necessity. By doing so the water table in the wells in the wells in the area will improve considerably.

Sir, the farmers are finding it extremely difficult to run their pumpsets as the cost of diesel has gone up considerably. The increase in oil rates the farming has become very costly and unremunerative to the farmers. So I request the Centre to provide subsidy on the diesel oil which is being supplied by the State Governments to the farmers.

The underground water available in Rayalaseema is fast drying up. The water table is decreasing day by day. If no water resources are added, the experts say, that the entire Rayalaseema area will be a desert in

\*The Speech was Originally delivered in Telugu.

[Shri S. Palakondrayudu]

4 or 5 years time. If the Central Government assists in the construction of all the major and Medium irrigation projects proposed by Andhra Pradesh Government, this acute problem will and Further, it will boost agricultural production. Drought will also disappear in the State. Andhra Pradesh has been affected both by drought and cyclones this year. Millions of people are migrating from rural areas to urban areas in search of their livelihood. I request the Government to help in a big way commensurate with the severity of drought to rescue the people.

I also take this opportunity to request the Centre to take the construction work of Railway Over bridges at Rajampeta and Kodur. I request the Centre to set up a Doordarshan Kendra at Harsley Hills. Also, I request that the necessary funds for conducting a survey for Cuddapah-Chittoor Railway line via Roya Choti.

I take this opportunity to request the Govt. to allocate more money to provide drinking water facilities and for sinking more tube wells for this purpose.

I thank you very much for giving me this opportunity and conclude.

**SHRI DAL CHANDER JAIN (Damoh) :**  
Mr. Chairman, Sir, I rise to support the Supplementary Demands for grants presented in the House. I would like to draw your attention towards certain important things. In Madhya Pradesh the Bundelkhand region is a very backward area. If you compare it with other parts of the country, Bundelkhand area will be found to be the most backward area. Here the irrigation facilities are very less and there is total lack of railway facilities ..... (*Interruptions*). .....

If projects like Panchamnagar Irrigation Scheme and Panna District's Ken river Scheme relating to irrigation projects of Bundelkhand are included in these Demands, the people of the area will be very grateful to you. In Panna district Ramkhiria diamond mines have been lying closed. Consequently the workers there have been rendered jobless and have no means of

livelihood. If it is said that these mines are not profit earning mines, then it is all on the papers. According to the people even when they sink a well or dig earth for the foundation of their house, they get diamonds. I would, therefore, request that the matter may be reconsidered and the work on the diamond mines should be started again immediately.

A railway line in Bundelkhand region between Lalitpur to Singrauli via Chhatarpur, Panna and Rewa should be laid. Another line should be constructed between Chhatarpur to Damoh via Vaksaha. Both these lines will help in extensive development of the area.....(*Interruptions*)..... These things do relate to the Budget. That is why I am raising these demands. A survey for Lalitpur—Singrauli line was conducted. Today there is an urgent need for construction of this line. If we want to develop this entire region then the facilities of railways is a pre-requisite for that area.

Similarly, the Vayudoot Services which have been started need to be linked with every Division. I would suggest that if the services can be linked with every district that will contribute much to the progress of the county and they will help in fulfilling our aim of taking the country to 21st century.

In the matter of industries, our district is very backward. In Sagar district super rock phosphate is available in abundance. One person was given a licence for this, but as he did not start work there, his licence was cancelled. When another party asked for a licence for this purpose, the same was refused. I do not understand this policy. One person is given the licence, but the other person is refused. It is the policy of the Central Government that in every district one big or medium industry should be set up. In our part of Bundelkhand there are five districts—Sagar, Damoh, Panna, Chhatarpur and Tikamgarh. Not even a single big industry has so far been set up in these districts. I would, therefore, like that the hon. Finance Minister should arrange for setting up of industries in these districts by providing separate funds for this purpose.

Whenever the Members of Parliament write to the hon. Minister, it is replied that the letter has been received and the matter is being considered, but about the final decision, no Member of Parliament is informed. In this connection I will narrate a small anecdote. Once in a village a 'poetry symposium' was held...

**SHRI MOOL CHAND DAGA :** Whenever we write a letter, it is replied that we are in receipt of your letter. Thanks. They do not write that the matter is being considered.

**SHRI DAL CHANDER JAIN :** Thanks to Shri Daga.

I was talking of a poetic symposium in a village.....(*Interruptions*)..... It is not a poem it is a small joke. In that symposium a former Revenue Officer was presiding. One poet, before reciting his poem, said that the chairman of the symposium was the pride of the village. On hearing this the former Revenue Officer was overwhelmed and announced a reward of Rs. 200, but later on that did not materialize. Next day the poet went to the house of the former Revenue Officer. The gentlemen welcomed him and served breakfast. After some time the poet reminded the former Revenue Officer that he had said something yesterday. The Revenue Officer replied in the affirmative. After a while the poet again reminded that he had said something. The gentleman replied again in the affirmative. In this way they went on talking till evening. After repeated reminders, at last the former Revenue Officer replied: "You spoke two words in praise of me and I also spoke two words to please you. Where does the question of giving money arise?"

I would, therefore, submit through you to the hon. Minister that the things which are discussed should be implemented also and the letters of the Members of Parliament should also be replied.

**SHRIMATI PRABHAWATI GUPTA (Motihari) :** Mr. Chairman, Sir, the Supplementary Demands for grants presented by the hon. Finance Minister in the House and the things he has said are very encouraging.

After the last year's Budget our economy has shown a lot of improvement and there has been decline in the rate of inflation which has come down from 9 per cent to 4 per cent. This is quite encouraging and we welcome it. The concessions in the taxes given by the hon. Finance Minister have also brought encouraging results and have helped in making our economy strong. Revenue receipts have also increased. Compared to last year, there has been increased revenue recovery both under direct and indirect taxes. The country's economy has also got a fillip on account of lesser overdrafts by the States in response to warning by the central government. This shows that we are on the way to development by achieving self-reliance.

Now I would like to say certain things about my own State. The deficit financing is not good for any State or country. It is not in the interest of stabilisation of prices and developing economy. Bihar is a backward State, but it will not be an exaggeration to say that the land of Bihar is very fertile for agricultural production and rich in mineral wealth. In a way, the Gangetic belt in North Bihar is much more fertile as compared to not only other parts of our own country but also other countries, but what is its condition today? The constant floods have made the condition miserable. The per capita income of Bihar is lowest, perhaps next only to Nagaland and I think even condition of Nagaland is now improving. After all what is the reason for this? It will take a long time to go into all these things, but this much I would say that constant floods and drought have eaten away the economy of the State. To make North Bihar self-reliant, it is necessary that agriculture based industries are set up there and the entire North Bihar is declared as Agriculture-based Industrial Complex. Only then economic condition of the people can improve. Today the situation is, that the people of Bihar eat the worst type of food, wear worst type of clothes and live in worst type of houses. We shall have to go into the reasons for this.

One of the reasons for this is that the statistics show that between the First Five Year Plan and Seventh Five Year Plan period the funds allocated for Bihar by the

[Shrimati Prabhawati Gupta]

Centre were less as compared to other States. I, therefore, request the hon. Minister of State for Finance Shri Poojary to increase the funds for Bihar to the maximum possible extent, so that the economy of the backward State of Bihar could be improved.

Many of the hon. Members have stated that there is no justification of presenting these Supplementary Demands for grants in the House, but I would say that there is full justification. Rs. 1,000 crores have been given to the States and Rs. 250 crores have been spent on natural calamities. You are aware that Bihar experienced very heavy rains as a result of which roads in North Bihar are in deplorable condition. If you go on National Highway towards Raxaul via Motihari in North Bihar and from Patna to Muzaffarpur you will find the condition of National Highways No. 28 and 28A very deplorable. The distance which we used to cover within two and half hours some 2 or 3 months back is now not covered even in 5 to 6 hours, because there are now big humps on the roads. The road is in deplorable condition. I request you to grant an amount of Rs. 40 crores to the State Government for this National Highway under the Demand No. 23 pertaining to roads and transport.

I would like to say one thing about sugar mills. Earlier, the price of sugarcane was Rs. 14 per quintal. Later on it was increased to Rs. 16 per quintal and now it is proposed to be raised to Rs. 17 per quintal. Out of 37 sugar mills in Bihar 17 mills were nationalised and the remaining 20 mills are being run in the private sector. What are the factors due to which the condition of sugarcane growers and other people of the region is pitiable despite there being so many sugar mills. In Maharashtra, these very sugar mills are very profitable. One of its reasons is that the by-products from sugar mills have not been linked with any industry. I request that a network of small scale industries should be set up at places where sugar mills are located. No country or State can progress without industrial revolution. There should be a network of small and cottage industries in the entire North Bihar.

Sir, I would like to say a few words about the Rohtas Group of Industries. After Tatas it is the largest Group of Industries which has been lying closed for the last 2 to 3 years. About 20,000 persons work there and about one lakh persons including other employees are experiencing many difficulties in making both their ends meet. The Bihar Government has sent a proposal to the Ministry of Finance for its nationalisation, but no action has so far been taken on it. I urge you to provide every possible help to Rohtas Group of Industries through the Ministry of Finance so that this sick industry starts functioning again.

With these words, I support the supplementary demands for grants and congratulate the hon. Finance Minister. Through his efforts, revenue has increased considerably. This increase is quite encouraging and it has strengthened our economy.

SHRI ABDUL RASHID KABULI (Srinagar) : Mr. Chairman, Sir, I rise to oppose the supplementary demands for grants. The reason is that your department is concerned with relief work also. I would like to inform you that Tourism Industry in Jammu and Kashmir was badly affected during the years 1983-84 and 1984-85. Since ours is a tourist based economy, we are facing great difficulty due to this. During these two years the State witnessed political upheaval also as a result of which tourism has been ruined there. People were affected badly there. It is a matter of regret that no relief was given to thousands of people affected thereby. Fruit merchants of Jammu and Kashmir who owned shops in Azadpur in Delhi, had suffered loss to the tune of crores of rupees during the regime of Smt. Indira Gandhi. Government did not provide any help to them. That is why I am opposing.

I am making criticism for this reason also that Government while formulating the Seventh Five Year Plan did not take the peoples, genuine representatives of Jammu-Kashmir into confidence. Instead it took the State Government into confidence which has only 14 per cent ruling power in the State. I had written a letter to the Planning Commission asking them to take the State Legislature into confidence. The

G.M. Shah Government, which has the following of only 14 M.L.As., has no right to participate in the talks with the Planning Commission as there are 76 MLAs in the Assembly. I have also written in the letter that the State has 6 Lok Sabha Members and 4-5 Rajya Sabha Members. It would be better if the Central Government had taken these Members of Parliament into confidence and had held the talks with them so that the correct picture of the State could be presented at the time of formulating the Seventh Five Year Plan. But this has not been done. I am very much pained to say so. Ours is a great democratic country. Planning made by you for the future generation of the State by holding talks with the minority government is very harmful. You should have talked to 6 Members of Parliament. At present, 3 Members of Parliament belong to Congress Party and 3 Members to National Conference. There is not a single Member here belonging to the Party of Gulam Mohammad Shah. In the last elections his party did not get even a single seat in Lok Sabha.

Through you I would like to inform the Government that tourism sector is as much important to us as agriculture sector to Punjab and Haryana. Tourism in Jammu-Kashmir should be included in the priority sector, but the Central Government is not providing any help to us in the matter of tourism. Our master plans for Sonemarg, Yusmarg and other tourist resorts are pending with the Government for clearance. It is not the duty of the Government to develop tourism there and provide adequate funds for this purpose? Had this sector been developed, lakhs of people would have been benefited and unemployed young persons would have been provided employment in the tourism sector.

The second thing I would like to say is that there is adequate quantum of water in our State and a large quantity of water of rivers in Jammu-Kashmir goes waste. A large quantity of water of Tawi, Ravi, Jhelum and Chenab is going waste and a large part of water is going to Pakistan whereas Jammu and Kashmir itself is very backward in the matter of power generation. Government is not providing any help in this matter. No doubt Government has taken

into its hands the Dulhasti Project, Uri Project, Salal Project and many other Projects, but all these things are on paper only. Government has not provided any material help due to which both you and we people are suffering. We are not getting power from the north grid. It is like nearer the church, farther from heaven. Jammu and Kashmir can meet the power requirement of the whole of the country and if Government desires, it can produce 30,000 MW of power during a period of 10 years. But our resources are not being tapped. The result is that there is total black-out in Jammu and Kashmir and it is not getting power. It is also one of the reasons which has affected tourism in Jammu and Kashmir badly. There is no light in hotels and tourist areas. It has also marred whatever little industrial development was taking place there. Therefore, Government should provide help in this regard on priority basis. So far as development of tourism is concerned, we have been making a number of demands in this regard. If you want development of tourism there, Srinagar Airport should be given the status of an international airport, because its geographical situation is such that we can maintain our contracts with the Middle East, Russia and other neighbouring countries like Afghanistan etc. and lakhs of tourists from these countries can be attracted there and this will help developing Kashmir Handicraft and Carpet Industry. It will not only remove poverty in the State, but we shall be able to earn considerable amount of foreign exchange also. We shall be able to earn more foreign exchange as compared to what is being earned at present.

I would like to add that we are being subjected to great discrimination. I am very happy to note that you have declared Ladakh as scheduled tribes areas. Our State is a very backward State. Why no attention is paid and discrimination is shown by the Government when we make a similar demand in respect of Doda, where conditions are not better than those in Ladakh, and in respect of Rajouri, Poonchh, Tangdhar, Uri and Karna? You have no right to do so. Being their representatives we demand that the declaration made in respect of Ladakh should also be made in respect of Rajouri, other areas of Jammu, Doda, Tangdhar, Uri, many areas of



[Shri Abdul Rashid Kabuli]

Baramula and Badgam district. These areas are very backward. But you show discrimination in this matter. It does not behove you. You should accept our demand.

Now I come to the matter of loans from the banks. The hon. Finance Minister is present here. We were expecting of him that our artisans engaged in carpet weaving, papier-mache, wood-carving and handicrafts, which have market in the whole world, would be provided the assistance from Banks. These articles are in great demand in the whole of world. I represent Srinagar Parliamentary Constituency and I would like to say that Srinagar District has the maximum number of artisans in the whole State. I would like to inform the hon. Finance Minister that bank people are doing great injustice to these artisans. If these poor and backward people get financial assistance, they will be able to do more business. In this way the country will make progress and unemployment problem will also be solved to some extent. It will benefit the entire country. The nationalised banks should provide financial assistance to these small artisans in order to develop handicraft industry. All the nationalised banks in Jammu-Kashmir show a great discrimination in this matter. Loans are given to big hoteliers. Banks should provide help to small entrepreneurs and to the persons engaged in handicraft works. I would like to draw your attention towards them.

I hope that Government will work for developing tourism, electricity, handicrafts, and industries in order to remove backwardness and poverty of Jammu and Kashmir.

**SHRI MAHENDRA SINGH (Guna):**  
Mr. Chairman, Sir, I support the Supplementary Demands for Grants and congratulate the hon. Finance Minister for keeping inflation under control to the possible extent.

Secondly, the revenue deficit has been reduced by the tax concessions announced by him. It is a sign of a successful budget. If my figures are correct, I can say that during the corresponding period of last year an amount of Rs. 1500 crores was recovered

from direct taxes whereas during the same period of the current year this amount is Rs. 2000 crores. Similarly, an amount Rs. 900 crores had been recovered last year in the form of custom duty etc. whereas this year this amount is Rs. 1200 crores. It is also a sign of a successful budget. Efforts have also been made to control the prices. In any developing economy, inflation can be controlled and not stopped. In this direction the hon. Finance Minister has made efforts honestly for which I would like to congratulate him.

At the time of presenting budget, he had made a promise that more and more funds would be provided for anti-poverty programme. While fulfilling this promise he has made a provision of Rs. 96.6 crores for I.R.D.P. and N.R.E.P. It would benefit the landless workers and educated unemployed persons in our country. In this way Government is fulfilling its promise. I would like to appeal that more funds may be given for these programmes.

Members from all the States have stated here that the assistance provided by you to meet the situation caused by the natural calamities like drought and floods is inadequate. In this respect I would like to suggest that a long-term policy may be formulated to fight the natural calamities.

If you go into the figures pertaining to the last 5 years, you will come to the conclusion that the damages caused by floods are increasing. Actual loss suffered during the period 1970-74 was to the tune of Rs. 422 crores. It has increased to Rs. 926 crores in 1978-79 and has further increased to Rs. 1561 crores during the period 1980-84. In this way loss has increased by three and a half times. In this regard I would like to suggest that maximum use of rain-water may be made.

A total of 144 crore acre feet water flows in the rivers of our country every year. Out of it 80 per cent water flows during the 4 months of monsoon alone and it causes imbalance which results in floods. Uptil now we have been able to utilise only 54 crore acre feet of water and we have been able to create storage capacity of only 13 crore acre feet of water. The remaining

water causes floods due to heavy rains. Efforts should be made to store more and more water through minor and medium irrigation schemes and make its proper utilisation.

16.00 hrs.

Despite all the efforts made by us, fury of floods and destruction thereby has been continuously increasing. Two factors are responsible for this. In the Sixth Plan a provision of Rs. 1,045 crores was made for flood control purposes as against Rs. 1,593 crores recommended by the Working Group. Out of this amount only Rs. 815 crores was actually spent i. e. 22 per cent less amount was spent. You had provided funds less than what were demanded in the budget. I fail to understand the reasons for which 22 per cent less amount was spent out of the amount given by you. Despite that heavy losses have been suffered due to floods and drought. I feel that it is a great failure as the funds provided in the budget for controlling floods have not been fully utilised. I would like to appeal that these funds may be increased and fully utilised. The Working Group has fixed an amount of Rs. 3149 crores for this purpose in the Seventh Five Year Plan. It is not known as to how much cut has been effected in it according to present tendency. I feel that more and more funds should be provided to meet the natural calamities.

I would like to draw the attention of Government towards the problem being faced in the Guna Parliamentary Constituency in the matter of chemicals and fertilizers. In the Fertilizer Factory which has been set up there mostly outsiders have been given employment. Outsiders get their names registered there and manage to get employment there. I understand that when an industry is set up in a particular area, the intention is to provide employment to the locals. It is not happening there. Therefore, Government should pay attention towards this matter.

The working of banks has improved considerably. The complaints have been minimised. For this I would like to congratulate Mr. Poojary. In my constituency also he had disbursed loans. He has been

disbursing loans at other places also. Wherever he goes, the banks start working efficiently. In this way people are benefited. I would like to request him to visit more and more places to ensure disbursement of loans to bonafide persons. I would like to thank you for allowing me to express my views.

SHRI SHANTI DHARIWAL (Kota) :  
Mr. Chairman, Sir, I rise to support the supplementary demands for grants presented in the House. I would also like to submit a few points before the hon. Finance Minister. A Bill is always presented in the House for setting up of some board or authority. On the one hand we say that administrative expenditure may be reduced and on the other hand we are increasing the administrative expenditure in this way. Government itself is increasing it. This extravagance should be stopped. Government says that in order to check extravagance, expenditure on petrol and overtime may be curtailed. But I would like to suggest that a complete ban may be imposed on it and no such board or authority should be set up. Government should take urgent steps to check extravagance. Efforts should be made to keep the deficit financing under control. The hon. Finance Minister had said in his budget speech that revenue receipts would be increased. Revenue receipts need to be increased. There is a gap of Rs. 2,000 crores between imports and exports. Imports have been liberalised. Despite that exports are not increasing. Urgent steps should be taken by Government to increase exports. The facilities given to non-residents are quite inadequate. If foreign exchange comes to the country in any form, we will be benefited thereby to a great extent. Therefore, attention should be paid towards this aspect.

A major portion of non-plan expenditure goes in the form of subsidy. A huge amount is spent in the form of subsidy whether it is in the field of fertilizers or food. Some sort of solution in this regard should be found out so that expenditure on subsidy can be reduced. Industrial growth has not increased despite liberalising the industrial licensing policy. Government should pay attention towards this aspect also.

[Shri Shanti Dhariwal]

Some hon. Members have made a mention about loans from banks. There is great highhandedness in the matter of self-employment scheme. No proper selection is made in the task force committee at the level of D.I.C. While sitting in D.I.C. the task force committee takes interview of 200 persons in a day. You can yourself imagine whether they are able to make selection of proper persons or not. This system will have to be changed. In addition the persons selected under the self-employment scheme have to go there again and again. There are 60 branches of various banks in Kota and they are asked to bring no-dues certificate from all the 60 branches. How is it possible? Therefore, functioning of banks needs much improvement. More and more efforts should be made in this direction. The complaints made by the commonman against the bank officers should be attended to seriously. Only then the working of banks will improve and loans will be given to genuine persons. In regard to NREP and IRDP I would like to submit that 'food for work scheme' should be revived in order to ensure creation of permanent assets. Efforts should be made to check increase in the prices of essential commodities. Three things *i. e.*, roads, drinking water and electricity are the basic needs of a villages. All these three things should be taken note of while formulating the plan. Even after 38 years of independence there are many tehsil headquarters where there are no roads, drinking water and electricity facilities. Therefore, more funds should be spent by Government on providing these facilities. Rajasthan has been witnessing famine conditions for the past 3 to 4 years. Out of 27 districts of Rajasthan, 24 districts are in the grip of famine. The funds given by the Centre to States in the form of relief measures are quite inadequate. This amount should be increased. Under the existing arrangements of the Central Government, percentage of the material component is very less and consequently permanent works cannot be undertaken and assets cannot be created. Out of the total amount received for such works, the percentage of material component is only 25 whereas for permanent works, this percentage should be 50. The percentage of

material component in the Central assistance should be more so that permanent assets could be created and relief measures undertaken. So far as relief measures are concerned, the 8th Finance Commission had fixed the limit of margin money for all the States. A provision is made in the budgets of State Governments every year. Central Government does not provide any assistance upto the limit of margin money. The assistance received upto 5 per cent for the State annual plan in excess of the margin money required for relief measures is treated as advance plan assistance and the State annual plan for that particular year is treated as enlarged upto that limit and this amount is adjusted during the period of next 5 years. Fifty per cent of the amount given in excess of 5 per cent is provided by the Central Government in the form of grant. The Eighth Finance Commission has recommended that the Central Government can provide assistance for famine relief works. It means that the Central Government can also provide even 50 per cent of loans as grants. Such assistance should not be treated as advance assistance. The Seventh Finance Commission had also made a similar recommendation. The Central Government had also accepted that. Keeping in view the grave famine situation in Rajasthan, the Central Government should provide more assistance and the entire assistance should be given in the form of grants. In addition, the Central Government should bear the entire expenditure of 'India Canal Project' which has a unique scheme in the country. Irrigation facilities would be provided in desert areas through this canal. If the Central Government bears the entire expenditure of this canal and this canal is completed at the earliests, Rajasthan can get rid of famine. While supporting these supplementary demands I would like to submit to the hon. Finance Minister that more funds should be made available to Rajasthan keeping in view the famine conditions there.

\*SHRI P. APPALANARASIMHAM (Anakapalli) : Mr. Chairman, Sir, a lot of ground has already been covered during the discussion on supplementary demands for the past two days. Hence I will confine

\*The Speech was originally delivered in Telugu.

myself to only a few points. Now the Government have come before the House seeking approval for another Rs. 1824 crores. With this the total deficit will go upto Rs. 3500 crores. This will result in an inflation and the prices of all the commodities will go up steeply. Sir, at no point of time has the Government displayed its farsightedness while taking policy decision or formulating programmes. As a result of it, the country had to face many difficulties from time to time. This, I want to make clear to this House. For the allround development, the country has to develop its agriculture and industry. But unfortunately there is no notable development in the Agriculture sector. Even the performance of industrial sector also is far from satisfactory. The Government had never thought of infusing life into the industrial sector. Many industries in the country today are sick and 60% of them are sick on account of mismanagement. Many other industries are sick because of labour unrest, non-availability of raw materials or obsolete machinery etc. Some other industries are sick as they did not receive any timely financial help from the Government. The Government, it appears have not thought as to how to rehabilitate and rejuvenate these sick industries so that they can not only contribute substantially to the economic progress of the nation but also to provide employment to hundreds of thousands of poor people.

Sir I want to say a few words about our national highways. During the past 35 years the national highways have totally been neglected. The Government have not taken any step either for improvement or for widening of these roads which are so vital for economy. These national highways are very narrow. No inter-State road is more than 25 feet in width. All the inter-State roads at present have the width ranging from 12' to 25'. This is the condition of our national highways. For the past 35 years the Congress Government have taken no steps either to widen the roads or to add new routes. All that it is doing is to carry on repairing work here and there. Is there any inter State road which is 50' wide? Many accidents are taking place due to the congestion of the traffic. Sir, the automobile industry has made rapid strides in the country today. The number of vehicles whether they are cars, lorries or motor cycles

which ply on these roads have gone up considerably. Yet the roads have not been developed proportionately to meet the increase in traffic. The widening of roads must take place immediately. But it is strange to find that this Government has no programme whatsoever to develop our national highways. Most of the bridges in the country especially in A. P. are in a dilapidated condition. The Tuni bridge and Anakapalli bridge in Andhra Pradesh are more than 100 years old. They are in a dilapidated condition and needs to be dismantled. So the Public Works Department of the Central Govt. should atonce swing into action to improve the condition of roads and bridges. Otherwise I am afraid, the vital links in our national highways will be cut off thus crippling our road transport system. This is the responsibility of the Centre. If these roads are cut off, the entire transport system and also life in the country will come to a stand still. The connection between State and State and district and district will be broken.

Sir, cine industry is one such industry in the country which is providing succour to the local Governments. The local Governments get good amount through entertainment tax. The local bodies owe a lot to the cine industry for their survival. Yet, the Government totally neglected the cine industry in the country. No efforts have been made to develop the industry. No concessions were offered to encourage the industry. Not only that. This Government have taken a negative attitude by collecting 30% on Films Division documentaries which once upon a time a mere rupee. The Central Government should take responsibility to prepare Films Division documentaries on various aspects of national life and show them to the public freely. Crores of rupees of revenue which accrues to the Central exchequer must have to be distributed among the States. The share of the States should increase. The films which are made at different parts of the country are getting no encouragement from the Centre. So, I request the Centre to help the industry atleast now. The whole of the telecommunication sector in the country is defective. Yet no steps have been taken by this Government to rectify the defects. The Government are getting hundreds of crores of rupees through 'wrong number' in our

[Shri P. Appalarasimham]

telephones. The Government have not taken any concrete steps to minimise this 'wrong number' phenomena in our telephones. In the name of expanding communication net work, the Government are dumping the out dated exchanges in our rural areas and thus collecting crores of rupees from the people for no service at all.

Sir, the Government should take steps to remove the defects that are existing in various spheres of our economy. This is essential if we are to progress and prosper. If not, instead of marching ahead we will be stepping backwards. I thank you very much for giving me this opportunity and conclude my speech.

SHRI MOOL CHAND DAGA (Pali) : Mr. Chairman, Sir, the hon. Minister had presented a Budget of Rs. 3872.54 crores in Monsoon Session. Now in Winter session he has presented another Budget of Rs. 1824.66 crores.

[English]

The total amount comes to 5697.20 crores.

[Translation]

Yesterday, I was reading the editorial of the Hindustan Times. It was written in that paper—

[English]

The issue of Supplementary Demands is of particular interest. In the latest Demand presented in the Winter Session, the Government has sought Rs. 1,824 crores. It is astounding that of this, Rs. 1,111 crores is non-plan expenditure. And, to think that this demand has come after the Government's September Directive for a five per cent. Cut in non-Plan expenditure following which it claimed that it would make a saving of Rs. 800 crores. Such figures cannot be wished away. It is time someone started to put his foot down to ensure the credibility of the new financial regimen.

[Translation]

Why this type of Budget is presented for which a supplementary Budget of Rs. 6,000 crores has to be presented? I want that you should stop giving subsidies.

[English]

This open-handed subsidy must go.

[Translation]

You gave subsidy in fertilizer. This benefited big farmers and not the small farmers. The amount of subsidy does not benefit the poor for which it is meant. This is my view and I can say it in detail but...

SHRI HARISH RAWAT (Almora) : Why are you opposing? You should say that it should reach those people for whom it is meant.

SHRI MOOL CHAND DAGA : The big farmers take advantage of the subsidy. The small and marginal farmers do not get the advantage. If the Government becomes little vigilant, crores of rupees can be saved.

You have allocated funds to the Delhi Transport Corporation in the Supplementary Demands. What is its condition? Delhi Transport Corporation has suffered a loss of Rs. 100 crores last year. From 1958 to 1980, i. e., during 22 years, D.T.C. suffered a loss of Rs. 113 crores, but now during the period of only 4 years it has suffered a loss of Rs. 268 crores. In Delhi Transport Corporation buses, some policemen and students travel without ticket. Many more such bunglings have been reported. It has suffered a loss of Rs. 214 crores.

[English]

"Credit locked up in sick industries may touch Rs. 5,000 crores."

[Translation]

Today large sums have been invested in sick industries and you cannot make up for that amount. You have invested a huge amount in N.T.C. also,

[English]

The total loss of the National Textile Corporation is Rs. 670 crores. It is stated in *The Hindu* and *Times* of 28th November 1985 as follows :—

“The Government-owned National Textile Corporation (NTC) with a total capital investment of Rs. 932.85 crores has incurred losses amounting to Rs. 670 crores since its inception.” What is the total loss of the Public Undertakings? This is stated in the *Hindustan Times* dated 18th November, 1985 as follows :

“A study made by the Department of Public Enterprises in the Industry ministry shows that 11 out of 20 Public Sector Units under it have been incurring losses. In 1984-85, their losses added upto over 120 crores.”

[Translation]

You tell us as to why so much loss has been suffered by them. The same is the position of coking coal.

[English]

It is stated in the *Economic Times* dated 5.11.1985 :

“The prices of coking coal have registered an increase of 2,000 per cent between 1955 and 1985”, i.e., 30 years. “The average price of coking coal was Rs. 10 a tonne. This went up to Rs. 320 a tonne in 1984-85”.

[Translation]

Unless there is efficiency in your administration and method of functioning is not changed, expenditure on Government staff is not reduced, their allowances and expenditure on the officers is not reduced, nothing is going to improve. You should have the guts to reduce the expenditure. I have seen that though prices of the coking coal, products have increased two thousand times, the coking coal mines are still running at loss. They have stated :

[English]

“It is unfortunate that the fertiliser industry is saddled with unsold stocks just when it is set to improve its capacity utilisation. According to industry sources, fertilisers stocks with it have mounted to 2.4 million tonnes.”

[Translation]

Every month you say that 0.3 million is being imported, but slowly you reach upto 3.7 million figure. The things which are available in your own stock and which are not required are being imported.

Sir, tell me which Department of yours is functioning properly? That is why you are suffering losses everywhere. When the Mansoon Session comes, you present a Supplementary Demand for Grants of Rs. 4000 crores and when Winter Session comes, then you come with another set of supplementary demands. How much the total allocation would increase with their presentation, that I do not know.

The prices today are soaring high. The people in the rural areas do not get edible commodities on cheaper prices. Therefore, I would like that efficiency should be brought about in the administration. A little firmness should be shown by the administration. Otherwise when your public undertakings are running at loss and you are giving loan to them what will be the position of others? What is the position of the Food Corporation of India? Only God knows. More than 7,000 employees are working in it and you cannot retrench them. You will have to bring about efficiency and capability in your administration. Only then you can improve your condition and become self-dependent financially.

SHRI RAM PUJAN PATEL (Phulpur) : Sir I am thankful to you that you have given me time to express my views on the Supplementary Demands for Grants. The Supplementary Demands presented by the hon. Finance Minister are necessary to run the country. You have presented the Budget very wisely and even after giving many reliefs, the earning of the Government

[Shri Ram Pujan Patel]

is increasing. I would like to draw attention towards two or three things. I would not take much time. When we are increasing our defence Budget, it is our duty to provide all facilities to our jawans giving top priority to the defence of the country. We should make available to them the sophisticated arms and equipments.

Alongwith it, the Government will have to ensure proper implementation of the schemes and programmes started for the farmers and the poor Harijans or other Scheduled Castes people so that our villages and the country as a whole makes progress, because the money being given by the Government for the development is not being properly utilised. All our leaders and even the Hon. Prime minister has stated that the funds provided for bringing the poor above the poverty line are not being utilised properly. That is so because we have no faith in those poor people whom we want to uplift; we rather believe in the Government machinery. In the process, intermediaries come in between resulting in corruption every where. They get money through these touts. I, therefore, urge that interference by the intermediaries should be got rid of and money should be given directly to the loanee. Recovery of the loans should also be made directly from them. Only when they will make progress. The hon. Minister should give a serious thought to it.

In villages, majority of population consists of the farmers, 80 per cent people of the country live in villages. The Government announces a support price for the agriculture produce. Last year, the Government had announced the support price of Rs. 55 per quintal for potato, but in villages the potato was sold at Rs. 30 per quintal. No purchase centres were opened for this purpose. The Government went on replying that Centres have been opened. This hypocritical attitude should be done away with.

In this year itself it was announced in this House that the support price for paddy will be Rs. 157 per quintal but it is being sold between Rs.120 to Rs.125 per quintal in

the villages. Along with it, the State Governments have imposed a ban on threshing of paddy by the farmers. Presently, the farmer can neither thresh nor sell his paddy. Consequently, the big capitalists and touts are purchasing paddy at very lower rates which will soar high later on. During September and October the prices of the potato increased to Rs. 125 to Rs. 140 per quintal. I am saying this to the hon. Minister because the economic condition of the farmers weakens as we do not extend timely assistance and cooperation to them. I would, therefore, request that the ban on threshing the paddy in Uttar Pradesh should be lifted immediately because I have been told that levy paddy or rice will not be made available. Levy rice they have to receive later on. But the capitalists will purchase and store paddy at present and later on they will sell rice at Rs two hundred per quintal. Therefore, you will have to pay attention to the deteriorating condition of the farmers. I would also submit that if you go on the spot and investigate about the work done under IRDP and NREP in villages, you will see that as compared to the funds provided for these programmes, the progress is not as per the expectations. There are not two opinions that the progress has been made but it is not proportionate to the money being invested.

Whenever there are floods due to excessive rains, you provide funds for relief works but my submission is that you should think of taking some permanent measures to check floods. For this I would like to suggest that ponds should be constructed in villages so that much of the flood water is stored in them and the level of the water also comes up. This will lessen the floods. Though the survey work by the scientists is going on in the entire country, yet the survey work in this regard should be speeded up and action should be taken in this regard.

The most significant thing said by the hon. Finance Minister in his speech is that tax should also be imposed on expenditure. The wasteful expenditure must be stopped because we see that in the marriages of the big people, a sum of Rs. 4 lakhs is spent only on decoration. Therefore, first of all these things should be stopped. Our Finance Minister is a very progressive

person. He takes concrete steps. Through you, Sir, I would like to request him, that if you really want that distribution of money should be proper, then a ceiling will have to be imposed on it. The way a ceiling has been put on land and the land has been distributed among the poor, in a similar way there should be some sort of ceiling on expenditure also.

Finally, I would like to say one thing more. There is one IFFCO plant at phulpur in Allahabad and a proposal for its expansion has been sent to the Government. The proposal relates to setting up of an Ammonia plant with an investment of Rs. 275 crores. I had made a submission to the hon. Finance Minister and also to the Hon. Prime Minister, but no final decision has so far been taken. I know that such proposals have come from other places also, but their planning at other places requires an investment of Rs. 400 to 500 crores whereas the plant with the same capacity can be installed at Phulpur with lesser investment. Similarly, there is a place named Soron in that area. A proposal to set up a sugar factory in that area has been sent to the Government. The hon. Minister should take an early sympathetic decision on these proposals.

There is no more point. The IFFCO plant produces urea. 40 to 42 thousands bags of urea are produced daily for which heavy water is needed. Therefore, keeping in view the convenience, one heavy water unit should also be set up at Phulpur. I hope that keeping in view the development of the State and the interest of the farmers, you will decide the matter at an early date. I also request that purchase centres should be opened for purchase of the produce from the farmers so that they do not have to sell the produce at lower prices.

I hope that the hon. Minister will take suitable action in this regard after considering all these things. With these words I support the supplementary Demands for Grants.

[English]

**DR. DATTA SAMANT** (Bombay South Central) : Sir, Within six months after the Budget, the Government is coming forward with the second Supplementary Demands for

Rs. 1,800 crores. I am not going into any details, of the way in which the black-money and the excise duty, import duties and the other big scandals are going on in the country. What efforts the Government is making in these matters? In the House, I raised these issues at the time of Question Hour that Orkay Mills business went up by Rs. 500 crores during the last two years, that is it went up by three times. He has not paid import duty of Rs. 1.5 crores and some action is taken. I think the Reliance Group is having very good contacts with some of the politicians and leading parties. You have served notice for not paying Rs. 27 crores excise duty on Patalaganga factory in Thana and he has not paid about Rs. 27 crores and some action is taken. In Thana excise duty of the order of Rs. 80 crores has not been paid by Colour Chem and others. And the actions that you are taking are only in respect of very small things. If the Government is a little honest and takes some more actions, crores of rupees can be collected from these millowners and big industrialists. I will mention about land in Bombay. You may say that it is the State Government's responsibility. But it is about public housing, housing for the poor. The land is in Bombay. 1500 acres of land—it is about more than Rs. 100 crores and Bombay Dyeing is involved are reserved for the trust. The trust is for the hospital, for the school, for the poor. But the land is released by the Chief Minister. The Housing Secretary and the builder are involved. Such type of scandals involving crores of rupees are indulged in by the multi-millionaires. If the Central Government does not keep silent on this and take some action, then I do not think there will be need for coming forward with this supplementary budget.

The Delhi Transport Corporation was given Rs. 40 crores at the time of general budget, and Rs. 5 crores more were given in between; now another Rs. 35 crores are being given. So much of money is spent over Delhi development. I am not against it. But what about Bombay? We are from Bombay. The Government is getting so much of money from Bombay: I have repeatedly mentioned in the House that they are getting about Rs. 900 crores of excise duty, about a thousand crores of rupees by way of income-tax and so much by way of estate duty; every year the Central



[Dr. Datta Samant]

Government is collecting about Rs. 2500 crores from Bombay. And what do you do for the Bombay people? When we talk about Bombay, do not think only of Cuff Parade; you go by the plane only over the Malabar Hills. But 50 per cent of the people, about 50 lakhs of people, are living in slums, and that is the place from where I have been elected; that is the centre of textile workers. There, the houses are collapsing; every year hundreds of people are dying; those houses need repairs very badly. The State Government say that they have no funds. Mr. Chairman, Sir, you are also from Bombay and you know what is happening. Every year hundreds of people are dying and so many houses are collapsing. The textile workers are staying in groups without families in those places. You have sanctioned only Rs. 10 crores for Bombay. The MPs from Bombay have demanded that more money should be allocated for repairing of the houses and for the slums. Therefore, I urge that you should give a little more money. The hill transport has been made cheap; with 40 paise, we can move out everywhere. But what about Bombay? Transport by BEST is ten times costlier. You are heavily subsidising those people, but nothing for Bombay. Why is Government taking this step-motherly attitude so far as Bombay is concerned? It is high time that Government did something for Bombay. You should not wait for the people to agitate. When we approached the Central Government, the Prime Minister very intelligently told us, "We have given Rs. 1000 crores to Bombay and from out of that, you spend". In Maharashtra also you have the Congress Government, and the State Government of Maharashtra are reluctant to spend for these poor people of Bombay. Therefore, we are made a scapegoat on this issue.

You are giving about Rs. 12 crores to the Pondicherry Mills and the Anglo-French Mills. Recently the Finance Minister has sanctioned another Rs. 60 crores to Gujarat textiles. Now the demand is coming from Bombay. Already about Rs. 60 or 70 crores have been given for the Bombay Mills. Our textile mills are becoming sick. All these millowners have made lot of profits. I have said in the House what type of diversification is going on—selling land, burning mills and

so on. What is your textile policy? All these people are just allowed to go scot-free. And again you are spending. From your supplementary budget you are giving Rs. 12 crores for the textile people. The Government has come forward to give concession for the import of synthetic fibre and Rs. 130 crores of excise duty will be lost. The excuse given by the Government is that the poor people should get cheap cloth. The prices of polyester cloth in Bombay have gone up, and that is the aim why you are giving. This is what you are doing for the sick industry. It is high time that you came out with a strong hand against those people because this is the major cause of black money, this is the major cause of exploiting the workers.

Sir, you have promised in the textile policy the rehabilitation and compensation for the people who lose job. Hon. Member Madhu Dandavate has told that about two lakh workers have lost their jobs because of this policy in Ahmedabad and everywhere. For rehabilitation and compensation have you spent a single paisa? Not a single paisa for the last one year. You have given just the assurance in the House. Therefore, it is high time that the Government should think positively, act more assurance, about the people who are literally dying in the textile mills because of this policy. Three times you have given the scheme and the assurance about rehabilitation and compensation, but you have not come with a single paisa. It should be considered.

You have given for the Gas Authority about Rs. 130 crores. In Maharashtra, the Bombay High has found out gas and oil, but I am surprised to say that Maharashtra will not get even one percent of the gas. I think it is high time, it should be considered. It is coming through Gujarat. I am not against it. Don't take it that I am saying about Bombay Airport and Malabar Hills only. On the contrary I demand that the gas which is passing through Maharashtra should be at least considered for Marathwada and Vidarbha because they are backward areas. When the lines are passing through Gujarat, you should definitely consider a certain percentage of it for Maharashtra.

Regarding the backward industries development I would like to say a few words. Here, you are supplementing another twenty five crores of rupees. It is good that industries come in the backward zones or the poor zones. You have started industries in cities, swallowed crores of rupees, made a big business out of the Government and Bank money. The same people are going to be sent in these backward areas also and they are again going to exploit the situation.

Birla has started a Bihar Alloys in Bihar. He says that he is obliging the Bihar people. In Bombay, after coming, his manager has told that they are asking thousand rupees salary. But when I went to Bihar they were getting Rs. 5/- and eight annas as rise. You are starting industries for whom? Should the benefits of the workers not be considered? In Bombay he is paying thousand rupees and he is not paying Rs. 5/- in Bihar. Therefore, some policy should be made while developing all these things.

I will take only one minute more sir. I raised the issue of border dispute in the calling attention. You have solved all the disputes in Assam and Punjab. But the Maharashtra and Karnataka border dispute is pending for 30 years. Your previous Prime Ministers Smt. Indira Gandhi and Shri Lal Bahadur Shastri went on assuring. I have got all the details. In the last six months the Maharashtra Chief Minister and the Belgaum Ekikaran Samiti and all of us have seen the Prime Minister and he has assured that he will make efforts with both the Chief Ministers and if the problem is not solved, then he will look into the matter. Sir, even in the last month on 15th November, the Prime Minister had gone to Bangalore and when the issue was raised he said that he will again make efforts and if not, he will seek the consensus of the people of both the States.

Sir, we are very honest. We don't want Karnataka land in Maharashtra. But taking the village as a unit, the geographical continuity and absolutely on relative majority something should be done in the border cities in Maharashtra. It is not Belgaum or Karwar that I am talking. In the villages if Karnataka people are in majority, we are prepared to give them up. Therefore, I shall

urge in this House that the issue of border dispute for which Belgaum and Karwar people are literally dying for the last 30 years should be definitely considered.

(Interruptions)

You take the population of the village and continuity of service.

With this, I conclude Sir.

[Translation]

SHRI DILEEP SINGH BHURIA (Jhabua):  
Mr. Chairman, Sir, I rise to support the Supplementary Budget.

The Supplementary Budget has to be brought to complete the important works. The hon. Finance Minister pointed out many correct things in his speech. Many parts of the country have been struck with drought. Somewhere there is flood in the rivers and somewhere there is drought. We have to spend lot of money on it.

Last year Bhopal gas tragedy had occurred in our country on this day and thousands of people were affected and died on account of poisonous gas and had also fallen sick. The State Government has spent large sums of amount on their rehabilitation so that the people may get employment. The Government of India has also made partial provision of Rs. 20 crores, but that is not going to serve the purpose. One year has passed. Lakhs of people have been affected. Thousands of people died. The children who have been born have also been affected. The Hon. Prime Minister has also paid a visit there. I want that the Finance Minister should provide more funds. Our State Government is trying its best to rehabilitate the affected people, but the State Government also cannot spend much. I would request the hon. Minister to increase this amount of Rs. 20 crores so that they may be resettled and they are given employment.

I come from Madhya Pradesh. Out of 45 districts in the State, 16 districts have been affected by drought. Not even a single drop of water is available in these areas. A team of Central Government had visited

[Shri Dileep Singh Bhuria]

these areas recently. The State Government has started some relief work to help the drought-affected people, but it is beyond the capacity of the State Government to provide assistance and employment to such a large number of people. The sufferings of the people cannot be lessened without the assistance from the Central Government. There is not even a single drop of water in those areas and consequently people have been facing difficulties.

I come from Jhabua in that State. That district has been suffering from drought for the last 15 years. Every year Rajasthan and later on Madhya Pradesh witness drought conditions. I, therefore, would like to submit that irrigation dams may be built in such districts. If railway lines are needed there, they should also be constructed. Our Hon. Prime Minister had visited that area. Lakhs of people represented to him that railway line should be constructed there so that they may be able to earn their livelihood. The demand of people for construction of a railway line from Indore to Dahod should be fulfilled. The hon. Finance Minister should provide assistance to the people there so that they may be able to earn their livelihood.

Big and small ponds can be built there for irrigation purposes and to prevent drought condition which are being witnessed every year. Therefore, the Central Government should provide more and more assistance to Madhya Pradesh Government to prevent drought. Sixteen districts of Madhya Pradesh are affected by drought and these do not have a single drop of water. People are sitting idle there.

When I go to my constituency, I see that thousands of workers come in search of jobs, for which only 100 workers are needed. When they do not get jobs, they resort to ghera. In my constituency, people are experiencing great difficulty in earning their livelihood. Our Minister of Rural Development had visited the area and had seen the conditions prevailing there himself. The assistance given by you to the State Government is quite inadequate. You should provide more and more help to the State Government so that people there may be able to earn their livelihood.

I would like to say only one thing about the administration. Expenditure on administration is increasing day by day. We should make efforts to check it and spend more and more on development works. We should march ahead on the path of progress and we should change the old system of administration and old set-up of British regime. The system of I.A.S. and I.P.S. is still continuing. Today, these people work for maintaining their position only and not for rural development. Today, rural development should be given top priority. Funds are provided but are not spent. Good machinery is needed to be set up for this purpose. Today, the need of a democratic set-up is to develop villages to ensure progress of the country, so that our Hon. Prime Minister may be able to show to the world that India has become a power and has reached a place from where nobody can challenge it. Some such sort of machinery should be set up which may decide as to how and what type of development should take place as also how mental development should take place in villages. Special provision should be made for areas facing drought and for flood affected areas. When an industry become sick. Government writes off its loan and takes over it. But when crop of a farmer gets damaged how could he be able to repay the bank loans. I would like to request the hon. Finance Minister that an amendment may be made in the Constitution to the effect that loans of such farmers may be written off in the event of such natural calamities. He has to repay the loan taken by him for digging a well either by auctioning his land, or buffalo or house. The loan of a farmer, who has suffered loss due to drought and floods should automatically be written off. If his loan is not written off, he will always remain under debt and the development of villages would never take place. An Indian farmer earns during a year and eats during the next year. In this country a farmer is the only person, who feels satisfied even if he gets meal only once a day. I would, therefore, like to request the hon. Finance Minister that the loans of farmers in an area affected by natural calamities should be written off and no recovery should be made from them. All types of loans, whether it is a small loan, medium loan or cooperative loan, a bank loan or a commercial bank loan, should be

written off. This is what I wanted to say. I would also like to express my thanks for the time given to me and I support the budget proposals.

**\*SHRI P. SHANMUGAM**  
(Pondicherry) : Hon. Mr. Chairman, Sir, I rise to say a few words on the Second Supplementary Demands for Grants for 1985-86 which have been brought before the House by the hon. Minister of State for Finance.

At the very outset I welcome these Supplementary Demands for Grants which will contribute to the economic development of small agriculturists, agricultural workers, middle-class people and other down-trodden people in the country.

During the period 4th November to 12th November Thanjavur district, Chengleput district and Madras city in the State of Tamil Nadu and Pondicherry and Karaikkal in the Union Territory of Pondicherry were subjected to the fury of cyclone and unprecedented rains. In Pondicherry Union Territory 50,000 huts have been swept away by the swirling waters of the flood. The standing Samba crop on 3500 hectares and the standing sugarcane crop on 1500 hectares in Pondicherry area were destroyed. In Karaikkal area the samba crop on 6500 hectares was uprooted by this cyclone. The swollen rivers and the overflowing tanks flooded the entire area. The whole transport has been adversely affected by the damage caused to 400 kilometres of roads. The irrigation canals, the school-buildings, huts, hospital buildings etc. have been worst hit by the floods and they have to be repaired immediately if normal life is to be restored in these parts of Union Territory. The Union Territory Administration has sought from the Central Government flood relief assistance to the tune of Rs. 12.38 crores for undertaking flood relief measures on war footing. I take this opportunity to appeal to the hon. Minister of State for Finance that the entire demanded by the Union Territory Administration should be sanctioned forthwith.

I would take this opportunity to convey the gratitude of the people of Pondicherry Union Territory to the hon. Prime Minister, Shri Rajiv Gandhi, who air-dashed to the flood affected areas in Pondicherry and in Tamil Nadu. He made the aerial survey in the helicopter and apprised himself personally about the damage caused by the floods. He assured the affected people of Central Government's immediate assistance for flood relief measures. I am sure that the hon. Minister of State for Finance will release the flood relief assistance immediately. In Pondicherry Union Territory, 15750 C and D category employees of the Administration are undergoing untold misery due to the floods. I demand that they should be sanctioned flood relief advance immediately and the Centre should sanction this without any delay.

On behalf of the people of Pondicherry and on behalf of 7500 workers of Anglo-French Textile Mills, I would convey my gratitude to the hon. Prime Minister Rajiv Gandhi for having permitted the Union Territory Administration to nationalise this Mill which had remained closed for the past 2½ years. I need not say that the re-opening of this Mill would rehabilitate the suffering workers and would restore normalcy in the Union Territory. In these supplementary Demands, under Demand No. 49, a sum of Rs. 12 crores has been sanctioned for nationalising this Mill. Out of this, Rs. 4.95 crores would be given as grant and Rs. 7.05 crores as loan. As far as I am aware of this problem, I know that a sum of Rs. 18 crores would be required for re-opening this Mill. I, therefore, request that this sum of Rs. 12 crores I should be given as grant and the balance Rs. 6 crores as loan. I appeal to the hon. Minister of State for Finance that he should sanction Rs. 18 crores for re-opening this Mill. I understand that the owner of this Mill, Mr. Jatia and his henchmen are trying to find places in the new management. It must be remembered that Mr. Jatia was primarily responsible for the closure of this Mill and for starving 7500 workers for nearly 2½ years. The insidious efforts of Mr. Jatia should be thwarted and this Mill should be handed over to really capable and talented people. The Central Government

\*The speech was originally delivered in Tamil.

[Shri P. Shanmugam] should take appropriate steps in this matter. We should ensure that this Mill does not fall again into the hands of unscrupulous people.

I am really grateful to the hon. Prime Minister Rajiv Gandhi for having given several concessions to the freedom fighters. I would like to draw the attention of the hon. Minister of State for Finance to the miserable lot of freedom fighters in Pondicherry, numbering about 500, who had fought for the freedom of Pondicherry from French rule, and for merging this Territory with independent India. They are not getting central freedom fighters pension. I do not know the reasons for the delay in the sanction of freedom fighters pension to these freedom fighters of Pondicherry. They are suffering a lot. I want that the hon. Minister should take immediate steps to sanction central pension to these freedom fighters also. I would also request the hon. Minister of State for Finance that the freedom fighters State pension of Rs. 150 being given to those in the Union Territory should be raised to Rs. 300. The Railway passes and such other facilities being given to the freedom fighters who are getting Central freedom fighters pension should be extended to the freedom fighters getting State freedom fighters' pension.

Again, I would pay my grateful thanks to the hon. Prime Minister Rajiv Gandhi for having approved the Central University in Pondicherry. The people of Union Territory of Pondicherry are greatly indebted to the hon. Prime Minister for giving the Central University. I demand that this Central University should start functioning without delay. I demand that Pondicherry which is the capital of Union Territory should be air-linked with other parts of the country by starting Vayudoot Service.

Karaikkal and adjoining areas are traditionally known for their religious importance with Karaikkal Ammaiyyar temple, Tiruvellaru Saneeswarar Temple, Nagore Dargha, Velanganni Temple, which are visited by a large number of devotees and also tourists, from all over the country. I want that Karaikkal should be air-linked with Pondicherry, Tiruchirappalli and Madras. I request the hon. Minister of State for Finance to do the needful in this matter.

On account of non-supply of water from Cauvery river at the required time and due to the unprecedented rains recently, the agricultural workers in the Territory are the worst hit because they cannot do agriculture this season. In fact they are facing acute starvation. 80% of the population of Karaikkal are engaged in agriculture and now they are the victims of the nature's wrath. I take this opportunity to request the hon. Minister of State for Finance, Shri Janardhana Poojari that he should direct the public sector banks to give loans to the suffering poor people of Pondicherry Union Territory. In fact, he should direct that a loan mela in the Union Territory and distribute himself such loans to the victims of floods in Pondicherry Union Territory.

I thank you for giving me this opportunity to say a few words on these Supplementary Demands and I conclude my speech

17.00 hrs.

SHRI CHITTA MAHATA (Purulia) : Mr. Chairman, Sir, the Supplementary Demands for Grants for the year 1985-86 presented in the House by the hon. Minister of Finance have been under consideration for the past two days. I would also like to say a few things in this regard.

In the last Budget Session the hon. Finance Minister had stressed that the sources of black money would be unearthed and efforts would be made and a scheme would be formulated to keep it under control. Shri Datta Samant has rightly said here that till there remains black money in our country, we will not be able to make any of our schemes or industries successful because black money is adversely affecting the economy of our country. No doubt certain steps have been taken in this direction for which I would like to congratulate the hon. Finance Minister. Raids have also been conducted at one or two places to unearth black money. Other methods are also being used, but big capitalists and industrialists have not so far been natted in this connection. They have felt no impact of these raids. I, therefore, feel that the Finance Minister has failed in this mission. The prices of essential commodities

are increasing day by day because of impact of black money. These articles are going beyond the purchasing power of underemployed persons and for this reason they are not in a position to purchase them. We people demand again and again that Government should fix the prices of these articles so that these can easily be made available to poor people at fair prices. But the Government has not so far taken any step in this regard.

Eighty per cent of population in our country depends on agriculture and the trades associated therewith. In a way, we can also call these people the farmers. According to official figures, agricultural production has increased, but we do not accept their claim. Instead the condition of our farmers is deteriorating day by day. Small farmers are compelled to sell their agricultural land and they are becoming agricultural workers. Once they had laboured hard to grow the crops. But now the situation is that they are experiencing great difficulty in making both ends meet. On behalf of people of all sections of society a demand is made that Government should fix the prices of jute, betel, potato, cotton, sugarcane, etc. so that the farmers might be able to get reasonable prices. I would like to give an example. My constituency falls in West Bengal where lac is produced in a large quantity. Last year its price was between Rs. 8 to 10 per kg., but this year its price has gone up to Rs. 50 per kg. because two or three local capitalists are exporting it. These people themselves fix its price. I would like to ask the Government to take steps to fix the price of lac. The price of all such articles should be fixed so that the farmers can get benefit.

Thirdly, Government has not so far implemented the land reform law. No concrete step has been taken in this direction. According to official figures, Government has got 86 lakhs hectares of surplus land, but it has been able to take possession of only 15,60,000 hectares of land, and out of it only 6,91,000 hectares of land has been distributed among agricultural workers and landless persons so far. In this regard West Bengal, Kerala and Punjab are on the top. Other States have not implemented it. I request the Government to pay full attention

towards allotment of land. Still 6 per cent people in the villages have got more than half of the total land and 40 per cent people have become agricultural workers. In our country 45 crore people are living below the poverty line. They are deprived of even the privilege of being called the poor. The basic reason for this is that Government is not implementing the policy concerning land reforms.

The number of agricultural workers is increasing in villages day-by-day and an agricultural worker does not get work for more than 122 days in a year. That is why he does not get full wages. The number of unemployed persons is increasing day-by-day due to wrong economic policy. The number of unemployed persons, who got their names registered, was 95 lakhs in 1971 and during the current year this number has increased to about 2,50,00,000. This number includes doctors, engineers and degree-holders also. The number of educated unemployed persons is increasing day-by-day. Being unemployed these youngmen may adopt wrong path. There might be a danger to the country's integrity also.

[English]

Youth have a lot of energy and if this vast source of energy is not channelised in the right direction, then indiscipline will prevail among the youth.

[Translation]

Country's unity is jeopardised. I request the Government to pay more attention towards it.

The current year is International Youth Year. Therefore, Government should take certain steps by which youth may get employment. The age limit fixed for getting employment should be removed, because this Government cannot provide employment to such unemployed persons. Why should there be age-bar? I request the Government to dispense with age-bar condition.

So far as the question of education is concerned, we say here loudly that there should be compulsory education. Two types of education systems are in vogue in this

[Shri Chitta Mahata]

country. The wards of poor people get education in a different school whereas the wards of rich persons get education in mission and English-medium schools. Such type of educational policy should not be there.

With these words I conclude.

**\*SHRIMATI USHA THAKKAR (Kutch)**: Mr. Speaker, Sir, I support the Supplementary Demands for Grant presented by the hon. Finance Minister before the House. To present Supplementary Demands in a developing country, according to the needs, is a natural process.

Mr. Speaker, Sir, Gujarat has a long coastline. Therefore, a ship breaking yard has been set up here in Alang, but this industry is passing through a crisis. The annual capacity of breaking ships in this yard is between 180 to 200 ships. Even then the Central Government has provided only 60 ships for breaking. Moreover, Sir, the Government has imposed an excise duty of Rs. 360 for this work. Consequently, the industry has been lying completely closed for about three months. Though the Central Government has assured withdrawal of the excise duty taking into account the conditions prevailing there, yet so far it has not been implemented. Due to suspension of the work of breaking the ships, the country has suffered losses worth crores of rupees. I request the Government through you, Sir, that it should withdraw the additional excise duty at the earliest. Due to closure of the industry thousands of workers have been rendered jobless and they are now in great trouble. Gujarat is also facing drought at present. Therefore, this industry should be recommissioned at an early date.

Sir, my constituency Kutch also consists of a long coastline. Here also ship-breaking yards can be set up at three places. These are Mundra, Tuna and Mandavi. I think the facility of having Assistant Custom Collector is necessary and that facility is available at Tuna. Mundra and Mandavi

are situated at a distance of 50 kms. from Assistant Custom Collector's office. Therefore, this service can be made available there as well. I request that at one of these three places, where it is technically feasible, a ship breaking yard should be set up.

Sir, Bhuj and Kandla are the two very important places of Gujarat and Kandla is also an important port of Northern India, but so far both these cities have not yet been linked with other main cities of the country by S. T. D. I request the Government through you that STD facility should immediately be provided at both these places.

Sir, I am one with Shri Manavendra Singh and other hon. Members about what they have said regarding drought and floods. In Gujarat also there has been severe drought this year. There is acute shortage of drinking water. I suggest that the water of the rivers like Narmada and Machhu in Gujarat, which flows down without being utilised should be stored and supplied to needy areas for drinking and irrigation purposes.

Sir, I would also like to express my views on Doordarshan and would like to submit my demand in this regard. You are aware that Kutch is a border area. It is necessary to make the people vigilant in the interest of unity, integrity and security of the country and this work can be easily done by the Doordarshan. People are also eager to get the television facility. Keeping this thing in view, the hon. Minister has sanctioned a scheme to set up a Doordarshan Kendra in Kutch. It is necessary to implement this work at the earliest. I hope that the hon. Minister will consider the matter and get the installation work of Doordarshan Kendra started without any delay.

Sir, I would like to say something about rail service also which is very important. Rail service from Delhi to Bhuj is already available. A survey to convert meter gauge into broad gauge to Lakhpat via Mandavi has been made. I request the Government to start work on this immediately. The

\*The Speech was Originally delivered in Gujarati.

places like Mundra, Mandavi, Lakhpat etc. on this line are situated at coastline. People here are engaged in the trade of minerals, salt and fishing. For the development of the industry and to make available cheaper transport facilities to the producers rail service is the most important facility. I, therefore, request the Government through you that it should take immediate necessary steps to convert the meter gauge line into broad gauge line as per the survey made. Sir, the number of wagons made available for loading salt, minerals and coal at places like Saurashtra, Kutch etc. in Gujarat is very less. More wagons are required. I request the Government to make adequate number of wagons available to them.

Sir, I am thankful for giving me a chance to speak on the Supplementary Demands.

SHRI R. P. SUMAN (Akbarpur) : Mr. Chairman, Sir, I rise to support the Supplementary Demands for Grants for the year 1985-86. Sir, first of all I would like to congratulate the hon. Finance Minister, the Hon. Prime Minister and the Minister of State for Finance that the demands presented here are timely, but these are not balanced. I would like to submit that in order to maintain some balance in them, some such arrangements should have been made by which we could have given top priority to certain matters. But due to certain reasons we could not do so. Still I support the supplementary demands. I would like to congratulate the Government and the Hon. Prime Minister for making a promise of giving a clean and efficient Government. It has been proved during the past few days that Government are taking very prompt action to set up a healthy society. A few days back huge amount of black money was unearthed. It shows that Government are determined to wipe out those, who were engaged in ruining the economy in this way. Government is also taking urgent steps to strengthen the economy. The hon. Finance Minister and his Ministry deserve congratulations for this.

I would like to point out that particularly one thing is overlooked while making allocation of funds. I request that one thing should be taken note of in future and that

should be given priority at the time of allocation. At the time of allocation of funds we should take into account as to what items should be given priority. The funds required to bring people above the poverty line, the situation prevailing in each State, damage suffered, the requirement, area and population of each State should be taken into account and funds should be allocated while giving priority to all these things. I would like to give an example. Many parts of our country witnessed the fury of natural calamities like floods and drought. Uttar Pradesh was also in the grip of these calamities. Some districts of Uttar Pradesh have been totally ruined. The State Government had sent a proposal to the Central Government for providing Rs. 1,400 crores to deal with this natural calamity. But it is a matter of regret that only Rs. 125 crores have been provided. You should yourself imagine, how is it possible to manage the affairs with a meagre amount of Rs. 125 crores against a demand of Rs. 1,400 crores in such a big State where so much damage has been done. I, therefore, would like to submit that keeping in view the population of the State and the heavy damages suffered there, special allocation of funds should be made.

Besides, I would like to say one more particular thing in respect of floods and drought. Jaunpur is one of the districts of Uttar Pradesh. From the time I have come of age I have not seen a year in which Jaunpur did not witness the fury of floods. Every year heavy damage is caused due to floods. Government provides funds for that. That money is further distributed. I do not want to mention the authorities distribute date money. You are also aware of that. Every year it happens like that. So, I would like to say that we should make some sort of permanent arrangements to solve the problem of floods and drought in areas where these calamities occur every year in order to save the State, district, region and block from the fury of these natural calamities. Therefore, we should keep in view this thing particularly that these areas may be identified and their problems solved for ever.

Very important programmes are being implemented with the funds allocated for this purpose. I am happy that we are



[Shri R.P. Suman]

marching very fast towards our goal. It is a different matter that we have not been able to reach our goal. I would like to quote the following couplet :

*“Manzjl Mile ya na mile is ka gam nahin,  
Manzil ki justju mein mera karvan to hai.*

We are marching in that direction. We are marching on the path of progress. No matter if our pace is slow. Still we are marching ahead. We should pay special attention to see whether the funds given by Government for the schemes meant for the uplift of poor farmers and workers living in rural areas in great number are being utilised properly or not. Fortunately, the Minister of State of Rural Development is sitting here.

17.21 hrs.

[MR. DEPUTY SPEAKER *in the chair.*]

Government has provided funds for Integrated Rural Development Programme, National Rural Employment Programme and National Landless Employment Guarantee Programme to ensure rural development. We have to see whether the funds provided by Government are being utilised properly or not, whether this money is being spent on the implementation of these schemes or not, whether roads are being constructed or not, whether bridges are being constructed or not, whether farmers are getting fertilizers or not, whether they are getting subsidy or not. We have to see all these things. Besides, an amount of Rs. 100 crores have been allocated under the Rural Landless Employment Guarantee Programme for construction of houses for the Scheduled Tribes. We have also to see whether this money is being utilised or not and whether work is being done in this respect or not. Similarly, we have also to see whether people are getting benefit under the Special Component Plan. The implementation of these programmes is held up at some places due to indifferent attitude of our officers. So, it is necessary that these programmes

should be implemented speedily so that Government may be able to achieve its objective and poor farmers can get benefit.\*\*

[*English*]

MR. DEPUTY SPEAKER : Please conclude. Since he is not concluding, whatever he says after this will not go on record.

(*Interruptions*)\*\*

[*Translation*]

†SHRI M. MAHALINGAM (Nagapattinam) : Hon. Mr. Deputy Speaker, Sir, on behalf of my party the All India Anna Dravida Munnetra Kazhagam, I rise to say a few words on the Second Supplementary Demands for Grants for 1985-86 which are under discussion.

I would confine my remarks to Demand No. 38 which seeks the approval of the House for an additional amount of Rs. 45 crores for flood relief measures. Last month many parts of Tamil Nadu were battered by a vicious cyclone and unprecedented rains. Our hon. Prime Minister Shri Rajiv Gandhi air-dashed to the flood-affected parts of Tamil Nadu and apprised himself about the condition of damaged areas of Tamil Nadu. He also assured the suffering people of immediate central assistance for relief work. My parliamentary constituency Nagapattinam is on the coast and Nagapattinam, Tiruvarur, Tiruthuraiipoondi, Vedaranyam, Nannilam and Mannargudi areas were the worst hit in the floods caused by heavy rains. In East Thanjavur District the standing Kuruvai crop of 1 lakh acres was destroyed in floods. Similarly, it can be said that we will not get this year samba crop on three lakh acres, as it has been uprooted by the swirling waters of the flood. Thousands of huts belonging to thousands of farmers have been destroyed. In the beginning period of cultivation, the agriculturists of this area do not get adequate water from Mettur Dam. Even if they happen to get water, it is not sufficient to undertake agriculture since that

\*\*Not recorded.

†The Speech was originally delivered in Tamil.

too is not given when it is required. In October-November, the standing crop on several lakh acres of land is destroyed by floods.

Under Demand No. 38 only a sum of Rs. 45 crores is being sought for relief work. This money is not sufficient even to undertake flood relief work in Nagapattinam area. The roads have been damaged. The railway track has been swept away. The railway bridges have been damaged. Presently there is no train connection between Madras and Villupuram. Even for repairing the Anna Salai in Madras we may require several crores of rupees. Therefore, I request the hon. Minister of Finance to sanction Rs. 200 crores as has been requested by the Government of Tamil Nadu. Then alone meaningful relief work can be undertaken.

Nagapattinam is a port of historical importance. Unfortunately, even today it continues to be a minor port. The dredger has gone out of repair and the port is getting silted heavily. Immediately the Central Dredging Corporation should be directed to undertake dredging in Nagapattinam Port and make the port serviceable. The Nagapattinam Port should also be expanded.

After the fire accident in Chidambaram ship, which was plying between Nagapattinam and Singapore and Malaysia, there is no shipping service a between these places. The passengers and the exporters are suffering because of this. I demand that immediately a shipping service should be started between Nagapattinam, and Singapore and Malaysia.

Velanganni Virgin Mary Temple, Muslim Dargha at Nagore, the Sikkal Singaravelan Temple are around Nagapattinam. From all parts of the country, the Christians, the Muslims and the Hindus visit these temples. They are in fact real symbols of secularism since the devotees go to all these temples irrespective of their religion. Velanganni and the adjoining area should be declared as a Central tourist area and necessary infrastructure facilities should be created for the benefit of large number of people visiting these temples.

In Nagapattinam and around there are thousands of fishermen. The State Government is implementing several welfare measures for the benefit of these fishermen. The Central Agriculture Ministry should construct cold storage godowns and also establish Fisheries Farms here for the purpose of uplifting the poor fishermen of this area. The fishermen in Vedaranyam and Nagapattinam are in need of such central assistance.

Year after year Thanjavur district is either afflicted by drought or by floods. The agriculturists and the agricultural workers are the victims of such recurring natural calamities. It is being established that they cannot depend on agriculture for their livelihood. But they do not have alternative avenues of avocation. There are no industries in Thanjavur district and particularly in my constituency. Recently in Cauvery Basin in Calappai and Narimanam and other adjoining areas, gas has been struck and it is proved that substantial quantity of oil can be exploited in these areas. I suggest that efforts should be made for starting petro-chemical industries in this area. in Vedaranyam and Nagapattinam salt is available in abundance. The salt can be used for starting chemical industries in this part of Tamil Nadu. Such industries will give alternative job opportunities to the agriculturists and the agricultural workers of this area. I appeal to the hon. Minister of State for Finance that he should initiate steps for setting up industries in Thanjavur district and in my constituency of Nagapattinam for the good of agricultural workers.

With these words I conclude my speech,

**SHRI RANA VIR SINGH (Kaiserganj) :**  
Mr. Deputy Speaker, Sir, I rise to support the supplementary demands for grants. I would like to congratulate the hon. Minister that he has tried to curb black money and has brought about a revolution in the country through the Banking system.

I have been listening to the speeches of hon. Members in the House. I generally see that it has become a practice to criticise the working of banks. I would also like to congratulate the hon. Minister for opening

[Shri Ranavir Singh]

branches unions banks an far flung areas in the countryside. He deserves congratulations for this revolutionary step. After getting loans from these banks, the poor people are making progress. I feel that a new society is emerging as a result of upliftment of these poor people. The this new society has emerged as a result of our sound policy. I would like to give two or three suggestions in this regard.

My first suggestion is that we should not think that our duty is over after giving loan. Rather, we should try to take follow-up action and see whether per capita income is increasing or not. In addition, we should augment the staff strength also. The young persons, who are willing to work in far off areas should be given more facilities so that they could execute their work with dedication.

Secondly, the revolution brought about by our farmers in our country has proved a great success due to which we have been able to stand on our feet. The nation has become self-sufficient. But I regret to say that despite all the efforts made by the hon. Finance Minister, farmers are not getting remunerative prices for their produce like paddy. They are compelled to sell their paddy at throw away prices in the market. I would like to request the hon. Finance Minister to make arrangements through F. C. I. to ensure the payment of declared price to the farmers for their produce in the market.

There is a new scheme to provide employment to educated youngmen. It is a very important scheme. Our youth can come forward and a new society can be created. There are two or three big loopholes in the matter of grant of loans to youngmen. Generally, the amount of loan given to them is consumed midway and they do not have money to set up the desired project. We want that they should become good entrepreneurs, but due to the loopholes mentioned above and non-repayment of loan amount, they are put behind the bars. In this way a feeling of resentment develops among them. I want that special attention should be paid towards this scheme and

proper arrangements may be made to advance loans to them. The people's representatives may be associated in this matter so that they could get loans very easily.

You have announced a scheme to provide foodgrains at cheaper rates to poor people. This scheme has been welcomed by one and all and for this you deserve congratulations. It is a revolutionary policy of our Government and it has not so far been implemented in India. You will agree with me that our distribution system is not very efficient. Essential commodities should be made available to common man through mobile vans in order to avoid any malpractices. I am not concerned about the new schemes introduced by you, but I would like to request you to ensure full implementation of the incomplete schemes. The Sarjoo Canal Project meant for Bahraich, Barabanki, Basti and Gonda Districts has been lying incomplete for many years, due to which people of these districts have been experiencing fury of floods. I would like to request you that if the State Government does not complete this project, the Central Government should provide funds and get it completed. If it is not completed, poor people will have to suffer a lot. A large area is submerged by water and we have to formulate another scheme to deal with this problem. I would like to draw your attention towards this incomplete scheme.

I would like to say one thing more. It is said again and again that balance will be maintained about industrialisation. But when we demand industrialisation of Bahraich and Barabanki where raw material is available, the demand is put aside on the plea that no raw material is available there. It is a matter of great surprise that industries are being set up in districts where there is not even remote possibility of availability of raw materials. We had made a demand for setting up of distilleries based on molasses for two or three sugar mills in our area, but no licence has been given on the plea that raw material is in short supply there. I would like to request you to pay special attention towards these districts. Time is short and you are ringing the bell. With these words, I conclude and hope and trust that our hon. Minister of Finance, Shri Vishwanath Pratap Singh and the Minister

of State for Finance, Shri Janardhana will try to do their best for the welfare of common man.

**DR. G. S. RAJHANS (Jhanjharpur) :** Mr. Deputy Speaker, Sir, I would like to say only two or three things.

Iqbal had said about India :

*"Kuchh baat hai keh hasti  
mitti nahin hamaari"*.

While sitting here, I was pondering that there is something that our condition does not improve. What you say is true and what I am going to say is also true. You have spent money for the welfare of people, but no welfare took place and the people, who should be benefited, did not get any benefit. I can say it with challenge. During the last Session also, I had requested the hon. Minister to accompany me to the market and see himself as to what extent prices have gone up. I see that the condition of people living in jhuggi jhonparies is very pitiable. I remember my days I come from the area where Malaria was in epidemic form. In our childhood days, our doctors used to give us quinine mixture and say that no medicine will be given after that. In the afternoon again quinine mixture was given on the plea that no further medicine would be given, but in the evening again quinine mixture was given. The budget brought by you is like quinine mixture. First main budget was brought. It was quinine mixture. After that supplementary demands were presented. It was also quinine mixture and now you have again brought these demands.

**THE MINISTER OF ENERGY (SHRI VASANT SATHE) :** Was Malaria cured or not.

**DR. G. S. RAJHANS :** No, Malaria was not cured. That is why you are spending money, but the money has not been spent for the purpose for which it was meant. Full inquiry should be conducted in the matter.

Last week I had raised the issue of natural calamities. Here also I would like to make a mention about them. I had stated that North Bihar is being ruined by floods. After two days' hard labour I had been able to make Shri Buta Singh agree to it. At this he said that the Bihar Government had neither sent any letter nor any memorandum to the Central Government. You are a witness to it. My eyes were full of tears. The leading newspapers of the country and Bihar had published that a Member of Parliament from Bihar had vehemently said that North Bihar was in the severe grip of floods, but despite that no memorandum was submitted by the Bihar Government. They are not prepared to put forward even the factual position.

When the Chief Minister of Bihar came here. I asked him to send a memorandum or letter. I asked him to do something. At this he said "what would happen by submitting a memorandum"? They would say that assistance has been provided, but it would be loan and not assistance. They would compel us to repay loan by 31st March? How will we be able to repay the loan?

North Bihar, particularly Mithila area is affected by floods since Independence. Kamala, Kosi, Bagmati and Mahananda are the rivers in this area. What loveable names they are. One would like to name one's daughter after the names of these rivers. But these are black cobras which are destroying North Bihar and Mithila area.

I had said earlier also that dams should be built on them in Nepal. Power would be generated from them to such an extent that the whole of Nepal and North Bihar would become a paradise. For God's sake, do something. People suffer there every year. The people are living in hell there. When we go to our constituency, people are compelled to ask as to why we do not articulate their demands. We tell them that we do raise their demands time and again, but that remains a cry in wilderness.

Sir, there are many things to be said. But I would like to say that something must be done in this regard. The people are it

[Dr. G.S. Rajhans]

great difficulty there and I would like to inform you that persons having even 200 to 400 acres of land there, are working as a labourer in Chandni Chowk and NOIDA areas. I am prepared to accompany you and show you all these things.

The hon. Finance Minister might have heard that people are becoming restless there. I would like to say that the people of North Bihar may be saved from becoming Nexalites. You should take timely action to save North Bihar from the revages of floods.

**SHRI C. JANGA REDDY** (Hanamkonda) : Mr. Deputy Speaker, Sir, just now our friend from Bihar was speaking. He made his speech with tears in his eyes. Why? When we go and meet the people, they ask us as to what we have done in Parliament. What we say here does not reach them, because our Radio and Press do not release our speeches.

Where is the amount given by you being spent? People are not getting benefit of it. That is why they have nothing but tears in their eyes. Nothing has been done even after so many years of Independence. All these figures are on papers only. *(Interruptions)* You go and meet the people. You are paying more attention towards cities only.

Just now he has stated that the funds provided by the Centre for flood control measures are in the form of loan. You have got all the resources. You have got the resources of exise and income-tax. Mr. Samant was saying that you collect Rs. 2,500 crores annually from Bombay. How much money is spent by you there? What is the condition of that area? Sometimes, you talk about rural development. But had rural development taken place, why people would have rushed towards cities? What is the reason for it? The reason is that they are not getting employment there. They are running towards cities for getting employment. We have formulated N.R.E.P. and R.L.E.G.P., but would a man be able to make both ends meet with a meagre wages of Rs. 9/- per day. Today a farmer in the village is willing to give Rs.

15 per day, but he does not get a labourer. Why does a village worker pull cycle-rickshaw in a city? He earns Rs. 20/- there. How can he meet both ends meet with an amount of Rs. 9/- . I am pained to note that the amount given for R.L.E.G.P. or N.R.E.P. is not reaching the workers direct. The amount does not reach the workers direct. The amount is pocketed by the middlemen like agent Gram Pradhan, B.D.O., contractor, etc. The bills and the cheques are in the name of Government supervisor. The supervisor keeps a muster roll. These people write the names of a few persons and pocket the money by putting the impression of the big toe. There is nobody to see as to how many workers are actually working or how much work is being done. While sitting in the office of the Planning Commission, the schemes are given very good names like National Rural Employment Programme and R.L.E.G.P. I would like to know whether a labourer in the village will accept a daily wage of Rs. 9/-, when he is not prepared to work as an agricultural worker at a daily wage of Rs. 15/-. How will he dig the earth, or construct road on a daily wage of Rs. 9/-. Who will do this job? You think that development has taken place with the spending of money. Spending money does not mean that development has taken place. I would like to mention two or three examples before you. The Food Corporation of India procures a commodity at the rate of Rs. 140 per quintal and sells the same for Rs. 225 per quintal. What are its reasons? It includes the expenditure on petrol of M.D.'s car, expenditure on his journey from Hyderabad to Delhi expenditure on sight-seeing and AC First Class ticket charges. If a commodity costs Re. 1, the other charges would be 40 to 50 per cent extra. A commodity is purchased at lower price and is sold at higher price. The Minister of Civil Supplies told us here that sugar has been imported for Rs. 225 per quintal and the State Governments have been asked to sell it at a price not exceeding Rs. 6 per kg. What is all this? Is Food Corporation not indulging in black marketing? Sugar imported for Rs. 225 per quintal is sold at the rate of Rs. 580 per quintal through State Governments. What are the reasons for this? When we asked about the reason therefor, no reply was given to us. You have made a mention about many countries

which do not produce sugar and import it from other countries. Mauritius is prepared to sell sugar at a landed price of Rs. 95 per quintal in Bombay, but you did not accept its offer. What is the reason for it? Where is all this money going? We will have to think about it.

I would also like to point out that in Hyderabad I.D.P.L., N.T.P.C. and other mills are running at loss and you have provided them facility of producing 80 per cent polyester and synthetic yarn. I would like to know as to what would happen to farmer's cotton. The farmer will have to burn its cotton. When Government mills start producing 80 per cent polyester fabrics, then what will happen to cotton? What would be the fate of farmers? Is this the rural development? If this is the rural development in your eyes, then it is alright. Similarly, I would like to know the number of persons benefited under 'Gramodaya' scheme and the number of persons to whom you are giving loans. Proper measures, which should have been taken are not being taken in this regard. .... (Interruptions) I would like to say that I may be given more time to speak. The Andhra Pradesh State Electricity Board recovers money from the people in the name of service charges under the Electricity Act. A.P.S.E.B. asks the customers to purchase poles, wire and transformers. We asked the reasons for doing so. We came to know that the money asked for has not been given to the Board. This year an amount of Rs. 30 crores has been given less as compared to the last year. That is why they do not have sufficient funds.

[English]

Recently APSEB collected out-right contribution for each well at Rs. 2,500. It is not Advance Payment. It is out-right Contribution given to the Board.

[Translation]

You call it rural development. There is no shortage of electricity and coal in Andhra Pradesh. .... (Interruptions) Shri Rajiv Gandhi's Cabinet took a decision to sanction pension to the freedom fighters

without any evidence. A decision was taken that each one of them should be given an amount of Rs. 500. Alright, we are ready to accept it. In Hyderabad Cell, youngmen of 25 years of age are getting this money. Even those persons, who had never entered the public life, are getting this money. Applications from 18,000 persons are lying pending. These applications are pending in the Central Government's office located in Lok Nayak Bhavan. Twenty persons, who had been imprisoned, are not getting this money.....  
...(Interruptions)

SHRI RANA VIR SINGH : There is bungling in respect of payment of pension to freedom fighters in Andhra Pradesh. ...  
..... (Interruptions)

SHRI C. JANGA REDDY : This bungling has also been done by Congress. Justice should be done to the affected persons. I want that an inquiry should be made in this regard. It appears that they have no Chairman. .... (Interruptions) An amount of Rs. 20 crores is involved. That is why inquiry must be conducted. I want that malpractices being indulged in must be stopped. An inquiry may be made again in respect of steps being taken by you for rural development.

SHRI DHARAM PAL SINGH MALIK (Sonepat) : Mr. Deputy Speaker, Sir, I rise to support the Supplementary Demands for Grants presented in the House. First of all, I would like to thank the Hon. Prime Minister and congratulate him through this House for certain achievements of the Government during the period between presentation of main Budget and the Supplementary Demands, due to which peace has been established in the country. These special achievements are Punjab Agreement and Assam Agreement. Today, we are seeing here representatives of Punjab and after a few days representatives of Assam will also be here in this House. I do not want to take much time. The earlier speakers have said that adequate funds are given, but these are not spent. When you look into the old figures you will see that in 1947, entire country's budget outlay was Rs. 171 crores and today the outlay of country's budget is Rs. 54,000 crores. It is

[Shri Dharam Pal Singh Malik]

a fact that a good deal of development has taken place. But the funds given do not yield the desired results. The matter becomes still more disgraceful when people come to know that an amount of Rs. 1 crore or Rs. 50 lakhs has been given for such and such village or city and when they see the work done they feel that there is corruption somewhere in Government or its officers are corrupt. Keeping in view all these things, Government should take steps in such matters very cautiously, because when people come to know that the amount given for a particular work has not been spent for that purpose, they lose their confidence in Government and the consequences thereof might be very harmful. These are my views.

Today, everybody says that a good deal of development has taken place in villages. Eighty per cent of population of India lives in villages. But whenever somebody in a village becomes affluent, he leaves the villages and settles in a city. In this way the condition of villages remain as it is, I know about Haryana and I have full information especially about Sonapat District. The holdings of farmers in villages have become very small and according to my knowledge there may not be any farmer who owns more than six standard hectares of land having Sharecroppers rights. Their plight is such that the people at large do not take them to be farmers. In my view, there is not much difference between a landless person and a landholder in Haryana. A Landholder only knows in which farm he has to work and a landless farmer comes to know in the morning only in which farm he has to work, and where he has to work. Specially, Sonapat, Rohtak, Jind Districts may be declared industrially backward and industries may be set up there and more and more funds may be provided for this purpose.

In addition, I would like to submit that Yamuna river flows between U.P. and Haryana. We have been demanding since long that a bridge should be constructed on it on the sides of Bagpat and Sonapat. With the construction of this bridge both States would be benefited. This bridge would also provide transport facilities to people and would serve as a link between the two States.

In addition, I would like to say that in order to check corruption, Urban Ceiling Act should be strictly implemented on the pattern of Agricultural Land Ceiling Act. If corruption goes on in this manner the persons, who become affluent in villages, come to cities and purchase property there. Somebody invests Rs. 50 crores and establishes a factory, another purchases a building worth Rs. 5 to 10 lakhs. But in villages all these things are not possible. I would, therefore, like to submit that unless ceiling on urban property is imposed, corruption cannot be checked. I would also like to give some more suggestions to check corruption. Under the existing laws, Government does not take the responsibility of ensuring our security. Our security is attached with money. We all feel secured on the basis of money. Everybody feels that if he has got Rs. 10,000, he is secured. If he has Rs. 20,000 he will be even more secured. If Government gives the guarantee for our security, then I feel that corruption can be checked and our country can make progress and our character could be raised to a high level. Unless all these things take place, there cannot be economic independence in our country and I feel that we cannot enjoy the full benefits of independence.

I would also like to say one thing concerning the Mathew Commission. We all Haryanavis are very much concerned with the Sutlaj Yamuna Link Canal. Our Hon. Prime Minister has also taken a decision in this regard. But circumstances are being created in Punjab to create hurdles in giving a practical shape to both these decisions. This may raise the question of law and order which is a State subject. I would like to say that Punjab issue is a national issue and the Centre is required to take firm and strict steps in this regard. The digging work of S.Y.L. Canal should be undertaken before time so that people of Haryana may get water and farmers of Haryana may make progress. The term of the Mathew Commission has recently been extended. The Mathew Commission has been set up to determine the Hindi speaking areas to be transferred to Haryana. In this connection I would like to say that if both the works, *i. e.* completion of S.Y.L. canal and transfer of Hindi speaking areas to Haryana are completed in time, people will be able to heave a sigh of relief and our 19 years old struggle will also come to an end.

With these words I thank you for giving me time to speak on the Supplementary Demands for Grants.

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STATEMENT RE : INDUSTRIAL AND ENVIRONMENTAL POLLUTION- RIGOROUS ENFORCEMENT OF CONTROL MEASURES.

[English]

THE MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT AND FORESTS (SHRI Z. R. ANSARI) : Exactly a year ago, Bhopal was overtaken by a ghastly tragedy involving heavy loss to human life and property. The unprecedented environmental disaster on December 3, 1984 resulted from a combination of shortcomings in concepts and designs of the plant and in the practices and safety measures adopted in its operation. The haunting memories of death, misery and suffering will endure for ever. We have tried our best and spared no effort in organising relief and rehabilitation measures on a massive scale for the victims of the tragedy. But the traumatic effects of the holocaust will continue to be felt; no relief or rehabilitation can ever compensate the brutal sufferings of countless men, women and children caused by gross neglect of fundamental safety. Hon'ble Members are aware of the Government's ceaseless efforts for securing justice to the affected population.

The Bhopal Tragedy provided painful proof that no substitute exists for strict and ceaseless vigilance of industrial safety measures coupled with a high degree of awareness of the risks and consequences and a scientific analysis of these. No laxity in such matters can ever be permitted. While educational and promotional efforts have their own place, what is essential is a strict enforcement of well-thought-out safety regulations and deterrent penalty to those who fail to provide the necessary safeguards and play with the lives of people. This is all the more so where one has to deal with agencies who do not take adequately seriously their responsibilities to the community at large.

A thorough review of the existing provisions of the Factory Act has been undertaken, realising the need for protecting the workers from the health hazards arising out of storage, use and production of hazardous materials. The Factories Act will be amended to specify the special requirements regarding safety and health which the owners and occupiers of factories have to follow. The Act would also lay down the permissible limits of exposure to toxic and chemical substances. Penalties for violation of the Act would be made deterrent.

We intend to make provisions for the management of hazardous substances beyond those that can be covered by the Factories Act. The Acts for Water and Air Pollution control will also be amended to ensure that we have adequate powers for dealing effectively with violators of safety. Provisions for enforcing closure of polluting industries which do not observe standards will be introduced. The present penalties for defaulters are inadequate and will be made deterrent. Government would consider enabling private individuals affected by industrial polluting factories.

It shall be our endeavour to see that tragedies like the one in Bhopal do not recur and that every effort is made to strive towards promoting industrial safety and a cleaner environment.

SHRI BASUDEB ACHARIA (Bankura): Sir, a committee was constituted just after that incident. It also submitted its report. But we do not know what is there in the report and what happened to that report.

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BUSINESS ADVISORY COMMITTEE

Fifteenth Report

[English]

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT) : Sir, I beg to present the Fifteenth report of the Business Advisory Committee.

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