

is washed away due to floods. In summer months, more than half of the country faces acute drinking water scarcity and the position has been increasing alarmingly year after year.

Apart from this, it has been stated that the main contributing factors for this dismal situation are explosive increase in population, defective land use and cropping patterns, inefficient water management and non-judicious tapping of natural resources, etc., which ultimately lead to deterioration of environmental conditions.

I would, therefore, request the hon. Minister for Environment and Forests to take immediate action so that this explosive situation is immediately arrested and, at the same time, to increase the forest area by taking various urgent measures for this purpose.

SUPPLEMENTARY DEMANDS *FOR GRANTS (GENERAL), 1986-87.

[English]

MR. DEPUTY-SPEAKER : The House will now take up discussion and voting

on the Supplementary Demands for Grants in respect of the Budget (General) for 1986-87.

Motion moved :

“That the respective supplementary sums not exceeding the amounts on Revenue Account and Capital Account shown in the third column of the order paper be granted to the President out of the Consolidated Fund of India to defray the charges that will come in course of payment during the year ending 31st day of March, 1987 in respect of the following demands entered in the second column thereof :

Demand Nos. 2, 8, 9, 10, 11, 12, 16, 17, 19, 20, 21, 22, 26, 27, 28, 29, 30, 31, 32, 33, 34, 36, 40, 42, 43, 44, 45, 48, 56A, 57, 59, 61, 62, 63, 64, 66, 67, 69, 73, 74, 76, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 92, 93, 95, 96, 97, 100, 104 and 107.”

Supplementary Demands for Grants (General) 1986-87 submitted to the Vote of the Lok Sabha.

No. of Demand	Name of Demand	Amount of Demand for Grant submitted to the Vote of the House	
		Revenue Rs.	Capital Rs.
1	2	3	
MINISTRY OF AGRICULTURE			
2.	Agriculture	1,000	...
8.	Department of Rural Development	128,00,01,000	...
9.	Department of Fertilizers	36,00,00,000	1,01,00,000
MINISTRY OF COMMERCE			
10.	Ministry of Commerce	4,00,000	...

*Moved with the recommendation of the President.

1	2	3	
		Revenue	Capital
		Rs.	Rs.
12.	Foreign Trade and Export Production	125,00,00,000	...
13.	Supplies and Disposals	86,00,000	...
MINISTRY OF COMMUNICATIONS			
16.	Telecommunication Services	...	3,000
MINISTRY OF DEFENCE			
17.	Ministry of Defence	7,40,00,000	...
19.	Defence Services—Army	642,98,00,000	...
20.	Defence Services—Navy	25,00,00,000	...
21.	Defence Services—Air Force	136,00,00,000	...
22.	Capital Outlay on Defence Services	...	121,00,00,0009
MINISTRY OF ENVIRONMENT AND FORESTS			
26.	Ministry of Environment and Forests	13,50,000	...
27.	Environment	79,62,000	...
28.	Forest and Wild Life	40,80,000	...
MINISTRY OF EXTERNAL AFFAIRS			
29.	Ministry of External Affairs	16,00,00,000	...
MINISTRY OF FINANCE			
30.	Ministry of Finance	1,15,00,000	...
31.	Customs	3,30,00,000	...
32.	Union Excise Duties	11,00,00,000	...
33.	Taxes on Income, Estate Duty, Wealth Tax and Gift Tax	13,36,00,000	...
34.	Stamps	3,72,15,000	...
36.	Currency, Coinage and Mint	11,65,86,000	1,06,000
40.	Other Expenditure of the Ministry of Finance	4,000	18,30,00,000
MINISTRY OF FOOD AND CIVIL SUPPLIES			
42.	Department of Food	258,80,00,000	600,00,00,000
43.	Department of Civil Supplies	86,00,000	...

1	2	3	
		Revenue Rs.	Capital Rs.
MINISTRY OF HOME HEALTH AND FAMILY WELFARE			
44.	Ministry of Health and Family Welfare	17,00,000	...
45.	Medical and Public Health	10,00,02,000	...
MINISTRY OF AFFAIRS			
48.	Cabinet	1,00,00,000	...
56-A.	Chandigarh	54,18,01,000	19,20,34,000
MINISTRY OF HUMAN RESOURCE DEVELOPMENT			
57.	Ministry of Human Resource Development	49,76,000	...
59.	Youth Affairs and Sports		62,05,00,000
61.	Art and Culture	6,80,00,000	...
62.	Archaeology	1,22,56,000	...
MINISTRY OF INDUSTRY			
63.	Ministry of Industry	72,00,000	...
64.	Industries	1,12,000	...
MINISTRY OF INFORMATION AND BROADCASTING			
66.	Ministry of Information and Broadcasting	23,66,000	...
67.	Information and Publicity		8,60,00,000
MINISTRY OF LABOUR			
69.	Ministry of Labour	18,00,000	
MINISTRY OF PARLIAMENT AFFAIRS AND TOURISM			
73.	Department of Parliamentary Affairs	3,80,000	...
74.	Department of Tourism	2,68,00,000	...
MINISTRY OF PETROLEUM AND NATURAL GAS			
76.	Ministry of Petroleum and Natural Gas	20,75,00,000	467,00,00,000
MINISTRY OF PLANNING			
78.	Statistics	1,56,00,000	...

1	2	3	4
		Revenue Rs.	Capital Rs.
MINISTRY OF PROGRAMME IMPLEMENTATION			
79.	Ministry of Programme Implementation	15,00,000	...
MINISTRY OF SCIENCE AND TECHNOLOGY			
80.	Department of Science and Technology	46,28,000	...
81.	Survey of India	7,98,45,000	...
82.	Meteorology	46,00,000	...
83.	Department of Scientific and Industrial Research	2,00,000	...
MINISTRY OF STEEL AND MINES			
84.	Department of Steel	...	79,10,00,000
85.	Department of Mines	5,47,50,000	2,000
MINISTRY OF TEXTILES			
86.	Ministry of Textiles	12,32,00,000	...
MINISTRY OF TRANSPORT			
87.	Ministry of Transport (excluding Railways)	1,66,00,000	...
88.	Roads	...	8,05,33,000
89.	Ports, Lighthouses and Shipping	70,00,000	22,00,000
90.	Road and Inland Water Transport	2,00,000	23,45,00,000
MINISTRY OF URBAN DEVELOPMENT			
92.	Ministry of Urban Development	37,00,000	...
93.	Public Works	6,88,43,000	1,000
95.	Housing and Urban Development	5,51,90,000	10,20,03,000
96.	Stationery and Printing	5,08,96,000	...
MINISTRY OF WATER RESOURCES			
97.	Ministry of Water Resources	2,79,00,000	...
DEPARTMENT OF ATOMIC ENERGY			
100.	Atomic Energy Research, Development and Industrial Projects	...	1,000

1	2	3
	Revenue Rs.	Capital Rs.
DEPARTMENT OF SPACE		
104. Department of Space	15,77,66,000	27,72,19,000
PARLIAMENT, SECRETARIATS OF THE PRESIDENT AND VICE-PRESIDENT AND UPSC		
107. Secretariat of the Vice-President	1,00,000	

MR. DEPUTY SPEAKER : Shri Ananda Gajapathi Raju to initiate the discussion.

SHRI ANANDA GAJAPATHI RAJU (Bobbil) : Mr. Deputy Speaker Sir : The appropriations sought from the Consolidated Fund of India at this stage when the budget has already been passed is highly derogatory in the sense that moneys are sought at different times and estimates are not properly made. Parliament has not been taken into confidence as far as the spending of the amount is concerned.

Not only that, budget estimates regarding expenditure are made before hand and therefore revenue raised thereof should also be done at the appropriate time. The amounts sought to be appropriated are approximately Rs. 3000 crores and add. I would only add that this would be a very big dampener to proper budgeting because this money is being sought to be used for non-plan expenditure. Earlier, the Government said that they were raising Rs. 1000 crores revenue more than the estimates. Now they are seeking supplementary demands, they are seeking appropriation of funds to finance non-plan expenditure which is highly derogatory and financially unsound.

While covering a little bit of ground and mentioning a few points, I would like to state that the Government came up with a policy that regarding exports they would give raw-materials at internationally competitive prices and also provide 100% of credit limits. But then you find

that the raw-materials are completely out of tune with the raw-materials quoted in the international markets and therefore, even if the Government seeks to do such a thing, it will have to mean a lot of subsidy, a subsidy which this Government can ill afford to maintain in view of the Rs. 8000 crores deficit in the current balances that the country is facing. Therefore, these types of schemes, before being announced and before being propounded should at least get the clearance of the Finance Department, the Commerce Ministry and also the External Affairs Ministry because it requires certain clearances.

Coming to the demand position in this country today and particularly in some of the industrial states, you find that there is a demand recession. Other items are not being sold. Credit requirements are being curtailed. The Reserve Bank of India wanted to increase the credit requirements by releasing some impounded funds to the tune of Rs. 300 and odd crores. This itself is not going to be enough because this is not going to meet the export requirements of the country. Therefore, when you see the consumer price index you find that there is no real reflection of the increase in prices. You find that the prices have been increased much more. The consumer price index is only reflecting the wholesale prices and, therefore, not giving a correct picture of the country today. Today there is demand recession. You find on one side that the prices have gone up tremendously and on the other side you find that the poor people are

[Shri Anand Gajapati Raju]

becoming even poorer because of the lack of wage goods and because of the lack of amenities that they ought to have.

Therefore, I would confine myself to a few more points and just make a bare mention about natural disasters. Some-time recently in the Rajya Sabha the Government agreed that the drought and the flood situation in Andhra Pradesh would be considered as a severe disaster, as a rare severity. But you find that they insist now that this money ought to be spent by 31st March 1987. But you find that the repair of tanks, repair of irrigation systems is to be done only in the slack season. The slack season starts only after March. Therefore, I would request the Union Government to see that this amount is spread over another three-or four months so that it is totally utilised and utilised effectively.

Coming to Defence expenditure, even after forming of the SAARC and other Associations, you find that Defence expenditure is escalating. 1/3 of our Budget is going towards the financing of Defence expenditure. Therefore, what is the relevance of these associations if the Defence expenditure cannot be brought down and brought in tune with the developmental efforts of this country. We find developmental efforts are not going on properly. Only financial targets are sought to be fulfilled whereas the physical targets are not being looked into. So, the financial devices have to be improved. Today we find only the Government institutions or quasi-Government institutions are coming forward to provide institutional funds. Market must be widened to see that more money is mopped up from the people. I also request to the Government that non-plan expenditure should not be financed from the Capital Account. We are paying interest on national debt to the tune of Rs. 13,000 crores every year. Therefore, there is necessity to curb these tendencies and bring about sound management so that down-trodden and weaker sections are properly brought up. Whereas other sectors and other areas are being

touched the poor people and the weaker sections are not being looked after. Their aspirations are not being met inspite of the assurances given by the Government. Therefore, I would request when Supplementary Grants are brought the outlay on the alleviation programmes for the poor should be increased and some social justice done to the weaker sections of people in our country.

[Translation]

SHRI VIRDHI CHANDER JAIN (Barmer): Mr. Deputy Speaker, Sir, the Supplementary Demands for Grants for Rs. 3038.54 crores have been presented. It is surprising that the Supplementary Demands have been presented in the House for the second time. Why cannot we foresee contingencies at the time of the presentation of the Budget? We are not prepared for such contingencies at that time and that is why Supplementary Demands are brought before us.

All the same, the presentation of Supplementary Demands is welcome. There is a provision in these Demands for the transfer of Rs. 136.40 crores to the States. This system of transfer of the amount to the State Governments on the basis of the Gadgil formula does not do justice to our State. This Gadgil formula is based on population and because of this formula being based on population, those States which have larger population get more benefit from it. The States having less population do not get much benefit from it; they are at a disadvantage in the matter of allocation of funds.

The Rajasthan Government had raised this issue in the National Development Council. I had also taken up this matter in the Consultative Committee that the Gadgil formula must be changed. The area of a State should also be taken into account. The area of Rajasthan and Madhya Pradesh is very big. Suppose if we start some scheme costing Rs. 100 crores then we will have to incur more amount on such heads as, for example,

construction of roads. We have to construct very long roads in our State. We have to spend larger amount on development. But according to the Gadgil formula, the area is not taken into account.

I would tell you about my constituency. The area of my Parliamentary constituency is equal to the State of Punjab and one and a half times more than the State of Haryana and double the area of the State of Kerala. Now the issue is that we sought assistance from the Central Government for the Development programme. The Central Government provided assistance under the Desert Development Programme and assistance was provided under the Border Area Development Programme also. I had a question on the subject for today but it was not reached. As for Border Area Development Programme State-wise allotment of assistance has not been done so as to show the amount of assistance that each State is to get. We have submitted programme of the State. Yet, unless the Centre gives clearance we cannot get the assistance. The Central Government takes six to seven months to clear all those Central schemes for which cent per cent assistance is given by them. Our Desert Development Programme has been cleared after six months. The Border Area Development Programme has not been cleared so far and it is now the month of November. If this Programme is cleared in December, how can we utilise the funds within three months? When we cannot spend the funds, we cannot make progress or carryout development. Thus progress and development are impeded. Work on our most important canal, the Indira Gandhi Canal, earlier known as the Rajasthan canal, was started in 1968 and late Shri Govind Ballabh Pant had laid its foundation. Now the year 1986 is coming to close, and the outlay of the scheme has been increasing day-by-day. The Central Water Commission has taken one year to clear the scheme which the Rajasthan Government had submitted to the Centre for clearance. Now the Planning Commission is taking its own time to clear the scheme. What I have to say is that when

the Central Government take so much time for clearance of a scheme, too much delay takes place and the cost of the scheme goes up. When prices go up, a vicious circle is created. The scheme for Indira Gandhi Canal costing Rs. One thousand three hundred crores was submitted. The Rajasthan Government had set apart Rs. two hundred crores for the purpose in the Plan. Even when we spend this amount, there is delay in the execution of the scheme due to the delay in giving clearance by the Central Government. If we spend 40 crores annually, then that results in the escalation of the cost. If such a situation continues after the Seventh Five Year Plan, then we will have to formulate another scheme costing Rs. 1300 crores. The Indira Gandhi canal will decide the fate of our desert area. So we want that the Central Government gives us special assistance. Earlier also, the Central Government has provided us special assistance to the tune of Rs. 40 crores in the Sixth Five Year Plan. Shri S.B. Chavan had visited our area. He realised our position and then provided us special assistance. Still we have to decide about this scheme so that it is completed in the Eighth Five Year Plan. If the Government does not give special assistance, then the Indira Gandhi Canal cannot be completed even in the Tenth Five Year Plan and if it cannot be completed in time, we cannot derive benefit from it. The serious situation created by famine in our desert areas will become all the more serious. A memorandum has been submitted in regard to the famine. Even thus the Central Government is taking so much time. The situation is that more than two months have elapsed yet no assistance has been provided. We should be provided with such assistance as may help us fight the famine. The *ad hoc* and margin money with the Rajasthan government has since been spent. The Government provides assistance to fight the famine after two to two and a half month. The assistance which was provided by the Central Government has since been utilized. Today, our position is that we owe a payment of Rs. 20 crores for the first

[Shri Virdhi Chander Jain]

year of famine to those farmers and labourers who were engaged on the relief work during the famine. We are facing the worst ever famine of this century. We want that the Central Government should help us and help us in time so that we may be able to carry on the famine relief work in the State on a larger scale. You have provided us grants under N.R.E.P. and R.L.E.G.P. If you had given us those funds under N.R.E.P. in time then we could have provided much relief to the famine-affected people. But neither that grant nor the grant under R.L.E.G.P. was cleared. The Central Government takes much time in clearing these grants.

Regarding the Drinking Water Scheme, the Central Government helped us very much under N.R.E.P. and A.R.W.S.P. during the Sixth Five Year Plan and that was why Rajasthan could play a leading role in that regard. But the officials who have taken charge now have not consulted the Planning Commission and N.D.C. while devising their new formula. The formula which they have devised on the basis of 50 per cent population—20 per cent for the backward area, 10 per cent for the remaining villages and 20 per cent for the poor—has a condition that they would not give more than what the Rajasthan Government would provide under the Minimum Needs Programme. This is against the guidelines of the Planning Commission where it is clearly stated that the priority should be given to Haryana and Rajasthan, but you are doing such things by violating those guidelines during the Seventh Five Year Plan. That brings us at the fifth position. The Department of Finance should also take note of it that the drinking water scheme for Rajasthan for the Seventh Five Year Plan should be implemented.

With these words, I support the Supplementary Demands.

12.44 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

[English]

SHRI SOMNATH RATH (Aska) : Sir, I rise to support the Supplementary Demands for Grants. The open-budgeting has wide repercussion in the Indian economy. The MODVAT has worked very well ; so also the reduction in the marginal rate of taxation.

Similarly, small income group people are now free from harassment and raids on the industrial houses to unearth black-money and unaccounted wealth and also taking action against the persons who violate the Foreign Exchange Regulation Act has exhibited buoyance in tax collection.

There is a unique collection of revenues and also a chance has been given to those who have violated the rules of the Foreign Exchange Regulation Act to come forward and to pay the amount so that there will not be any penal action.

But, Sir, it should not be repeated once again because in the past also, people were asked to declare their blackmoney and pay the taxes to escape from criminal liabilities. But it should not taken as a rule, lest it creates a vicious circle.

The economic policy has been liberalized. Let not these persons, namely, the big business houses who earn huge profit in terms of foreign exchange also, utilize the same for their own benefit. The nation must be benefitted : There must be more exports in the interests of the nation, both from the private and the public sectors.

The coming three years will be crucial years for India, because of the trade gap, the balance of payments position and repayment of IMF loan falling due next year. Under these circumstances, the Finance Minister should take the present position into consideration : Rs. 8616.36 crores is the trade deficit ; and a total advance of Rs. 49,902 crores was outstanding in respect of public sector banks.

Coming to the cooperative sector, NABARD has refused to finance it in my State, Orissa, because the credit sector in the cooperative movement in Orissa has failed.

The loss of production during the period April to October 1986 in the integrated steel plants of SAIL is 9,56,000 tonnes, as compared to their targets. It is said that the loss on account of power shortage is 4,76,000 tonnes.

It is also said that inflation, though under control, is one point less than the stage of reaching two digits.

Taking into consideration the supply of AWACS and sophisticated weapons to Pakistan by America, China having a nuclear bomb, and our problems with Bangladesh and Sri Lanka, certainly we must spend more on defence, to save our country. India is prepared to make sacrifices, its people are ready to make sacrifices, to defend the integrity and independence of the country. Under these circumstances, there will be great pressure on finance. We cannot avoid it, because certain Powers in the world want that the economy of India should be ruined, for their own interests. That is the reason why they want to destabilize the Government in India. They are supplying our neighbours with money and sophisticated weapons.

Under these circumstances, we will have to divert our funds from the development sector to defence sector. We have one consolation, for instance, that our country is self-sufficient in foodgrains; and we have got enough stock of foodgrains which can be utilized for the uplift of the poor people to eradicate poverty. So, we should, under these circumstances, cut our import of sugar as well as edible oil. Steps should be taken to see that we grow more sugar-cane and do indigenous production of sugar as also of oilseeds and red palm. Unless we have a cropping pattern subject to change to suit the conditions of the country from time to time we cannot make ourselves self-sufficient to cut the import of sugar.

Immediate steps should be taken in this direction so that we should not import sugar-cane and the edible oil. On the other hand, the agricultural sector should be energised and we should produce more indigenous sugar and to grow more oil-seeds should be given more importance.

We should curtail expenditure on non-essential items. It is an open secret that because of inefficiency of the management of the public sector, the production is going down. But there is another aspect also in different States. Where there is a Public sector, there is no sense of belonging. For instance, certain States purchase power at 35 paise and sell to the public sector industry next door at 75 paise. The public sector cannot be utilized to meet the deficit of a particular State. Government has taken a right step not to take over the sick industry. The money that is invested in the sick industry can be better utilized to have new industries.

The pressure of employment is to be tackled. There should be a national court for direct taxes. Infrastructure can be built up. The external trade should be strengthened and the administration should be streamlined. Under these circumstances, the quality and quantity of production should be looked into.

SHRI B.N. REDDY (Miryalguda) : I would like to utilize this opportunity to focus the attention of the government to severe famine conditions and effects of the grave food havoc. Regarding continuous severe drought conditions in Andhra Pradesh and results of recent flood havoc, many times it is focussed in the House and outside also. So, my only purpose, my main purpose here to stress that a critical stage has come where Centre should and must intervene to rescue the Andhra Pradesh State which is feeling under grave drought conditions and flood havoc. To cite the or drought situation, it is to a long, standing one, in the sense that it has been there for the last seven years. More particularly, the last three years have been very severe, and a major part of the State of Andhra Pradesh has been groaning. There have been starvation

[Shri B. N. Reddy]

deaths also, and particularly in Mahaboobnagar district—to mention it in a nut shell—3.5 lakh hectares of wet land has been spoiled, thus affecting the Kharif crop, and the loss of production is estimated at 7.14 lakh tonnes. In monetary terms it has been estimated at Rs. 14.20 crores. As far as the dry lands are concerned 10 lakh hectares of the left fallow land has been damaged, standing crops in 10.38 lakh acres have been damaged and the total crop loss comes to about Rs. 207.60 crores. This total loss is due to the areas left unsown and the production loss resulting therefrom and finally the failure of crops. The consequent reduction in yield both under wet and dry crop together is estimated at Rs. 496.80 crores. Seven districts in the State are affected, due to the recent heavy floods, in which about 75 lakh people were affected, in 4,433 villages, killing 308 people and injuring 29, and as many as 17,383 heads of cattle have been killed. As many as 4,41,000 or five lakh villagers have been totally ruined as an area of 8.262 hectares of standing crops were destroyed costing about Rs. 380.97 crores. The total value of houses, crops and public utility services damaged comes to Rs. 1,598.36 crores.

The above mentioned facts and figures clearly speak that it is not purely a local calamity but a national calamity which the State had to face. The State Government sent three memoranda about this drought situation requesting for help, to meet the situation. A detailed memorandum about the flood situation also has been sent to the Centre for aid. When thousands of crores of damage has occurred the Centre is giving only some tens of crores, this cannot solve the problem.

Two central teams have already visited the drought affected area. My only request is that the Centre should treat it as a national calamity—not as a local one. The attitude of the Centre is highly negative, and the Centre should immediately realise the plight of the State Government and that six crores of Andhras are reeling under the effects of these

disastrous floods and natural calamities.

13.00 hrs..

Finally, I request that at least Rs. 1,000 crores should be immediately released for the immediate repairs to irrigation works and for completing some of the urgent projects on hand now. Particularly projects like the Polavaram Project, Sri Ramapada Sagar Phase-II, Srisailem Left Canal Project, Telugu Ganga Project, Tungabhadra High Level Project and Vamsadhara Project—all these projects should be cleared immediately and funds should be released. The Centre must take the responsibility for constructing them immediately, to prevent recurrence of the damage that has occurred recently.

[Translation]

SHRI RAMPUJAN PATEL (Phulpur) : Mr. Chairman, Sir, I am grateful to you for providing me an opportunity to speak on Supplementary Demands.

[English]

MR. CHAIRMAN : You please continue after lunch.

13.01 hrs.

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

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

[MR. DEPUTY SPEAKER *in the Chair*]

SUPPLEMENTARY DEMANDS FOR
GRANTS (GENERAL), 1986-87—
(Contd.)

[Translation]

SHRI RAM PUJAN PATEL (Phulpur): Mr. Deputy Speaker, Sir, I am thankful to you that you provided me an opportunity to speak on the Supplementary Demands, Budget (General) for the finan-