

mixed programmes. For example, Ravi Shastri is shown batting in Melbourne and simultaneously, within a second, a Bangladeshi girl is seen singing. It creates confusion and it also appears that the TV is joking? Under these circumstances, I would like to draw the attention of the Minister of Information and Broadcasting about these facts for immediate improvement of the Door-darshan and also make the following suggestions for his consideration :

- (a) The existing Kurseong Television Relay Centre be immediately replaced by a High Power TV transmitter.
- (b) Kurseong Television Relay Centre should relay programmes at different channels so as to avoid confusion of programmes.
- (c) A provision should be made to show Calcutta telecasts through Kurseong TV Relay Centre and for Programme Production facilities at Kurseong; and
- (d) Another TV transmitter may be set up at Cooch Behar for expansion of TV coverage in the extreme broder areas of Jalpaiguri and Cooch Behar Districts of North Bengal.

12.50 hrs.

GENERAL BUDGET 1985-86
 GENERAL DISCUSSION
 AND
 SUPPLEMENTARY DEMANDS
 FOR GRANTS (GENERAL),
 1984-85

[English]

MR. DEPUTY-SPEAKER : Now we take up items Nos. 12 and 13 together Shri Vadde Sobhanedreeswara Rao has given notice of three Cut Motions to the Demands for Supplementary Grants (General) but he is not here.

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, 1985 in respect of the following demands entered in the second column thereof :

Demand Nos. 1, 2, 3, 4, 7, 9, 10, 11, 12, 17, 18, 19, 21, 23, 25, 26, 27, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 43, 44, 45, 46, 47, 48, 49, 50, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 68, 69, 71, 75, 76, 77, 78, 79, 80, 82, 83, 85, 86, 88, 89, 91, 96, 100, 101, 104, 105, 108 and 109.”

List of Supplementary Demands for Grands (General) for 1984-85
submitted to the Vote of Lok-Sabha

No. of Demand	Name of Demand	Amount of Demand for Grant submitted to the house	
1	2	3	4
		Revenue Rs.	Capital Rs.
MINISTRY OF AGRICULTRE			
1.	Department of Agriculture and Cooperation	35,85,000	...
2.	Agriculture	19,30,01,000	...
3.	Fisheries	1,62,00,000	...
4.	Animal Husbandry and Dairy Development	1,000	...
7.	Department of Agricultural Research and Education	10,27,000	...
MINISTRY OF CHEMICALS AND FERTILIZERS			
9.	Ministry of Chemicals and Fertilizers	110,59,34,000	...
MINISTRY OF COMMERCE			
10.	Ministry of Commerce	19,15,000	...
11.	Foreign Trade and Export Production	3,000	...
12.	Textiles, Handloom and Handicrafts	22,98,55,000	141,35,89,000
MINISTRY OF COMMUNICATIONS			
17.	Capital Outly on Posts and Telegraphs	...	49,00,00,000
MINISTRY OF DEFENCE			
18.	Ministry of Defence	45,47,17,000	2,000
19.	Defence Services—Army	393,64,00,000	...
21.	Defence Services-Air Force	62,61,39,000	...
23.	Capital Ovtly on Defence Services	...	39,60,00,000

1	2	3	4
MINISTRY OF EDUCATION AND CULTURE			
25.	Education	69,57,000	10,00,000
26.	Department of Culture	4,75,75,000	...
27.	Archaeology	1,80,00,000	...
MINISTRY OF ENERGY			
31.	Department of Non-Conventional Energy Sources	3,000	...
MINISTRY OF EXTERNAL AFFAIRS			
32.	Ministry of External Affairs	8,79,27,000	...
MINISTRY OF FINANCE			
33.	Ministry of Finance	1,67,24,000	...
34.	Customs	5,56,90,000	15,65,05,000
35.	Union Excise Duties	7,71,83,000	...
36.	Taxes on Income, Estate Duty, Wealth Tax and Gift Tax	9,41,48,000	...
37.	Stamps	...	1,50,50,000
38.	Audit	13,79,24,000	...
39.	Currency, Coinage and Mint	8,76,50,000	...
40.	Pensions	19,57,07,000	...
41.	Opium and Alkaloid Factories	...	8,54,000
43.	Other Expenditure of the Ministry of Finance	5,000	168,05,92,000
44.	Lons to Government Servants, etc.	...	13,45,00,000
MINISTRY OF FOOD AND CIVIL SUPPLIES			
45.	Department of Food	253,21,22,000	21,90,62,000
46.	Department of Civil Supplies	...	1,000

1	2	3	4
MINISTRY OF HEALTH AND FAMILY WELFARE			
47.	Ministry of Health and Family Welfare	5,00,000	...
48.	Medical and Public Health	4,17,06,000	12,22,94,000
49.	Family Welfare	10,12,88,000	...
MINISTRY OF HOME AFFAIRS			
50.	Ministry of Home Affairs	1,49,12,000	...
52.	Department of Personnel and Administrative Reforms	1,83,03,000	...
53.	Police	82,98,19,000	7,68,21,000
54.	Other Administrative and Genral Services	54,17,48,00	4,60,60,000
55.	Other Expenditure of the Ministry of Home Affairs	5,42,17,000	...
56.	Delhi	34,54,22,000	5,000
57.	Chandigarh	5,04,94,000	...
58.	Andaman and Nicobar Islands	3,12,86,000	1,61,68,000
50.	Dadra and Nagar Haveli	44,99,000	...
60.	Lakshadweep	2,47,35,000	84,69,000
MINISTRY OF INDUSTRY			
61.	Ministry of Industry	20,15,000	...
62.	Industries	37,03,79,000	...
63.	Village and Small Industries	...	2,53,75,000
MINISTRY OF INFORMATION AND BROADCASTING			
64.	Ministry of Information and Broadcasting	21,34,000	...
65.	Information and Publicity	6,47,19,000	...
66.	Broadcasting	13,42,21,000	5,16,87,000

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1	2	3	4
MINISTRY OF LABOUR AND REHABILITATION			
68.	Department of Labour	16,77,000	...
69.	Labour and Employment	57,18,06,000	7,00,000
MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS			
71.	Ministry of Law, Justice and Company Affairs	23,58,000	...
MINISTRY OF PLANNING			
75.	Planning Commission	59,43,000	...
MINISTRY OF RURAL DEVELOPMENT			
76.	Ministry of Rural Development	1,000	...
MINISTRY OF SHIPPING AND TRANSPORT			
77.	Ministry of Shipping and Transport	47,11,000	...
78.	Roads	8,64,90,000	10,98,52,000
79.	Ports, Lighthouses and Shipping	4,000	4,000
80.	Road and Inland Water Transport	1,000	12,12,50,000
MINISTRY OF STEEL AND MINES			
82.	Department of Steel	138,98,24,000	449,97,46,000
83.	Department of Mines	1,000	24,55,00,000
MINISTRY OF TOURISM AND CIVIL AVIATION			
85.	Meteorology	36,59,000	...
86.	Aviation	...	1,000
MINISTRY OF WORKS AND HOUSING			
88.	Ministry of Works and Housing	18,76,000	...
89.	Public Works	1,87,18,000	...
91.	Housing and Urban Development	1,65,00,000	2,00,01,000
DEPARTMENT OF ELECTRONICS			
96.	Department of Electronics	1,000	1,000

1	2	3	4
DEPARTMENT OF SCIENCE AND TECHNOLOGY			
100.	Survey of India	3,47,70,000	...
101.	Grants to Council of Scientific and Industrial Research	8,50,00,000	...
DEPARTMENT OF SPACE			
104.	Department of Supply	4,75,000	...
105.	Supplies and Disposals	25,00,000	...
PARLIAMENT, DEPARTMENT OF PARLIAMENTARY AFFAIRS, SECRETARIATES OF THE PRESIDENT AND VICE-PRESIDENT AND UNION PUBLIC SERVICE COMMISSION.			
108.	Department of Parliamentary Affairs	2,35,000	...
109.	Secretariat of the Vice-President	1,85,000	...

MR. DEPUTY-SPEAKER : Now I call upon Shri C. Madhav Reddy to initiate the discussion on the General Budget and the Demands for Supplementary Grants (General).

SHRIC. MADHAV REDDY (Adilabad) : Mr. Deputy-Speaker, Sir, I rise to make a few comments on the General Budget which was presented by the Hon. Finance Minister on the 16th of this month. Sir, this is the first budget of the new Government and it coincides with the first year of the Seventh Five Year Plan and, naturally, one expects that this Budget would spell out the policies and strategies of the Government for the next five years. We have examined the Budget in this respect. We have found that the budget is very disappointing. We have been told that there was a growth rate of 7 percent in the Sixth Five Year Plan but now we have been told that the growth rate would come down to 5 percent in the Seventh Five Year Plan, and that to achieve this growth rate, certain high outlays would

be required. We have found that in the first year of the Seventh Plan, the outlays on major items such as steel, etc. are very disappointing. Sir steel is the base for the industrial development of any country and much more so, our country which is a developing country. I have noticed that allocation for Central Plan has been reduced this Year. As against the allocation of about Rs. 17,500 crores in 1984-85, the estimate outlay for 1985-86 is only Rs. 18,500 crores, which is about Rs. 1000 crores more. I feel that this is a very meagre amount. For Production of steel in 1984-85, Rs. 1,340 crores were spent. But For 1985-86, the outlay is only Rs. 925 crores that is, about Rs. 415 crores less than the allocation made in the last year. The Government's policy of allocation of such a meagre amount for steel has affected the steel projects, particularly the Visakhapatnam Steel Plant is worst affected. The allocation for this Plant has been reduced to Rs. 215 crores for the current financial year. This project is of vital importance to my

State and this has been hanging fire for a very long time. It is about 15 years that this for has been taken in hand and it has not yet been completed. It has not even been recognised as an on-going project, because we have been told that the on-going projects will be taken up for completion. But this project has not been recognised even as an on-going project and a meagre sum of Rs. 215 crores has been allocated for this project, the Vizag Steel Plant, which is the only integrated steel plant in the country located on the east coast, has lot of importance in the production of steel, as also for the export of steel in future. So far Rs. 1250 crores have been spent. In spite of spending Rs. 1250 crores, even today, we are not recognizing this project as an on-going project. Last year, there was an expenditure of roughly Rs. 650 crores; against this, we have reduced the outlay to Rs. 215 crores in 1985-86 which is very-very disappointing. We are told that there are constraints of resources; every time we are told that there are no funds. The public sector projects have to fend for themselves. There is an investment of Rs. 30,000 crores on the public sector and no returns. If the public sector is not paying the dividends, who is to be blamed? What is the reason for this? Why are there no returns from the public sector? Simply because there are no returns from the public sector, are we to discard the public sector? I feel that the major drawback or defect in the implementation of the projects is the bunching of the projects by the Government. This is responsible for the projects not being completed on time, over-runs, escalation of costs and then completing the projects in 15-20 years.

Again, I will give you the example of Vizag Steel Plant. It was started 15 years ago, and I feel that it may take another 15 years to come up. If you are going to take 30 years to complete a project, when is it going to give return? Every project in the public sector has such a history of over-runs, long delays, in implementation and

when finally the project is completed, it is uneconomic. This bunching happens because there are public pressures; in democracy everybody wants a public sector unit in his area. Why should the Central Government succumb to the pressures? Why is it that you do not take a project and complete it and then go to another project?

I will now seek your permission, Mr. Chairman, to speak in Hindi.

[Translation]

In Tirupati, the number of barbers in proportion to the devotees who want to get their heads shaved is far less. Thousands of people go there to get their heads shaved. In such a situation what the barbers do is that they shave only half the head. In this way by the evening there are several persons with heads half shaved.

[English]

PROF. MADHU DANDAVATE (Rajapur): Knowing their policy, I have preferred to be bald headed!

[Translation]

SHRI C. MADHIV REDDI: The same is the position of the Central Projects. No project is complete. One project should be completed and then only the other taken in hand. This will result in not only completion of the project, but also in getting return from it. As the projects are not completed in time, their cost also escalates and they become uneconomic. By the time production starts the profit is not sufficient to meet the expenditure on overheads. Bunching of projects is a very bad practice and it is because of this that the projects are not being fully financed.

So far as Vizag Steel Plant is concerned, I would request that it should not be left incomplete like the half shaved by the Tirupati barber. It requires one thousand crore rupees for early completion, which you have not allocated. If you allocate this amount for the plant, it will go into production within three years.

13:00 hrs.

Regarding growth-rate, it has been stated that during the last 4-5 years, in the Sixth Five Year Plan, it has been 4 percent. It is a matter of happiness because our growth-rate during the last 20 years has remained 3.5 percent, which is called Hindu growth-rate by economists because Hindu society neither disintegrates nor makes any progress. You have crossed this Hindu growth-rate and increased it from 3.5 percent to 4 percent. It is a good thing. Now you want to increase it to 5 percent and you have stated that during the Seventh Five Year Plan, the growth-rate will be 5.5 percent. How much investment is required to achieve this growth-rate is what you will have to see. Merely estimating the growth-rate without funds will not do. The estimates given by you for the Plan do not indicate that the Plan would work. You are going to have a Plan holiday. Today everyone is wondering whether we shall be able to implement the Seventh Five Year Plan or we shall have another Plan holiday. In this respect, I would request the Hon. Minister to state clearly that the Plan would be implemented without any break and the requisite funds allocated.

Now, for whom have you provided the tax reliefs? It is being said that the common man has been given many reliefs. In this connection, the reactions of the people are coming daily in the newspapers. You see the statements in the newspapers. Who is happy over it?

Never has such praise been showed since 1952 on the budget as we are seeing this time in the newspapers, but who are the people who are praising it? Who are the people who are jubilant? It is not the shopkeepers of Pacharganj, Delhi or the common man. The people in the corridors of the Indian Chambers of Commerce are very happy and celebrating the event by distributing sweets. Stock Exchange people of Calcutta and Bombay are very happy. It is the vocal class and persons who have power and the press in their hand, who are happy. You can see from this for whose benefit this Budget has been pre-

sented. This is not a common man's Budget. Had it been a common man's Budget, it would have been praised by taxi drivers, rickshaw pullers and housewives. During the last five days, there is not a single item whose price has not gone up and it is difficult to guess what extent the prices have increased. Prices have increased disproportionately. What is the reason? This is because you have very subtly increased indirect taxes. Small doses of taxes have been imposed on all the items but the tax on imported crude has been the maximum. By imposing tax on imported crude you have given a blow to the whole economy. This will result in increase in prices. What I feel is that the prices of indigenous crude will also increase because you will have to bring parity in the prices. On imported crude the prices have already been increased. Let us see whether the prices of indigenous crude have been brought at par with the imported crude or not. What will be the position then? Shri Nani Palkhiwala had made a remark last year which I remember quite often. The remark was—

[English]

"Indian economy is floating in oil."

[Translation]

He had said that because of 29 million tonne oil production. Indian economy would be saved—

[English]

Indian economy is floating in oil and now it will be drowned in oil; it is likely to be drowned in oil.

[Translation]

You have increased the prices of crude oil. By this increase you have shown that there is danger to the economy and it is likely to be drowned. Be careful about it.

Regarding taxation, we have been told that the more the relief to the big businessmen, the more will be

the investment by them. This has never happened. They are not going to do it. The affluent section will buy land with the money which would accrue to them on account of reliefs. You have extended the limits of Metropolitan cities. They will circulate the money in such a way as to increase black money. Subsequently they will convert that money into white money. It is, therefore, wrong to say that they will go more money for investment. This will not help increase in investment but will generate more black money.

IMF had made an assessment. Some people dispute that but I do not. In that assessment it was stated that in India in one hour black money to the tune of one and a half crore was being generated.

[English]

—They know how to convert their black money in to white. There are several ways of doing it. They had been doing it in the past and they will be doing it in future also.

[Translation]

This comes to 22 percent of the national income. With this generation of 22 percent of national income as black money, a parallel economy continues to operate. I would say you are not the Finance Minister of the country, you are Finance Ministry just in name, the economy of the country is not in your hand, but in the hands of those who run the parallel economy. They can take it to any direction they want. You may make as many rules and regulations as you like—

[English]

—22 percent, of our GNP is converted in to black money.

[Translation]

They will direct our economy. Your rules and regulations will be to direct

the economy to desired channels but they will take it to undesired channels because the power is in their hands.

What will be its result? There will be increase in production of consumer goods the emphasis will be on luxury goods.

You may be aware of the extent of our national income. No other country consumes 78 percent of its national income. This happens only in our country. Now the increase in production will be mostly in the luxury sector and the investment will be diverted to this sector. Whatever control you may exercise and whatever directions you may give, you cannot check this. The way you have dealt with the industries—

[English]

—Luxury goods are going to be manufactured in the country in the next five years, we have to guard against this.

[Translation]

Our consumption goes up in proportion to the increase in the production of luxury goods to that extent, investment is not made in the desired channel.

I would like to say that this budget is against the interests of the common man. No body is prepared to accept that this budget has given us more relief. When I was coming to Parliament, one person was heard saying that he was a tax-payer but now he has had been exempted. He further said that he was very happy that he was getting some relief as his income was within the limit of Rs. 18,000/-. No doubt, a meagre amount of Rs. 150-200 has been saved, but middle class people are being made to spend twice to four times that amount. He will have to spend more on petrol as he comes to office on scooter.

Vegetables, soaps and other essential items will also cost more. You have not given the required relief to the lower, middle and upper middle class people.

They are happy but they have been very badly hit. So far as the public sector is concerned, we used to say with pride that—

[English]

—we have an ever expanding public sector which has got a dominant role.

[Translation]

But now the position is that if we talk to a public sector Officer or Managing Director, he draws a long face because there the poor people have been neglected.

[English]

Mills are not working properly. The public sector is not paying us, and that is why we do not want it, which means you do not want your socialism.

[Translation]

Or you do not need socialism. The socialism advocated by the late Pt. Jawahar Lal Nehru and the late Shrimati Indira Gandhi has become outmoded. Now you want to take the Country to the 21st century when no concession will be required and there will be no need for socialism. The steps taken to weaken the public sector are quite improper and these will have quite adverse effects in future. The dominant role being played by public sector in the development of the country is now sought to be shifted to the private sector.

I would like to draw your attention to the fact that the States have a share in the taxes levied by the Centre. This time you have taken care to levy taxes only on those items in which the States have no share. For example, the States have no share in import duty. Tax on crude oil will fetch Rs. 620 crores. The States will not get a single paisa out of it. You have, of course, said that the States' share in Public borrowings is being increased, which is welcome. But if you go into the history of public— borrowings you will find that.

[English]

—our experience of it has been very bad.

[Translation]

—because in the Third Five Year Plan, the States' share was 50 percent of the public borrowings. In 1984, this share had come down to only 10 percent and even if you increase public borrowings further the States will not get their due share. During the years 1961-65 the States' share was Rs. 435 crores and the Centre's share was Rs. 423 crores, in other words the centre's share was less. In the Fourth plan, the States' share went upto Rs. 590 crores and the Centre's share up to Rs. 1540 crores. In Fifth Five Year Plan, the States' share was Rs. 854 crores and the Centre's share went upto Rs. 2966 crores. During the years 1981-84 the States' share rose to Rs. 1503 crores as against the Centre's share of Rs. 13,262 crores. If this trend continues in future also, it will not be beneficial. The States' should be given a higher share in public borrowings since it is public money. What is the harm if it is equally divided? Why are the States allocated such a meagre revenue? Everybody knows that agricultural development has taken place. So far, the strategy has been to pay more attention to irrigation and concentrate only. There are big projects in Punjab and the production of cereals has also gone up. The poor eat ragi, millets and maize. Regarding pulses, which are a protein—rich food for the poor, there is shortfall in production and even if they are available, they are very costly. Oilseeds are not produced in these areas where irrigation facilities are available. We have not paid attention to dry land cultivation. We shall have to change this strategy. This strategy of intensive development in agriculture in certain areas will have to be given up, otherwise, I fear, we shall have to import large quantities of edible oil also in future. At present Rs. 1200 crores are being spent on this. In future the amount may go up causing heavy burden on the exchequer.

[English]

SHRI B. R. BHAGAT (Arrah): Mr. Chairman, Sir, this is the new Government's first Budget. I would like to underline the basic philosophy of the Budget before I go on to the other provisions. In this respect, I would like to quote two lines from the Finance Minister's Speech in which he has quoted our new and dynamic Prime Minister, which gives the basic philosophy to this Budget:

"We have made India self-reliant in every important sphere. We have to create a dynamic country that is equal to any other country in the world."

I congratulate the Finance Minister on attempting to present a Budget so as to achieve this objective in phases over the Plan period and even beyond the Plan period in the nineties when ultimately we will succeed in creating a society which will be self-reliant, progressive and affluent and when there will be no poverty and unemployment. The basic objective of the Seventh Plan, as described by our late and revered Prime Minister, Shrimati Indira Gandhi was and continues to be even now work, food and productivity. If we apply those three criteria, this Budget is an exercise to achieve a significant gain in all these three aspects. Evidently, a Budget is a very extensive exercise and there is no way in the Budget-making to bring smiles to every face.

But such is the wizardry of the Finance Minister that he has been able to spread the smiles on widest possible spectrums of the population. Some mistaken people say he has given relief to the rich people, others say that he is going to create monopoly houses but these are not only mistaken but very very partial views of looking to the Budget. The Budget has to be looked in its totality and I would like briefly to present the total picture that the Budget seeks to achieve.

This is an invigorating Budget because it tries to create positive impul-

ses in to the economy and into the various sections of the society. It is going to stimulate growth, improve efficiency and provide relief to all the sectors of the economy, to the poor people—both the rural poor and the urban poor, to the lower and the middle classes and to the farmers. It contains a set of proposals to help the workmen—the most productive class—and to industries, the idea being that each one is made to contribute to the best of his ability in any sphere, the incentives and reliefs have been provided with that object in view.

A very important point has been made by the Finance Minister and I think it is the first time that a Finance Minister has made it. Only in the earlier times I remember a Budget like this having been presented, a very dynamic Budget which is going to change the fiscal profiles of the country in the coming years. A Budget like this was presented only in the year 1957 by TTK when he introduced certain innovations, and that Budget had stood the test of the time. The present Finance Minister has, in the same way, tried to give a completely new orientation to the fiscal policies and to achieve the objectives, that is, to stimulate growth, to provide efficiency and to give relief to all classes of the people so that they are able to contribute to the productive process in a more effective manner. He has made a point that now this fiscal policy is not for one year, this is dovetailed into the plan and, therefore, we must look to these policies, in the context of the plan, in a long-term perspective. He has even invited debates on some of his policies and the debate will continue in parliament. He has invited the Members of Parliament to give their view so that we all contribute to the basic objectives, that is, to stimulate the economy, to reduce inequalities and to remove poverty. Let us not quarrel but contribute to these objectives which are built into the national consciousness of our country. If something is wanting, well, we will remove it and substitute it by a better method. Take personal taxation,

for example. It is said that the relief will provide help to the rich people. Some Hon. Members have said that the tax on income in the bracket 18,000-25,000 has been increased from 20 per cent to 25 per cent. But if you see the whole relief on income in the bracket 15,000-20,000, the relief is 50 per cent in the first slab as is mentioned in the Finance Minister's Budget Speech itself.

If you take the slab Rs. 15,000 to Rs. 18,000, it is 100 per cent. But, if you take the whole slab, it is 50 per cent. In the next higher slab, Rs. 25,000 to Rs. 50,000 it is 22 per cent and from Rs. 50,000 to Rs. 1 lakh it is 18 per cent.

AN HON. MEMBER : Relief for whom ?

SHRI B. R. BHAGAT : To those who pay taxes.

PROF. MADHU DANDAVATE : For the income-tax payer, who lives below the poverty-line.

SHRI B.R. BHAGAT : Those who are below the poverty-line will be lifted above the poverty-line.

AN HON. MEMBER : In how many years ?

SHRI B.R. BHAGAT : Do not talk in an absent-minded manner. If you read the President's Address, it is mentioned there that in the Sixth Plan 14.5 million people were provided jobs and thus lifted above the poverty-line. I will come to the anti-poverty scheme later. Now I am talking of those who pay taxes. We have a number of measures to help people below the poverty-line. So, be fair. Do not talk in an absent-minded manner..... (Interruptions)

Coming to the reduction of 5 per cent in the corporate sector tax, it is said that we have given too many tax concessions to the corporate sector and that the definition of monopoly houses was been revised upwards. But you have to

combine it with the withdrawal of the concessions which the corporate sector enjoyed earlier, some of which have been listed by the Finance Minister in his speech. The concession regarding additional depreciation has been withdrawn. While the general rate of depreciation allowance was raised to 15 per cent, the other concessions have been discontinued. For approved programmes of rural development, the corporate sector enjoyed some concession which has been removed. The tax concession in respect of dividends received by Indian companies from certain foreign companies has been removed. So, if you combine the concessions which the corporate sector were enjoying, but which were removed, and the relief they have got now, the Finance Minister has provided for an increase in revenue from the corporate sector to the tune of Rs. 250 crores. That does not show any overall net concession.

The fact is that this relief has been given to allow the private sector to develop, because it is part of the national sector. I will come to the public sector later. I am only saying that we should have a proper perspective in regard to the private sector. If it has to play a role, there should not be any restrictions which inhibit its growth. At the same time, it should fit in with the national policy and our industrial policy.

The budget speech and the *Economic Survey* talk about the role which the public sector has to play. It is not only reaching the commanding height, but it is basic. The crisis which any Finance Minister faces is that there is no generation of internal resources. We have an investment of Rs. 30,000 crores in the public sector. Even during the Sixth Plan, the generation of resources from the public sector did not come up to the expectations, did not come up to the mark. It is mentioned in the *Economic survey* that they have to be made more efficient. You talked about public sector management. I am not talking about public sector management. I am not talking about one aspect

or the other. I am saying that the complete management criteria, their contribution, their generation of internal resources, their gross profit, net profit, input-output ratio, they all leave much to be desired.

It has been mentioned in the Economic survey and I would like to quote a few sentences from it.

"The deterioration in the financial performance of the public sector enterprises during 1983-84 was attributable mainly to lower capacity utilisation resulting from scarcities and quality problems with infrastructural inputs like coal and power."

For these I cannot blame the management. If they do not get regular supply of energy or if coal supply is faulty or if there is more ash content, you cannot just blame the Management. These are the basic difficulties which the private sectors are facing.

Then there has been an upward wage revision.

SHRI AMAL DATTA (Diamond Harbour) : Can you not blame the coal people ?

SHRI B. R. BHAGAT : Look to the perspective.

Can you say that wage should upwards ? It has to be. Then input costs are increasing.

Whether it is the Steel Authority of India or the Bharat Coking Coal or Eastern Coalfield, Delhi Transport, Fertiliser Corporation, Hindustan Fertilisers, Kudremukh, all have made huge made huge losses and have pulled down the public sector, but there are some redeeming areas also in the public sector like the Petroleum. You have talked that the country's economy has been drowned in oil. I don't know how you draw such a conclusion. Actually it has been sustained because there has been bonanza of oil. We have increased the production of oil from 11 million

tonnes to 29 million tonnes—an increase of 18 million tonnes. This is one area in which the Plan prospects have been very much realised upwards. Our only regret is that in the coming years unless we find another big oil field, the increase may not be so. Therefore, we have to provide for that; the Finance Minister has acted wisely and has provided for that. All these fiscal measures and the revision of oil prices and other things is with the idea that we must restrain and bring down the use of oil in our economy. If we do not find it in the coming years, we will be hard put, because the growth may not be like this.

That is the reason why the Finance Minister has talked of using more thermal energy, electricity instead of oil. He has talked of this and the Economic Survey says that we must look for new sources like Alcohol as various other countries are doing. These are the challenges to our scientists and the R & D effort. Our Prime Minister and Finance Minister are emphasising more and more to improve the technology and scientific environment in the country so that we are able to bring about changes and make use of new technology. We have to think like this if we have to look ahead. The Budget in a formidable manner looks ahead in all fields.

SHRI AMAL DATTA : It is a 21st century budget.

SHRI B. R. BHAGAT : Well, we are going to the 21st century and we want to go there with hope and strength. That is the policy of our Government.

Then if sec, CDS has been abolished ; Estate duty has been abolished.

[Translation]

SHRI C. MADHAV REDDI : Who will be benefited by the abolition of Estate Duty ?

SHRI B. R. BHAGAT : Everybody will be benefited because Rs. 20 crores used to be the revenue and on the

collection of this amount Rs. 20 crores used to be spent. So, nobody was benefited previously.

[English]

Sir, I now come to the positive aspect. Where will all this money go? There is a provision for anti-poverty programme. As you know, there are a number of programmes that have been launched for rural development in the Central Plan. They have been maintained and they have been strengthened. Projects worth more than Rs. 800 crores have been sanctioned for implementation under the Rural Landless Employment Guarantee Programme. This programme will have an outlay of Rs. 400 crores this year. This is for those who do not pay the tax. Prof. Dandavate said, 'I am going to categorise what the budget tells about all those who do not pay the tax.' (Interruptions.) Not only this. There are a number of other programmes. There is a programme for free education for girls all over the country up to Higher Secondary level. Here, a provision of Rs. 221 crores has been made for education. This is all for whom? A large number of people are below the poverty line and this is for the poor girls. Now, you come to the implementation of the 20-Point Programme. It is all for the rural and the urban poor—creating employment for them. As I said, in the Sixth Plan 14.5 million jobs are created. This year, under the Seventh Plan—food, work and productivity—we have to provide jobs, at least one job for each family.

This is the objective and this is all for those about whom Prof. Madhu Dandavate asked: 'What about those who do not pay the tax?' The total amount allocated in the Central Plan is Rs. 4,900 crores for the next year, i.e., 1985-86, as against Rs. 4,141 crores provided for in the current year representing an increase of 18.3 per cent. Now, you see the picture of the rural poor and the landless. I do not want to take much of the time of the House. There are schemes for the landless and marginal farmers,

the small farmers. Then, in respect of industrialisation, we want the public sector being augmented, particularly the most dynamic sector, that is, oil. The public sector is being modernised; technological, managerial and other innovations have been introduced. The basis of our budget policy is that public sector must contribute and be a competitive sector and therefore, this budget tries to help the poor the lower middle classes, the middle classes, the farmers and the workers. You know, there are a number of measures for the workers. For the farmers there is crop insurance, for landless and marginal farmers and for craftsmen there are social security measures—anybody dying, a poor man, there is nobody to look after him, we can straightaway give Rs. 3000. This is all for the poor people. Then, the workers' retrenchment compensation has been raised to Rs. 50,000.

The basic revolutionary change that the Finance Minister has made is a very important concept and he has said that labour is an important factor of production, as important, if not more, as capital or managerial. And it has been said that the labourer's dues in any sector of industry gets priority over the Government dues.

SHRI R.P. DAS (Krishnagar) : It is not a new find that labour is the most important factor in production. But you are saying as if it is a new thing.

SHRI B. R. BHAGAT : I am telling you, it is an emphasis. It is an approach. It is not a find. It is an approach. That is what I am saying. It is the pro-labour approach. I am answering the charge, the absurd charge that has been levelled on this Budget that it caters to the rich people and the monopoly houses. I am saying that this Budget is for the farmers. This Budget is for the landless and the small farmers. This Budget is for the poor people. It has got all positive steps. This Budget is for the organised people. This Budget is for the low-middle class people and the middle

class people. This is the answer, I am giving. Please take it. I am putting arguments. I am giving you facts. If you have any objection, you meet facts with facts.

So, my point is, as I said, the Finance Minister has done an exercise and it is a wizardly exercise. Nobody can do it better in one year than the Finance Minister. He has devetailed it into the perspective of the five years. This is the fiscal policy. There will not be any confusion about it. The policy will be continued. Parliament will debate it. The country will debate it and it will be evolved.

Now, I come to the criticism that has been made. It has been criticised that there is a large deficit of Rs. 3,346 crores and it may lead to inflation. This is the criticism. Sir, inflation is a product of many factors and possibly three main factors. Price rise in a country in a year is the co-efficient to many factors. The main factor is production. In our country, it is agricultural production. Second factor is the state of liquidity or the resources of the money at the disposal of the public. In this context, black money comes in and a point has been made by the hon. Member. The third factor is deficit. If the totality of all the factors are on one side, well there can be a price rise. I do not deny that. But if out of the three factors, if one factor is one side and the other two factors are on the opposite side, it hardly affects the economy. It is not going to create inflation. This is the point I am making out. I want to prove it by some of the economic indicators given in the *Economic Survey*. The solid economic indicators are there. First is the Gross National product, i.e., production. I will take only two or three years in the last 10-12 years, for a peak period. For example, you take 1976-77. The Gross National Product rose by just below 1% or 0.9%. 0.9% was the G.D.P. Now, the prices rose by 12% in that year and the

monetary resources at the disposal of the people rose by 23%. Now, one factor, i.e. production is very important. But it was negative or nearly zero, less than 1% during that period. Regarding the other two factors, the wholesale price rise was 12% and the monetary resources with the people had risen by 23%. So, this is the picture in 1976-77.

Now, I take you to another picture. In the year 1977-78, the increase in the Gross National Product was 8.7%. I mean, it rose from less than one percent to 8.7%. The production rose to nearly 9%. The percentage rise of monetary resources was 18%. The price rise was 0.3%. So, the price rise was almost nil during that period also.

Similarly, let us take the figures for the year 1983-84. The Gross National Product rise was 7.4%. Then, the monetary resources rose by 18% and the price rise was 8.3%. In the last year, which the Finance Minister has quoted, the production, GDP, was 4%, monetary resources, i.e. money supply was 15.4% and the price was 5%.

So, you see the combination of all these three factors. This year's economy is in a very happy position. In 1980, during the elections, we promised that we will give a Government that works. We have never had a Government that has not worked in all these five years. All that is reflected in the achievement of targets of the Sixth Plan. All the targets of the Sixth Plan have been achieved.

SHRI AMAL DATTA : That is not claimed even by the Finance Minister.

SHRI B.R. BHAGAT : I am claiming it. Don't try to misquote the Finance Minister against me. You tell me if the facts are wrong. The Sixth Plan provided the GNP growth of 5 percent we have achieved 5.2 per cent. The target of foodgrains production was put at 151.2 million tonnes. That has been achieved. The Plan provided for 8 to 9 percent growth in industry. We have

succeeded up to the extent of 7 percent. Similar in respect of the anti-poverty programme, all the details are there. At the moment, we have large reserves to the extent of 22 million tonnes of foodgrains.

All the efforts have been made to stimulate the economy to achieve further growth rate. If the economy grows further by 3 percent or 4 percent or 5 percent, we can achieve a still higher growth rate. We may not be able to achieve 13 percent growth every year. Certainly, we can achieve 5 percent growth. That is our objective, if there is a 5 percent growth in foodgrains production, if there is a 8 to 9 per cent growth in industry, if we improve our production both in agriculture and industry, we will achieve a higher growth rate.

The Finance Minister has taken certain measures to curb the creation of more money resources, if he is able to create more reserve money and if he is able to bring it down from 15 percent to 11 or 12 percent, there will not be a rise in prices. This is the experience of Indian economy in the last 10 years. So, the Finance Minister is well-advised to take a calculated risk. He has thrown a challenge, a challenge to be an honest tax-payer. There is relief in the Budget for an honest tax-payer.

According to the IMF Report and other reports, as percentage to the GNP we have the largest parallel money circulation. Somebody put the figure at Rs. 40,000 crores; somebody put it more or less. I am not concerned about the quantity of it. But the fact is that there is a parallel economy. To that extent, the monetary reforms and the levers, controls, exercised by the Reserve Bank are ineffective because a part of the expenditure, personal expenditure, conspicuous consumption, is met by parallel sources of money. It has reached a proportion which is making an absurd nonsense of all our monetary policies. If we can bring down the black money generation by 10 percent, that will improve our economy.

The Finance Minister has come out with a scheme that it is better to provide reasonable tax structure and collect it rather than to provide an exorbitant tax rate and not collect it. He has thrown a challenge that let us be honest. Let everybody pay his taxes. There is no reason not to pay taxes, either corporate tax or personal tax or other taxes. I have no time to go into the philosophy or the analysis of the excise taxes. But these are well chosen.

You cannot leave a yawning gap of Rs. 5,000 crores of deficit. Already you have taken a calculated risk. You have to raise resources. The corporate taxes and the personal taxes are a very small percentage of it. Already we are raising resources through borrowings. Non-tax resources are already going up. The external resources are going up. But there is a limit to that and there is a price we have to pay for it. Excise taxes are bound to be there. But the point is that we have at present the industrial sector, the agricultural sector, the public sector, the private sector and the employment generation programme in the rural sector and the anti-poverty programme. The main point is all must be absolutely honest. That is the challenge of the Finance Minister in this Budget. If we are honest and pay our taxes honestly, there will be buoyancy in the current revenue. Everything must be managed more efficiently. It is a challenge to the new generation of the younger educated people who are managers and technologically oriented and scientifically trained. Let us be more efficient. There should be more productivity. I hope that we will have a good monsoon on an average and I am absolutely certain that the industrial sector will reach 8 to 9% and that the efficiency of the public sector will increase. We will surely absorb this amount of deficit and the country will march through the first year of the Seventh Five Year Plan. The first Budget of this new Government will lay the foundation of further growth, better efficiency and prosperity and will bring down poverty and will promote

equality.

As the Prime Minister has said we will bring about a self-reliant economy and India will ultimately emerge as a country second to none in the world.

SHRI BRAHMA DUTT (Tehri-Garhwal) : Mr. Chaiman, Sir, I am thankful to you for giving me time to speak. I know that the job of the Finance Minister and that of the Finance Ministry is very difficult. Two types of demands are presented before them. On the one hand it is expected of them to allocate funds or to take up some project in a particular region and on the other hand, different demands are made in respect of certain other areas. The Finance Minister has to perform his job in a very balanced manner and I congratulate him on his presenting a balanced budget. The hon. Member who spoke before me was saying that the budget had brought a smile on every face. It is evident from the smile on the faces of the Members on the other side. Whatever be the reasons therefor, they did wear a smile on their faces.

I am not in favour of going into the budget speech of any Minister of Finance, because the speech of the Finance Minister and the Budget are a process through which certain social and economic objectives are to be achieved. The greatest achievement of our country is that we have succeeded in ensuring coordination between parliamentary democracy and planning. It is a synthesis of democratic procedures and planning. Previously, people were of the view that it was not possible to introduce the system of planning in a democratic set-up, but due to the efforts of our nation-builders, Panditji and Indrajii, we have proved that democracy and planning can go together. The greatest achievements of the current year's budget and the previous budgets have been that while preparing them, the annual plans were not only taken into account but they formed part of the budget. I

congratulate the Finance Minister because he has taken into account the enhanced plan outlay in the Budget.

The first budget was presented on 26th November, 1947 in this country. Perhaps that budget was of the order of Rs. 400 crores whereas the current year's budget is of the order of Rs. 42,000 crores. It is evident that the administration and the public sector have got a very important role to play. Hence discussion on their working becomes necessary while discussing the budget. During this period we have made notable achievements and certain institutions have developed. The Planning Commission was set up in 1950 and thereafter the Finance Commission was set up. While formulating a budget, the Finance Minister has to take into account the recommendations of the Planning Commission and the Finance Commission. The Finance Minister has followed the same procedure, for which I congratulate him. We have made development possible not only through the budget but through institutional devices also, such as the IDBI, NABARD and EXIM Bank have been set up for the purpose.

I consider the budget speech for the year 1970-71 of the late Shrimati Indira Gandhi, who held dual charge of the office of the Prime Minister and that of the Finance Minister at that time, a historic document. At that time she had spoken certain words which will have to be remembered for ever and which every Finance Minister will have to keep in mind :

"Social, economic and political stability is not possible without increase in production and national income. These two things are also not possible without paying due attention to the welfare of weaker sections."

The Finance Minister has tried to make these things possible because he has included new schemes for social welfare and for weaker sections in the Seventh Five Year Plan.

This budget is important, being a transitional budget, when the Sixth Five Year Plan is coming to a close and the Seventh Plan is about to commence. We have decided to increase agricultural production, gross production and also avenues of employment in the Seventh Five Year Plan and sufficient funds have been provided for this purpose. New schemes have been drawn up for social welfare and for the weaker sections and it is for the first time that a bold measure has been adopted to compensate the farmers for the loss suffered by them in the event of a natural calamity. A provision of crop insurance has been made for small farmers, without payment of premium. Attention has been paid towards social security of weaker sections, which had not received proper attention so far, although we had made big claims to this effect, and a sincere attempt has been made for their upliftment.

I would like to make a humble submission. We have seen that in 1970-71, particularly after that bold step of Bank Nationalisation, the change witnessed in one economy was a revolutionary one and that era continued upto 1976-77 when one gross national product increased to about Rs. 72 thousand crores from approximately Rs. 36,500 crores. At the same time, one national savings trebled to about Rs. 18,000 crores from Rs. 6800 crores. The foodgrains production had risen to 13 crore tonnes from 10 crore tonnes, but unfortunately, after 1976-77 the country witnessed a dark period. It is heartening to note that two Finance Ministers of that period are hon. Members of this House. But, the note of warning sounded by the late Smt. Indira Gandhi in 1970-71 in her capacity as Prime Minister and Finance Minister is before us. What she spoke about economic instability and political instability has ultimately come true. It is very necessary to compare 1977 with 1980, because much of the criticism against us will be made by either

those who were in power between 1977 and 1980 or those who supported them.

We have seen that one gross product in 1977 was of the order of about Rs. 47,000 crore, which remained static in 1979-80. Foodgrain production declined from 12.5 crore tonnes to 11 crore tonnes. The production of one cash crop, sugarcane, which had a good support price, declined to 13 crore tonnes from 18 crore tonnes. Even in the matter of power generation, the increase was nominal.

14.00 hrs.

I would like to make to another submission. Attention has been paid to even the poorest of the poor in this Budget. An attempt has been made to pay full attention to them. We have noted that the income tax limit has been raised. It can be said that only the rich pay income tax, but this lower middle class always has a revolutionary potential. I want to tell those of my friends who believe in the theory of Marx that the lower middle class has a revolutionary potential. These friends of mine admit that they have been given 50 percent relief.

14.01/2 hrs.

[SHRI ZAINUL BASHER *in the Chair*].

Priority has also been given to the workers. The first priority given to them is this. In the event of a unit becoming sick, the workers are not at present paid their wages, or bonus. But now the salary limit for the purposes of bonus has been raised from Rs. 750 to Rs. 1600. Provision has also been made that when a unit is declared sick, the proprietor will have to come out with a new scheme if its capital has gone down by 50 percent. He will have to call the general body meeting. He will not be given another chance if the entire capital is wiped out.

From the budget, we see that the allocation for the 20-Point Programme

has been raised from Rs. 4,141 crores to Rs. 4,900 crores, an increase of 18.3 percent. Implementation machinery rests mostly with the State Governments. In spite of the weak machinery, the people have benefited from this programme to a great extent. When I was given an opportunity to speak earlier, I had said that there was need to bring qualitative change in it. It hank the hon. Minister that he has taken adequate care in this regard.

Security has been provided to the small farmers, whether they are artisans or landless people. I am thankful to the Minister for this also. We have practical experience of our National Rural Employment Programme. The rural people know it and I have also seen that there are villages which have not been linked by roads, where rivers were causing soil erosion, which used to be waterlogged, but with the R.L.G.E.P. we have been able to overcome these problems. When we visited the villages, the people told us that this programme should be continued and, if possible, it should be expanded. Nobody in the villages expects us to work in the fields, but it is our responsibility to provide them with facilities. I express my thanks to the hon. Minister for allocating an additional amount of Rs. 400 crores for this programme. But, I would like to say that the States which do well in this programme should be given some incentive.

It is generally said that our non-plan expenditure is increasing. If we go through the budget carefully, we shall find that 28 percent of our revenue is spent on defence which is absolutely necessary in the present circumstances. We pay 26 percent as interest. 15 percent is spent in the form of subsidies on foodgrains and fertilizers, etc. to benefit the farmers. Therefore, it is not correct to say that our non-plan expenditure is excessive.

Now, let us take the question of

deficit. A deficit of Rs. 3674 crore has been shown in the Budget, but the hon. Finance Minister had three alternatives to reduce this deficit. The first was to levy heavy taxes which would have caused resentment in all sections and at the same time it would have been said that the tax rates in our country were the highest; or the plan expenditure could have been slashed down, but that too would have been suicidal for the development of the country. He has neither reduced the plan expenditure nor levied heavy taxes. He has taken recourse to other means and, I think, our economy has the potential to absorb this much of deficit and it will not lead to adverse consequences. However, I would like to give some suggestion, which perhaps, are necessary.

I would like to make a humble submission that in para 56 of his Budget Speech, the hon. Minister of Finance has laid emphasis on energy and has sounded a note of warning that, perhaps we shall not be able to have that much of petrol, which we had during the last five years. That is why he has laid stress on increasing coal productions and power generations especially through Thermal Power Plants. For this, we ought to have complete coordination. When the hon. Minister of Finance was the Chief Minister of Uttar Pradesh, he had entrusted the Department of Electricity to me. Whenever I asked the Electricity Department, they used to tell me that good quality coal was not available I convened a meeting in Calcutta wherein the Coal India people told me that the wagons were not made available to them. The Railway people said that coal was not available because they did not get traction power. This non-availability of coal, power and wagons has become a vicious circle. It needs to be broken. In this connections, I would like to draw your attention to two things. If India's resources of energy are to be properly harnessed, I would again emphasize that our multi-purpose projects, whether they are in Kashmir, Himachal Pradesh, Uttar

Pradesh or even in Nepal, should be conducted in collaboration with the Central Government. The multi-purpose projects on the rivers Teesta in Bengal, which originates from Sikkim or similar rivers in Assam and in the South should be declared National Projects. Similar rivers are there in our State also, on which four Bhakhra-Nangal type dams can be built. More attention should be paid to them, as the Himalayas have inexhaustible reserves of snow. During the months of May and June, when there is acute scarcity of water in the plains, the rivers flowing from the Himalayas have more water and it is our mistake if we did not exploit them. This is a very important matter and should be given consideration. They should be declared national projects and should not be viewed as belonging to a particular State. In our State, we have the Tehri Project which will generate 2000 M.W. of electricity. Through multi-purpose projects only, we can expand our irrigation potential and can also control floods. We have requested the Central Government that these projects should be constructed jointly by the State and the Centre, both sides contributing towards the investment. Sharing of power can be done on the basis of national formula, and this has also been left to the Centre. You must pay attention to these projects irrespective of their being in Kashmir, Himachal Pradesh, hilly region of Uttar Pradesh, Sikkim, North Eastern Region or North Bengal.

There is another important issue which has not received attention. The biggest cash crop in our State is sugar-cane. Our sugar-cane production is approximately 18 crore tonnes and remunerative price must be paid to the farmers, otherwise its production will decline and we will have to import sugar. If the sugarcane price is linked with the price of sugar, we shall not be able to pay remunerative price for sugarcane. I have experience of it myself. When price of sugarcane was fixed at Rs. 21.50 p. in U.P., an amount of Rs. 60-70 crores was paid from the general budget. It

is a matter of great surprise that even after twenty to twenty five years, we have not thought of making alcohol from sugarcane. By alcohol, I do not mean the alcohol, which is harmful to human body. It can be used as an alternative source of energy and you can satisfy the farmers also. Sir, the work in this direction was started in 1974-75 in two countries i.e. in Brazil and India. In the year 1974, 615 million litres of alcohol were produced in Brazil, whereas in India the production of alcohol was only 318 million litres. In 1973, the production of alcohol rose to 7418 million litres in Brazil, whereas in India it could be increased to only 545 million litres. It is used in the production of fertilizers and rubber and to run vehicles. I have a very good document about Brazil, but I do not have time to read from it. I would send it later on to the hon. Finance Minister, national policy has been formulated there. One million cars are being run there by using alcohol as fuel. I would request that he should pay attention towards this aspect. Our industry is dependent on alcohol to a certain extent and thereby our sugarcane is utilised properly by. We can pay remunerative prices to the farmers, and more opportunities of employment could also be created. Industries would not be concentrated then at one place, but would be dispersed at several places. It can be used as a substitute for petrol. It will also increase indigenous production and national income. We should set up labour intensive industries, which require less capital, as we have less capital and there is plenty of manpower. So long as alcohol is in short supply, we should not export it. There are certain people having vested interest, who want to export alcohol by starving our own industries. Our State has more alcohol-based industries than west Bengal. There were certain occasions when alcohol was supplied to West Bengal for Uttar Pradesh so that their industries could continue their operation, as it is a national industry. Its export should be banned completely. Rubber is also being imported. If deficit has to be

reduced, the import will have to be curtailed. There are certain items in respect of which we commit mistakes and we want to import alcohol. It has a by-product, called butadiene, which is used in the manufacture of artificial rubber. Tax is levied on its import. If tax on butadiene is abolished, there would be loss of revenue to the extent of Rs. 1.5 crores, but there will be a saving of Rs. 7 crores. I would like to congratulate the Government that it has strengthened the public distribution system. There cannot be a better method of controlling the prices. The States have mobilised additional resources but there is erosion in the resources of the public sector undertakings. There is great need for making them more efficient. A detailed study should be undertaken in this regard. I would like to remind the hon. Finance Minister of an important observation made by the then Finance Minister last year :

[English]

"Some States have managed their finances well. They have been able to raise additional resources and effectively distributed them to implement adequately several State Plans."

[Translation]

In the next paragraph he had added that :

[English]

"For those States who have managed their finances well, I am working out a suitable scheme to provide some additional assistance to them in 1984-85. This is only just and appropriate."

[Translation]

I am still working for that scheme. We have been treated like a disciplined child in a family who gets the minimum share. Some of our State Governments

have not observed financial discipline. I would like to bifurcate financial discipline in two parts. The plan outlay should be fully utilised. Some of the states reduced their outlay and also took overdraft from the Reserve Bank of India. Here they make a hue and cry that these states are being discriminated against. We did not reduce our plan outlay. The outlay of Sixth Five Year Plan in Uttar Pradesh was Rs. 6200 crores. We did not take any overdraft for four years and rather spent Rs. 6000 crores on plan. We were forced to take overdraft for certain projects. I am therefore, waiting for that scheme.

I would like to raise one or two more points and would like to put forward certain suggestions.

[English]

SHRI AMAL DATTA : Who is forcing you to go in for overdraft? If you discipline yourself to be within the allocation.....

SHRI BRAHMA DUTT : We cannot copy discipline. We don't want to copy them. I do not advise anybody to copy discipline for that matter. I would request the hon. Member that he should tell his friends that this kind of discipline is not at all good for the economy.

SHRI AMAL DATTA : You talk about Uttar Pradesh.

SHRI BRAHMA DUTT : For the last one week, we have been hearing here about Uttar Pradesh.

[Translation]

I would like to submit to the hon. Finance Minister that he should collect figures about the amount of overdraft drawn by various States separately during the last five years and that he should also see how much of that amount was converted by them into loan. I would also like to

remind you about the assurance given last year and would request you to fulfil that assurance. Although all parts of our country are very important, one part is the most important which spreads from Kashmir to Assam and includes Himachal Pradesh, Kashmir, the hilly areas of U.P. certain parts of Bihar and North Bengal and Sikkim. This is our border area and this is quite backward. In the last annual plan, i.e., for the year 1984-85, the plan outlay for this strategic area was increased, but on going through this year's budget. I find that no provision has been made for this area. You should explain how much provision has been made this year for this area. I do not say that you have made a lapse in this regard, because you are very intelligent and a man of clear perception but I have been unable to locate there figures. I therefore request you that you should clarify the position.

I also went to submit that after about 15 years, we are going to enter the 21st century. It is of course true the schemes and projects for which provision has been made in the budget will be implemented by next year and the target fixed in the Plan. Will be achieved within the next 5 years. But you should have a perspective planning for 15 years so that we could enter the 21st century in a proper manner. It is absolutely necessary that while formulating financial and physical planning, there should be man-power planning also.

There is also a very sensitive issue of black money in our country. We can compare it with water in a house. There is clean water and dirty water in a house. The dirty water is generated on its own and it is not possible to check it all of a sudden. We should make use of it prudently. Similarly we cannot control black money all of a sudden, but some steps should be taken to utilise the exiting black money for social purposes. I think that if we could do something in this direction and could utilise the black money for reclamation of crores of acres of barren land, social forestry and to pro-

vide housing to the rural as well as urban poor, we would be able to fulfil the social obligations, and the plans formulated by the municipal boards, State Governments and Central Government, could also be implemented. This will definitely be a bold step and will be helpful in curbing black money. Our economists should consider this issue seriously.

I would like to mention here one thing more National savings are an alternative to taxes for any State or Central Government. It is an admitted fact that our national savings have increased considerably and their impact is also good but the procedure is very complicated and people are not sure about the repayment of the money deposited by them. People, told me only yesterday that they had to face many difficulties in getting back their money. Sometimes payments are held up on the pretext that the signatures do not tally and sometimes on some other pretext. I would like to say that the procedure should be simplified. I congratulate the Finance Minister on the steps taken by him to encourage national savings.

In the end I would like to say that when I came to Parliament for the first time, I became nervous. Everything appeared yellow to me and I was apprehensive that I might be suffering from jaundice, but later on I came to know that it was the opposition which was suffering from jaundice. It is a matter of joy that the opposition has now gained immunity against jaundice I request them not to have a jaundiced new of this budget. If they try to go deep into this budget, they will find that.....

(Interruptions).

I, therefore, congratulate the Finance Minister on presenting this imaginative Budget and hope that the work initiated by him will be completed in this very year. If we see the Budget with a balanced outlook, we shall find that weaker sections will get relief, production will increase and employment opportunities will also increase. I am fully

confident that we shall be able to achieve the targets of the Seventh Plan.

We could not achieve all the targets of the Sixth Five Year Plan but whatever has been achieved has exceeded the overall targets. We must analyse those sectors where we could not achieve the targets. Monitoring of plans is absolutely necessary. The States, which cut the size of plans or neglect them, should be penalised and those which achieve targets, should get incentives.

[English]

SHRI SOMNATH RATH (Aska) : Mr. Chairman, Sir, the Budget has well reflected the first post-election policy declaration of our Prime Minister, Rajivji, the man of the year declared by the National Integration Assembly for his contribution to the world peace.

SHRI AMAL DATTA : Where is that ?

SHRI SOMNATH RATH : You know that.

I congratulate the Finance Minister, since the Budget is an exercise in precision and simplicity. The Budget carries the message of our Hon. Prime Minister for drafting a new educational policy.

The Government is committed to stamping out black money. The Budget has provided more relief to the poorer sections. It is intended to promote a non-inflationary climate, about which I will speak at the end. It carries a host of incentives for the industries, agriculturists and workers for increased production as well as for exports and thus facilitate the generation of more internal resources. The Budget has given a new orientation to the hopes and aspirations of the people. It has mapped out a strategy for the mobilisation of additional resources and necessary incentives are provided for value-added exports.

The Budget embodies the Prime Minister's declaration of growth with justice which is to be realised within a stipulated time-table. The proposals have been incorporated to improve productivity and utilise modern technology, giving a new impetus to exports.

The Budget reflects the commitments given to the people by our Government and it sets up a goal for a new economic and social order. The Government has got the political will to implement all that the Government promised,

This is the first Budget of the present Government coinciding with the start of the 7th Plan. Our burdens and responsibilities are immense. Our road is long and arduous. The Budget gives relief substantially to almost all categories of tax-payers; individual and corporate, generate more employment, a measure which gives social security to the poor. The tax relief given to the low income group of tax-payers, raising the tax limit from Rs. 15,000 to Rs. 18,000 has, certainly, been a relief to ten lakhs of people. Abolition of estate duty, compulsory deposit scheme and also the relief in wealth tax are certainly to be welcomed. As for the customs duty, it is seen that in some cases it has been abolished and in some cases it has been reduced. As for crop insurance, it was only a declared policy hitherto. And now, it is going to be implemented in a comprehensive manner. Of course some States like Orissa have done it in a small way. As you know, two-thirds of the premium will be subscribed and a large number of agriculturists will be immensely helped. Of course, it will be applicable to who have taken loans, it requires further examination also. It gives hope to fulfil the aspirations of agriculturists, who are the backbone of India.

Sir, it is said that because of a deficit of Rs. 3,349 crores, it may lead to inflation. I invite your kind attention to the fact that the budgetary gap for the year 1984-85 was originally Rs. 1773

(Shri Somnath Rath)

crores, and it had gone upto nearly Rs. 4,000 crores, but inflation was effectively controlled. Similarly, now also inflation can be controlled. One such step provided in the budget is the decision to permit donations by companies to political parties. It would go a long way in eradicating political corruption and also to put an end to some extent, to black money and utilise it properly.

Sir, it is a courageous budget. My Hon. friend from the Opposition quoted Palkhivala. With your permission I want to invite the attention of the Hon. Member (he is not present in the House now) to what Shri Palkhivala has said now. It is published in the *Statesman* today. He has said and I quote—

“...epoch-making budget for redesigning India...The budget will perhaps be the biggest economic story of Asia in the current year... Only one man—the Prime Minister—was responsible for this overdue change...”

—‘Only one man’, that is what I wish to emphasise upon.

It is said by the Opposition that the Government has not given due attention to dry-land farming. But I know for certain, as a previous Agriculture Minister of Orissa, that this Government in this present financial year has given due attention to dry land farming. For instance, Orissa has got Rs. 6 crores from the Central Government to be utilised for water harvesting structures, that are small irrigation projects and their aim is three-fold. It is to stop soil erosion, to irrigate the dry lands if not in Rabi, certainly in Kharif and give relief to the cultivators and also to raise the water strata in the ground level. Similarly the Central Government has given Rs. 10 lakhs every year for five years for intensive rice cultivation and also intensive wheat cultivation in many Panchayat Samities. This year, many more Panchayat Samities are going to be included; and Rs. 10 lakhs will be

given to cultivators by way of subsidy, fertilizer, agricultural implements, pesticide and also to impart knowledge in technology and science for more production. Loan and subsidy have also been given to grow more oilseeds. For the coming financial year, it has already been declared that some more panchayat samities are going to be included in this scheme also. As such, though we are self-sufficient in agricultural production, sufficient attention has been given to increase agricultural production and also to help the agriculturists.

In a growing and developing country like ours, a deficit budget is necessary for developing our country. So, I would request the Hon. Members to go through the economic theory to know this. As far as Orissa is concerned, I would request the Hon. Finance Minister to allocate sufficient funds set up the second steel plant which is the crying need of the State. Since about 80 percent of the population in Orissa is agriculturist, the Orissa Government has requested for being given sufficient fund for irrigation projects. As such I again request that sufficient amount for the second steel plant in Orissa and sufficient amount for the irrigation and power projects may please be allocated.

I once again support the Budget and hope our country will rise further and will be a self-sufficient country in all respects.

SHRI HANNAN MOLLAH (Uluberia): Mr. Chairman, members from the treasury benches have given their opinions which are quite different from the opinions of the common people outside the House. Before going into the details of the budget exercises of the Finance Minister, I want to make some comments regarding the philosophy which Mr. Bhagat mentioned. Attempts have been made for the last few months to build up a myth by the monopoly-led Press and Government media that the days of obsolescence have gone. A new era begins and a new leader of the new

government also promised to take the country into the 21st century with all its essence. But, many people are surprisingly thinking how it will happen.

Will it be on the burnt of mediaeval backwardness, or will it be based on the colonial legacies? What will be the change? What will be the philosophy behind the change? Anyhow, some indications were made by some utterances of the leaders of the Government. But now, Mr. V. P. Singh has come forward with his Budget which unveils the mask off the ideal the Government want to build up. Though the Prime Minister said two days ago that he would not change anything which was initiated or introduced by Pandit Jawaharlal Nehru, his Finance Minister Mr. V. P. Singh is much more inspired by Reaganomics, not by Pandit Jawaharlal Nehru's so-called mixed economy. This is the philosophy now they are thinking of pursuing. And we see in this Budget that there is a definite shift towards the so-called free economy through the stages of liberalisation.

It is not for nothing that the Press led by the monopolists is hailing the Budget. They have said that it is an epoch-making budget a budget, with a direction and it is a direction definitely towards the so-called free economy.

Now, nobody can blame the Government that they are believing in fake socialism. Earlier, it was fake socialism. Now nobody can blame them. They have got their direction.

And, this new Budget has inspired the entire exploiting class in the country, the big monopolists the capitalists, the vested interests and all their allies and one of the staunchest supporters, Mr. Palkhiwala, was quoted here. He demanded yesterday, that it was good, that we should come forward for denationalisation of public sector. Now that is the voice of the monopolists and the Government is going towards that direction.

Our Party, the Communist Party of India (Marxist) assesses the character

of this Government that it is a bourgeois landlord Government, led by big bourgeois and constantly collaborating with foreign capitalists. And this Budget proves our point.

AN HON. MEMBER: For. K.G.B.

SHRI HANNAN MOLLAH: That, I know. They are saying you, otherwise you would have gone somewhere else.

You are boasting of your balance of payments.

So, this Budget, in the words of a renowned economist, is a Budget that delivers greatest goods for the smallest number. That is the real character of this Budget.

Now, let me show you how this Budget is going to serve the interests of the ruling class. Since Independence no Budget placed in this august House gave so much,—maximum concession—to such a minimum number of people of the country. In spite of its facade of populist stance and some of its marginal relief measures, the burden of high taxation and the hefty imposition of railway freight and fare will create big inflationary pressures.

If that becomes a reality, then the life of the common man will be miserable during the coming years. They are talking of their performances. The Economic Survey presented by the Finance Minister to this House, also indicates that there are signs of strains on economy in many areas and there is a serious pressure on balances of payments which may have implications on price situation. They cannot deny that factor. The agricultural product on this year may increase by one per cent only, but for the next year they depend mostly on God and good monsoon. This year the Gross Domestic Capital Formation is less by .04 per cent as compared to last year's. I may mention some of the negative points. About power situation, in spite of their talking so much on power front, the fact is that the pace of addition to new capacity

(Shri Hannan Mollah)

has slowed down. Though actual production of coal has increased, yet it is much below the target. Mr. Bhagat talked about fulfilment of targets in many areas. I will pinpoint some of the areas where targets have not been fulfilled. In each of the last three Five Year Plans the industrial growth has been below the target. This is a matter of concern. You have liberalised industrial policy. What does that indicate? I need not deal with it because all of you know it better. Regarding prices, the Economic Survey says that the prices of pulses have increased by 24 per cent. About many problems, the Economic Survey says that unless these are overcome, there would be a great strain on the Seventh Plan. These are some of the points made in the Economic Survey. So, it is not that things are very rosy as some friends from the opposite benches are trying to present here.

Take the question of planned development of our economy. What is the position there? When the country is passing through a serious unemployment situation, successive Five Year Plans have been leaving behind much more unemployed; the figure has already crossed the mark of 25 million unemployed. In the rural as well as urban areas, more than 50 per cent of the people are living below the poverty line. When all these, things are there, what is the position of the Plan outlay for the next year? There is only a 5.75 per cent increase over the last year's revised estimates.

But if we take into account the price rise during the last year—of course, they always play with the figures and they show the figures according to their convenient—from April to December the price rise was 7.5 per cent. In this context if we see the increase of 5.75 per cent in the Plan allocation for this year, it is lower than the last year's allocation. The Finance Minister has mentioned in his

Budget Speech that we are not going in for new projects, we will try to maintain only the on-going projects. That means next year the plan development will be stagnant. This is what the Budget envisages. The Centre has reduced allocation in many sectors. Some of these are rural development, small industry, iron and steel industry, consumer goods industry, railway and telecommunications. The allotment of funds to these sectors for the coming year is lower than even the last year. It will definitely damage the growth potential of our country's economy during the next year.

My next point is about the inflationary possibilities. The Minister in his Budget Speech has said that anyone who lives within his means, suffers from lack of imagination. Thanks to his imagination. Day in and day out they have been blaming the States for their failure in respect of resource mobilisation. But what has been happening here? They are depending on deficit financing. One Hon. Member said it is necessary. But to what extent, that is the question. It is just like somebody who begs, to purchase some gift. Earlier we have been seeing deficit financing for development, this time we are seeing deficit financing for giving concessions to the monopolists and to the vested interests. Last year, initially there was a deficit of Rs. 1,773 crores but it actually went up to Rs. 3,985 crores. This year it is estimated at Rs. 3,349 crores which is about three per cent of the GNP, but the Finance Minister says it is not much. For the last few years it has become a practice to say like this. If you add the Government borrowings of Rs. 3,500 crores to the estimated deficit, the total will come to Rs. 6,849 crores. This will be met through bank financing. If, as in the last year, this year also the deficit becomes double, if the bad monsoon is there, if favourable factors do not play, what will happen? Government is making this calculation with the

hope that there will be good monsoon, but if it happens otherwise, can you imagine what will happen? I would say that keeping such a big budgetary gap with the hope on the God, will lead you nowhere.

It is a gamble. I think it is a gambler's budget, gambling with the state of the economy of our country.

Thirdly, take the question of price rise. The history of our economy is a history of continuous price rise, beyond the capacity of the purchasing power of the people. It will be more in the coming Years. This budget gives a big push to the price rise, which is already in operation in the market for the last one month. Some people are happy because some relief is provided in the budget, at least for the lower slab tax payers. But when they go to the market to buy things, they will find that they have to pay more.

Shri Bansilal has already taken his toll of nearly Rs. 500 crores. Now the petroleum products are going to cost more by Rs. 1400 crores. Many items are produced out of petroleum. Price of all such items will go up and it will be a serious blow to the economic capability of the people. Out of the additional tax burden of Rs. 1,131 crores, you are giving concession to the indirect tax of 584 crores to the rich. Therefore, while the rich will benefit, the common people will have to bear more burden.

Already, the value of the rupee has come down and people are suffering on account of that. In addition, when there is a heavy dose of taxation, they will find themselves in a very serious situation.

During the period January to December 1984 the wholesale price went up from 320 to 337. During the same period, the consumer price index went up from 559 to 588. It is significant that out of

the 360 commodities which are taken into account for the wholesale price index, the prices of only 40 agricultural commodities have shown some decline. In the case of the other 206 items, the prices have increased. 87 of these items are produced by the monopolists. This is the situation. The old policy of pumping money from 99 percent of the people to benefit one percent still continues. This is the philosophy and policy of the Government and it is confirmed by this budget.

You are giving concessions to the monopoly houses, to the industrialists. They are very happy and jubilant. The stockmarket is booming, there are black-marketeers everywhere, in spite of your crusade against black money. Everybody knows what will happen. If you look at what has happened during the last 37 years, never before since independence have such big concessions been given to the exploiters of our country.

The Finance Minister has given the concession worth Rs. 200 crores to four million tax payers. So out of 350 million income earners 346 million income earners will have no benefit. The burden of Rs. 200 crores caused by giving concession to 4 million people will be realised from them.

Now, I come to the question of exemptions to the companies. The Government says that surcharge on income-tax has been exempted. I ask how many people are there who are getting this benefit. This reduction in direct taxes will only shift the burden of a few on the shoulder of many. This is what is going to happen.

They have imposed excise duty on 35 items like Bidi, vegetable products, soap, cotton and woollen fabrics, paper, plastic, aerated water, cement, glass, steel products, Pan Masala, footwear etc. All are coated with big tax Masala.

MR. CHAIRMAN : You have taken almost 23 minutes. Another Member, Mr. Amal Datta will also like to take full time. Now, that is up to you to adjust your time.

SHRI HANNAN MOLLAH : In this way you are taking away Rs. 259 crores to give concession to the people who are exempted from Wealth Tax, Estate Duty and things like that. So, these are the shifting of burdens in your policy.

The MRTP Houses are dancing, because their exemption limit has been raised five times.

As a result 49 big houses are now waiting to cross the border line and get benefit. You have given other benefits to them also. You have raised the maximum limit of interest payable on unrecovered debentures issued to MRTP non-FERA companies. Apart from these you have given them several other benefits.

When you are giving so many concessions to the big houses it is quite clear that they will reciprocate as you want. And in the Budget itself you have promised that you will allow them to pay to political party; and to whom they will pay, everybody knows. So, you will allow them to loot the country and you will share a portion of the loot from those looters for the benefit of your political party, to purchase votes and to befool the people.

Now, take the question of public debts. What is your Budget giving? It will help increase the public debt to Rs. 87,062 crores with the result that per-capita debt of the citizens of the country will come to Rs. 1,243. Where are you taking the country, I ask. You continue to burden them with debts. Therefore, I say that yours is a Government which was born in debt. You are living in debt and definitely you will die in debt. This is the situation where you are leading the country to. I hope the entire country will try to save

itself by expediting your death, to avoid their death. You can imagine what will happen when you start repaying IMF loans from next year.

15.00 hrs.

Next, I want to deal with the question of balance of payments. What is happening there? The *Economic Survey* has mentioned about the strain on the balance of payments, and the trade deficit in the first eight months of 1984-85 is estimated at Rs. 3,017 crores as against Rs. 3,080 crores last year. It is a very marginal increase. How? It is because of good harvest. It is the contribution of the agriculturists of our country, the peasants, and good monsoon also that helped you. You deny remunerative prices to the agricultural producers. All these things helped you this year. Secondly, your crude oil imports were less in the current year. Last year, we paid less on those two articles. In spite of that, the increase in the export earning is not much. Actually, in the *Economic Survey* it has been mentioned that in terms of money value our export has increased. But the quantum of many commodities like coffee, cashew, rice, cardamom, oil cake, iron ore, jute, engineering, leather goods, even crude oil and all these things is going down. In terms of money value you are increasing the exports, but in terms of quantum, you are exporting less. This is the economy towards which you are leading the country.

The decrease in the export of engineering goods is the maximum. You want to take the country to 21st century, and your export of engineering goods is going down. Last year the situation was very much damaging (*Interruptions*). Mr. Tewary, I do not know what will happen. Only rigging will not help, or declaring the MLA as won after he has lost the election is not good (*Interruptions*).

You have taken the IMF loan. To repay that loan, you will take another

loan. This is the hand-to-mouth situation that is going on. When you start repaying the IMF loan there will be more strain. With this the trade deficit will increase and the balance of payments position will not be a happy situation.

Then I want to say something about overdraft and borrowing. You have increased Central assistance and borrowing to the States. But continuously you are taking some items out of the States' purview. So, they cannot tax them with the result that their share is constantly going down. The Member who spoke earlier explained that. So, I am not going into that.

The second question is that you are asking the States to be disciplined. What is meant by 'disciplined'? All the States put together, how much was their total overdraft? It was around Rs. 2000 crores, and your deficit financing is already Rs. 3,900 crores, say, around Rs. 4000 crores. So, is this the discipline you want to teach the States? The States take overdraft—it is not anybody's money—they give 13 percent interest, and for your deficit financing you are giving only 5 percent interest to the bank. Still you are asking the States to be disciplined.

**Bhoot ke munh men Rram ka naam jaisa.*

If the inter-State consignment transfer is implemented, the States can gain something. All the Chief Ministers have agreed on that. But still you are not implementing that. You have not brought in any legislation in Parliament in this regard. It is because so long as Parliament does not pass the Bill, the inter State consignment transfer will not be effected. The States are being deprived.

I come to the question of freight equalisation. Your predecessor had promised that this would be phased out. But in the Budget nothing of that sort

was mentioned. Only during the debate on the National Transport Policy, it was told that they were trying to implement it in respect of steel and cement. What about coal? There is a constant attack on the Eastern region to finish the economy in those States. I do not know what is the inspiration or gain that they get. (Interruptions). It is a discrimination against the Eastern region, coal producing region. These are the problems of the States. The VIII Finance Commission had recommended something but you have denied it to us.

I come to the question of State's Plan. It is not yet finalised. They are going to implement the Plan from next month but not a single State has finalised the Plan. But the most unfortunate thing is that the West Bengal Government did not get a single pie last year for the State Plan. Here is a letter of 8th July, 1984 from the Finance Minister, West Bengal to the Deputy Chairman, Planning Commission. Another letter was sent by the West Bengal Chief Minister to the Union Finance Minister on 25th July, 1984. On more letter was written on 14th August, 1984 addressed to the Union Minister for Planning, Shri P.C. Sethi.

(Interruptions)

MR. CHAIRMAN : Order Please. Let him speak.

SHRI HANNAN MOLLAH : And then again, the West Bengal Finance Minister sent a Telex Message to Shri V.P. Singh, Union Finance Minister. Only a few days are left. But you have not given a single pie for the Plan budget for the last year. Is it not a conspiracy to destroy the economy of the State for political reasons? I do not know what is the meaning of this type of dealing.

(Shri Hannan Mollah)

Sir, I want to say something about the industrial sickness. What is the reason for sickness? Take for example, jute industry. Because of your wrong policy, industrialists to take out the capital elsewhere. They are not modernising the existing machinery. They are not giving proper attention to the industry. With the result, this industry is becoming sick. I want to mention one thing about textiles. From 1938 to 1948, textile industry had a capital of only Rs. 50 crores. But their earning during that period was more than Rs. 300 crores. It was Rs. 372 crores.

For an investment of Rs. 50 crores, they earned Rs. 300 crores as profit. Those who are managing this industry are shifting the capital to other sector. Because of the attitude of the management and the industrialists, the industry is becoming sick. Now, you have decided to set up a commission. If a unit becomes sick, you will not allow them loan for the business. That is good. But I want to know why are you not realising it from the assets of the Directors who are responsible for making the unit sick and who made money for personal gains? Why are you not attaching their assets or confiscating their assets? You are responsible for this question. (*Interruptions*)

Now, I want to make a comment on the question of relief to some section of the people. The bonus limit has been raised to Rs. 1650. The annual income of the employees who come within this limit will be more than Rs. 19,000 and, if the bonus is added, it will be more than Rs. 20,000. They will come within the slab of income-tax and they will have to pay more tax. So, they are giving something in one way and they are taking it back in another way.

They are talking about the abolition of CDS this year. It is their baby. Why do they boast of abolishing CDS?

It is not our child. Whether they kill it or abort it, it is their baby. They are now taking the credit for abolishing it.

In the past, they have said that they will do many good things for the common people. But all those things do not reach the common people. They have fixed an agricultural labour wage in some States. But nobody gets it. This is the reality. As regards the crop insurance scheme, we do not know who will get benefit. Like all other schemes, the actual benefit will go to a small section of people, the richer people, the kulaks and all that. The small and marginal poor peasants will not get the benefit. So, they should spell out clearly as to what is the idea behind it. Who will be able to pay the premium? It is only those who have got the surplus. The small poor peasant will not have any surplus.

They are talking about the social security scheme for agricultural labour. In many States ruled by Congress-I, they are earning only Rs. 3 or Rs. 4 or Rs. 5 a day. How will they be able to pay the premium? Where is the question of paying it? Let them tell us how the crop insurance scheme will be worked out and how it will benefit the poor peasant. Thousands of Scheduled Caste and Scheduled Tribe people are being killed by the landlords in the name of caste-riots. It is actually the land struggle. The landlords kill the agricultural labour. It is not a caste struggle. What will be the position? If these people are killed by the landlords, they will have to accept their deaths and compensate them through this social security scheme. All these things should be clarified.

In conclusion, I want to say that this Budget is a clear indication of further concessions to the industry. They have already given many concessions and they have promised many more concession to be given gradually. They are giving much more subsidy in respect

of export and import and in other cases also. At the same time, for the common people, they are saying that if the monsoon is better, then everything will be better. Now, if it is not better, what will happen? Then, they will say that there will be more taxes and they will have to mobilise resources in one way or other. So, in this Budget, there more concession to the rich people and more burden on the 99 percent of the common people of this country.

This is the direction and the main thrust of your Budget. It is an anti-people Budget. It is a Budget against the common people. It is a Budget of the monopolists and vested interests. It is a Budget of the gamblers also. This Budget will not serve the economy of our country. Rather, it will create problems for our economy and it will make the living conditions of our people much more difficult.

With these words, I oppose the Budget lock, stock and barrel.

[Translation]

SHRI BANWARI LAL PUROHIT (Nagpur) : Mr. Chairman, Sir, I support the Budget. I have been elected as a Member of Lok Sabha for the first time. I went to the library and tried to go through all the Budget speeches made so far. I have seen from the speeches made so far by the Members of the Opposition, that they had criticised each and every of the Government whether it was wrong or right. So, if the Members from the Opposition criticise the Budget this time also, there is nothing new about it.

Just before me, an Hon. Member of the CPI(M) levelled against us and our Government baseless charges of preparing this Budget under the influence of

foreign powers. They are at liberty to say anything but our reply to them is that you are, of course, sitting here but you**. Then how would you take it?

What is the use of saying baseless things? You can criticise but the criticism should be meaningful. This is an important subject and it takes considerable time of the House. Mere criticism and baseless charges will not serve any purpose. You can give suggestions for improvement where necessary. But you have not been able to give a single suggestion. There being no flaw, what suggestions could you give? I would like to say that this is the best Budget presented so far.

15.17 hrs.

[SHRIMATI BASAVARAJESWARI
In the Chair]

The Opposition Members have levelled the charge that Government have helped the capitalists in this Budget by reducing the income tax slab. You should go into the spirit behind it and see why this rate has been reduced by the Finance Minister. On the one hand you say that in one hour black money to the extent of crores of rupees is generated whereas on the other hand you demand that there should be no reduction in tax. Prominent economists are of the view that our rate of taxation is very high and as a result thereof the public and capitalists generate black money in order to evade taxes. I would like to say that it is a sort of incentive so that their interest in generating black money could be curbed. But it can also be said that those in the habit of doing so will continue to generate black money. The Government, by effecting reduction in the tax-rate, have given an opportunity to capitalists not to generate black money. A provision for special courts has been

**Expunged as ordered by the Chair.

[Shri Banwari Lal Purohit]

made for this purpose and the State Governments would be consulted about it. I am of the view that the question of special courts should not be left to State Governments. You have got the requisite machinery, you have tribunals, etc. All the economic offences should be dealt with through these tribunals and by setting up more tribunals. Persons guilty of generating black money should be awarded deterrent punishment so that every scope of generating black money is obliterated.

I would like to tell my friends in the Opposition that our Government fulfils the assurances given to the people. You might have seen that programmes chalked out during this short span have been implemented. I would like to urge upon the Finance Minister that the matter regarding setting up of special courts should not be left to the State Governments; it will be a waste of time. It is the duty of the Central Government to set up courts, dispose of cases and punish the offenders. This matter should not be left to the State Governments as two or three States are being ruled by the Opposition and they are determined to make your policies a failure. You will not get cooperation from them. We must ensure the success of the important schemes. *(Interruptions)*

Please go through the Budget and then only say anything. Also study the provision made in it in respect of setting up of courts.

The Opposition has levelled a serious charge that duty imposed on petrol and crude oil is on the high side. You know who owns motor vehicles. It is the rich who own them, and, therefore, duty has to be levied on it.

Sir, I would like to submit that the price of kerosene, which is used by poor

people, should not be increased. The duty imposed on kerosene should be reduced. In addition, hike in price of cooking gas, which is used by the middle class people, should also be withdrawn. If duty is increased on these two items, Opposition will have an opportunity to criticise the Government.

I would like to make mention about essential commodities, including oil, etc. We have observed that there is a lot of fluctuation in their prices. When the commodities come to the market, the prices come down and the godowns are filled with those commodities. Later on when the consumer goes to buy the same commodity he has to pay a very high price. So, you will have to check the fluctuation in the prices of the essential commodities. The Government should pay serious attention to this aspect.

Take the price of edible oil. Sometimes it is Rs. 10, sometimes Rs. 15 and sometimes Rs. 18. When its price is Rs. 10, the farmer gets a very low price but later on, the consumer has to pay a very high price. It is a big problem and we will have to pay attention towards this. For this, even if you have to create a buffer stock, you should do so but the essential commodities must be brought down.

Mr. Chairman, Sir, I would now like to speak on the most revolutionary step that has been taken. The limit for small scale industries has been raised from Rs. 20 lakhs to Rs. 35 lakhs. Everyone should welcome the steps taken for the development of small scale industries. This sector will provide more opportunities for employment. We heartily thank you for this but it is a matter of regret that no extra incentives has been given to the small scale industries, but the incentives have been given to big industries and small scale industries alike. For creating maximum opportunities for

employment, for the development of the villages and for the setting up of new industries, it is necessary that small scale industries be provided with more facilities. Small scale industries should also be given such incentives as may help in their expansion and thereby create more and more job opportunities.

I would also like to say that ever since gas was discovered in Bombay High with the efforts of ONGC, our country has made much progress in this field. Today, we can think of self-sufficiency in petroleum products in the near future, but I would like to submit one thing in this regard. You propose to set up ten big fertiliser plants in the country which will be based on gas being exploited from the sea in Maharashtra. This gas will be supplied through pipelines to U.P., Rajasthan, Gujarat and other parts of the country. You are setting up four plants in U.P. and also in Rajasthan and other parts but in Maharashtra where the gas has been found you are establishing only one plant. You will be spending lot of money on laying the pipelines in different parts of the country but the people of Vidarbha, who have been demanding at least one gas-based fertilizer and petro chemical complex in their region, have not been provided with the same. There are eight districts in Vidarbha. We are also the citizens of India. In 1977 when for the first time oil was struck and work had started, we had gone there and discussed about it. Since then we have been raising our voice for this complex but till today our demand has not been acceded to. Can you not provide a petro chemical complex to the people of Vidarbha? Kindly think seriously about it. The Hon. Minister informs us that because of certain technical reasons, they cannot set up the complex. What are those technical reasons? Is the land in Vidarbha uneven? What is that technical reason due to which U.P. can have four plants, but in Maharashtra only one plant is provided? Can you not provide two

plants in Maharashtra? Kindly think about it and provide at least one plant to Vidarbha.

There were several press reports to the effect that the Central Government wants to abolish sales tax and octroi and there was a discussion in the Vidhan Sabha also but nothing is being heard about this now. We come to know from the newspapers that some Chief Ministers are vehemently opposing the abolition. Our advice is that you should do what is good in the interest of the people and abolish sales tax and octroi. The abolition of Octroi and Sales tax will help the speedy movement of goods and the people also will be relieved of the difficulties. The Central Government is committed on this issue. It is your duty to fulfil it. If any Chief Minister has any objection, that should be sorted out promptly but a decision must be taken so that the people facing difficulty in connection with sales tax and octroi are relieved of it. Besides, there will be speedy movement of traffic. If you do this, the country and its industries will develop further.

Lastly, I would submit that there has been considerable increase in the number of people living in slums. More than half the people of Bombay live in slums. Similarly, in Pune and Nagpur, the condition of people living in slums is miserable. Keeping in view their condition, there is need to implement your Slum Improvement Scheme under the 20-Point Programme. The money provided for this Scheme is not sufficient. There is a big housing problem as also sanitation problem. The funds made available are too meagre. I request that the amount for this Scheme should be increased. Once again I heartily congratulate the Hon. Finance Minister and hope that he will, after considering my suggestions, take some decisions. I am thankful to Mr. Chairman also for giving me an opportunity to speak.

[English]

SHRI C.P. THAKUR (Patna) : I thank you, Madam Chairman, for giving me this opportunity to speak on this budget.

I rise to support the wonderful budget of our Finance Minister. The year 1985 is the Year of the Youth, and it is in the fitness of things that we have got a youthful leadership in our Prime Minister who, in response to the massive mandate given by the people, has given a very tax-cutting, forward-looking and growth-promoting budget, and also the other philosophy behind this budget is that for the first time an attempt has been made to inject honesty in the financial management of the country.

Madam Chairman, some critics have said that this is a rightist budget or that it is only for the few people or it is only for the middle class. If we analyse this budget we find that it has given concession to the income tax payers, small and big industrialists and there are many anti-poverty programmes. So, I say that this budget is for all and not for one section.

Sir, the economy of this country has done wonderfully well. In the Sixth Five Year Plan we had a growth rate of 5.2 per cent whereas in the early 1980s most of the developed countries suffered much recession. So, it was in the fitness of things to consolidate than to expand and get lost. Our Finance Minister has very rightly tried to consolidate economy in this budget.

On the agriculture side greater emphasis is required. Our friends have pointed out that the deficit financing will have cost boost effect. Now to counter-balance cost boost effect our agriculture can play a very vital role. We have still got vast land which can come under cultivation. In the Approach Paper of

the Seventh Five Year Plan the Planning Commission has commented that seventeen thousand million hectares of land can be brought under cultivation. There is great potential for it in the whole of Indo-Gangetic plain in general and in Bihar in most of the areas if you provide irrigation, fertilisers and other agricultural inputs there can be tremendous rise in foodgrains production. In my area the old Son canal has not been repaired. Since it was constructed, an attempt should be made to repair it. The Barahiya tal scheme has not been taken up. If it is taken up it will provide grains, to most part of the country. At the moment we import lot of edible oils. There is lot of potential for increase in the production of edible oils in our country especially in Bihar, Bengal and Southern States. Cultivation of soyabean has not been given proper impetus. Another advantage by developing agriculture is that we can export agricultural products and thus earn foreign exchange.

After agriculture we come to education. On the educational front our Prime Minister has announced the change of curriculum. It is in the fitness of things that we change the curriculum and make it more job-oriented but in doing so we must take into account the infrastructural input of education should also be consolidated. For that what I suggest is this : There should be proper infrastructural inputs like buildings, teachers, curricula, etc. All these should be taken into account and developed.

In this connection I would like to mention that I was touring in our villages during the recent election and I saw the pitiable plight of some of our school buildings. I thought that this matter should be brought to the notice of our planners so that necessary steps are taken immediately.

In the educational field, at University level one vast field of research in the

University level, is going waste and it is not yet tapped so far, what I suggest is that there should be proper encouragement of research at university level and facilities should be provided for that.

Everybody is thinking that our education should be in tune with the needs of our country. In that respect there should be not only scientific improvement, but there should technological improvement also. In this regard, in importing technology, what we suggest is that we should import such technology which should also help newer technology.

There is a growing demand for Indian technology in developing countries. We can sell our technology abroad. We are getting lot of foreign exchange from our workers who work in Gulf countries and other countries. There is a vast potential for Indian technology in the foreign market also because this technology is partly imported and partly indigenous. This combination of technology is suitable for developing countries.

Now I come to industry. It is said that we have not cared for the public sector. Sir, we cannot minimise the important part played by the public sector in the country's development. A large sum of money—now it is Rs. 30 thousand crores—has been sunk in these public sectors. They are not improving as yet. We should identify the causes for the same. Some of our steel industries are not coming out of the red. Durgapur and many other steel plants are running in loss. One friend told me, you are comparing Jamshedpur with Durgapur. In Jamshedpur, the same Tata, the same Modi, the same Managers are working since years. In the other plant, in a short span of time, 8 or 9 Ministers, many Chairmen, and many Managers have changed. So, how can you compare the efficiency of the one with the other? The basic fact is that the fault lies with the management. There

is some discrepancy regarding collection of information, in decision making in the dissemination of orders and decisions to lower levels. It is a fact that our managers are not well trained to manage big industries and big factories. Bokaro Steel Plant was once producing 1 million tonnes. Then it was all right. But when it started producing 4 million tonnes it has started faltering. My point is that our managers should be properly trained to manage big industries.

My next point is this, Government has constituted a Board, and rightly so, for correction of sickness. There should be a statutory regulation that every industry (private or public sector) should report quarterly about their sickness to this Board so that Government can immediately and take suitable remedial action.

In an industrially-backward State like Bihar, most of the industries are sick. Phulwari Cotton Mills is lying sick. The whole of Dalmia group of industries is sick. Ashok paper mills and Thakur paper mills are sick. Some of the sugar industries are sick. Many small industries are sick. We cannot sit idle until the whole lot of them deteriorates to a point of no return. So, there should be an early correction of the sickness of industries. The constitution of the Board as suggested by the Minister is welcome. What I suggest is that there should be more powers given to the Board.

Regarding the anti-poverty measures, what I suggest is that there should be proper monitoring measures in that regard. Not only that. What I suggest is that the Planning Commission should have an independent monitoring system. The Planning Commission should monitor, not only the plans approved and sanctioned for the various States, but they should also see that they are properly implemented and progress made. They should, also monitor the implementation

[Shri C. P. Thakur]

of various anti-poverty measures and these should be periodically published in the 'Yojana' or any newspaper or bring out a small publication so that the people or the Government should know what measures are being taken by the Government agencies so that they may know that the implementation of various schemes are as per their programme in all parts of the country.

I may submit here that should be an independent policy for monitoring system to see that these measures are implemented well in some parts of the country which is ruled by the non-Congress Government.

Now, Sir, somebody suggested that our budget is meant for maximum benefit for a few. But this is not the fact. Somebody has said that our Budget is more a 'Thatcherism' than Keynesian, that unless he manages his economy, will, the economy is not going to improve. Somebody has said that it is more 'Rightist' than 'Leftist', but most of the ultra-leftist countries like China are also encouraging free enterprise. Why are they encouraging free enterprise? They are doing it to increase the *per capita* income of the people. So, our budget aims at increasing the average income of the common man and it is also going to accelerate industrialisation.

Another thing is that this Budget is based on principles of trust, that we are going to believe that each section of the society, whether they are industrialists, whether they are professionals, whether they are labourers or whether they are farmers, they have to play a constructive role in the development of the economy. Why I say this is because that by giving concessions, the Government is encouraging savings and by giving concessions to the bigger industries, the medium-scale industries and small-scale industries, they say that they would invest their savings in the manufacture

of basic goods, not luxury goods. So, I think this one of best Budgets that has been presented in the recent past and scanning through different newspapers, we find that the people have welcomed this budget. But some would say that these newspapers belong to the capitalists. But the critics who are independent have also welcomed this Budget.

Regarding petroleum products, there has been criticism that the rise in price of the petroleum products, coupled with the rise in freight and fare rates of railways will push the price up further. Here, I would like to make a mention that in 1983, the price of petroleum product was increased. But on the suggestion of the Members, it was reduced. I would plead with the Hon. Finance Minister that he may please consider reducing the price of kerosene and cooking gas which are used by the common people so that they may feel happy about your kind gesture. Sir, I was passing through the streets yesterday, I heard people making remarks about the hike in kerosene and cooking gas prices.

Sir, I think that by all means this Budget is considered to be a very good Budget, a well-balanced budget. The philosophy of our Hon. Prime Minister is to modernise our country. This Budget is in tune with that concept. So, we want to modernise our country. This Budget is neither the concept of 'Leftists' nor the concept of 'Rightists'. This Budget is to modernise our country and our country is going to enter 21st Century with strength and stability to our economy.

DR. RAJENDRA KUMARI BAJPAI (Sitapur): Mr. Chairman, Sir, it is being repeatedly said by the opposition that this Budget contains more concessions for the capitalists. When we have included socialism as our goal in the preamble to our constitution, we have to take our economy on the path of socia-

lism Whatever be the Government in the country, whosoever be the ruling party, the Government have to work within the framework of the constitution with the objective of carrying the nation towards socialism as envisaged in the constitution. Pandit Jawaharlal Nehru had laid the foundation of socialism in our country and it was during his time that we started our plans and thought of increasing production and taking the country towards progress and having economic development through mixed economy. The Private and public sectors both have a place in mixed economy. We have to assess how much capital we invest in the public sector every year and in each plan to facilitate basic development and progress and how much expansion is made in the private sector. After having experience of the last 35 years, today we have come to the conclusion that even those countries of the world which used to rely totally on state enterprise and were having only controlled economies, have decided to give relaxation in some cases and give a free hand to individual entrepreneurs to increase production. We have the example of Japan before us. We have to see how the private industrialists behave in view of the concessions given to them in the Budget and how they work so as to pass on the benefits of these concessions to the common people. I know, in capitalist economy, the foremost consideration of the industrialist is profit, and other things come later, whereas in State enterprise or in the public sector, social considerations are kept in view and society's welfare is given priority, but today, when we are having mixed economy, we have to move forward by synthesizing both and by bringing about coordination between the two. This concept is distinctly reflected in this Budget. It has been said in the Budget and the Hon. Finance Minister has also categorically stated that keeping in view the country's interest, we can give concessions or facilities to the industrialists in the private sector. Today, we have to change our attitude and think how public sector and

private sector together can prove helpful in removing unemployment from the country. In view of the increasing population, the Government and the country are confronted with the most important problem of removing rampant unemployment. Steps have been taken in the present budget in this direction and, I think, if production is increased and new industries are set-up, unemployment can be removed to a great extent. Facilities have been given for setting up new industries and the procedure of issuing licences to the new industries, which was full of hurdles in the past when one had to go round to various for years, has been simplified. Our Prime Minister has categorically stated that we want to fight corruption and this is our party's declared policy that the black money and the parallel economy in the country be done away with. After neutralizing their effect, we should create an atmosphere in which the entire capital circulating in the market is invested properly. By doing so, we shall find that we are really marching ahead and our production is increasing. We shall have to evolve a system where all could benefit, irrespective of their being big industry, medium size industry or small-scale industry.

In the Budget, the big industries, which were M.R.T.P. industries, have been given concession. Now, the industries with a capital of one crore of rupees will not be covered under it. On the other hand, the capital limit of small scale industries has been raised to Rs. 30-35 lakhs. I think it is a very wise step. Now, we should not consider monopoly houses as untouchables or think that they are big industries and there is no place for them. If we are to increase production in the country, we shall have to be practical.

Our party is not advocating the case of big industries. What we are saying is how we can create employment in villages through our industries. Big and

[Dr. Rajendra Kumari Bajpai]

small industries cannot be viewed in isolation. There are many items which are produced in big industries, but they are useful for the small industries in the villages. Now, if they are not provided facility for producing them indigenously, or if new technology from abroad is not brought into the country, it can be harmful for the village industry. Therefore, it is also necessary to invest adequate capital in them. For this, I congratulate the Prime Minister, the Hon. Finance Minister and the Government that they have not worked on cheap slogans but have instead boldly presented this Budget.

It is just possible that for the time being the people may think otherwise, but to achieve the objective for which it has been presented, we have to keep a watch on the observance of rules and use restraint at the same time. We can make it quite effective through capital management in the coming days, whether it is in public sector or in private sector. I think it will have a great impact in the future.

Deficit financing is a part of development. It is a must in a planned economy. We still have backwardness in the country where the people have no employment opportunities. We have to provide them work. We have to create employment avenues for them. For this, we have to carry the industries to the villages. The private entrepreneurs spend according to their income, but the Government have got scope for spending more and in a developing economy like ours, deficit financing is bound to be there. I will go to the extent of saying that if industries are to be set-up in the villages, potable water is to be made available in villages and a ray of hope is to be provided to the frustrated rural youth, then we should have more of it and spend still more money on them. What is needed is to infuse hope in the people of the country and this

hope is visible in this Budget. There are certain features of the Budget which I particularly welcome. The first is "Free Education for Girls", under which education for girls upto higher secondary level has been made free uniformly throughout the country. It is a welcome step. There is need to bring uniformity in the field of education throughout the country. Today, we see that in West Bengal a different kind of education policy and syllabus are being pursued and history of a particular type is being taught. The policy varies from place to place. Our past national glory and our ancient heritage is not being taught to the children in the right perspective. I wish that in the same way in which our Government has brought about uniformity in the field of education by making education free for girls, it should also bring about such changes in the education policy which could further strengthen the national unity and inter-State relations.

The second thing, which I welcome, is comprehensive crop insurance for the farmers. This is for the first time that such a step has been taken by the Central Government—the congress party Government. We have adopted a number of resolutions on this issue and this question came up before the congress party many times. Prof. Ranga, our veteran leader, is sitting with us. He has always championed the cause of farmers and I know, with this step, he is the happiest man. He is happy that the Government have come out with such a scheme for the farmers, but I would like to say that whereas such a scheme has been brought forward to help farmers in the event of natural calamities, such as floods or drought, there is still a bigger problem which might be there in other States also, but which is particularly rewaging Uttar Pradesh the problem of seepage. The waters of Sharda Main Canal and some other canals in our State cause a great damage to the fields. Thousands

of acres of land have been rendered unfit for cultivation. I want to know who is responsible for this. This is not the fault of the farmer. There a canal passes by the farmer's field and this field is being ruined for ever. In the event of floods, you pay compensation to him; if there is a drought in a particular year, you provide him some relief, but is there any scheme for those farmers whose land is being ruined year after year and who are starving? Either the Government should take action against the personnel charged, with the work of construction of the canal, who destroy the fields by their faulty construction, or the Government should allocate at least Rs. 200 crores to Uttar Pradesh in the Seventh Five Year Plan exclusively for this purpose; only then, perhaps, this problem could be solved. Such in the magnitude of this problem in Uttar Pradesh. Therefore, I would like to draw the attention of the Hon. Minister of Agriculture, who is sitting here as also the Central Govt. to this problem and request that in the allocation for the Seventh Plan and in the State Budget which will be drawn up later, attention should be paid to the farmers who are on the verge of starvation.

[English]

MR. CHAIRMAN (SHRIMATI BASAVARAJESWARI): You may resume your statement because the Home Minister has to make a statement.

SHRI SURESH KURUP (Kottayam): Before he makes a statement, I want to ask one thing. News has already spread that one Soviet Diplomat has been killed. I want the Home Minister .. (Interruptions).

MR. CHAIRMAN: Let him make the statement. I have asked the Minister to make a statement. Let him make the statement first.

SHRI SURESH KURUP: On what?

AN HON. MEMBER: On the situation in Gujarat.

16.00 hrs.

STATEMENT RE COMMUNAL RIOTS IN AHMEDABAD

THE MINISTER OF HOME AFFAIRS (SHRI S. B. CHAVAN): The House is aware that since the middle of February, 1985, students in Gujarat started agitation against increase in reservation for other backward classes in medical and other technical courses. The agitation was in the form of boycott of classes and examination, holding processions, rallies, organising bandhs etc. The anti-reservation agitation which was by and large peaceful in the beginning later resulted in two violent incidents of burning of buses in Nadiad on 27th February and in Rajkot on 11th March in which three passengers and the conductor lost their lives. Immediately after formation of the new Ministry, on 16th March the Chief Minister reviewed the situation arising out of the anti-reservation agitation and taking into account the views expressed by prominent educationists and the stay order issued by the High Court against implementation of the decision the State Government announced that the proposed increase in reservation shall not be implemented in the ensuing academic year 1985-86. It was further indicated that efforts to secure a consensus would be made through consultations with all concerned. Despite this, Anti-reservation Action Committee gave a call for 'Gujarat bandh' on 18th March, 1985 which evoked only partial response in the State. However, in Ahmedabad and Surat, there were stay incidents of stone pelting, stoppage of buses and closure of shops on that day.

On the evening of the same day (18th March), there was an incident of stone throwing near Prem Darwaza within the walled city of Ahmedabad which

(Shri S. B. Chavan)

unfortunately took a communal turn. Anti-social elements indulged in arson and looting which suddenly spread to other parts of the walled city. The rapid spread of the riots also witnessed the use of kerosene, petrol and burning rags and incidents of arson. This continued during the day time of 19th March, 1985 as well.

On the break out of rioting on 18th March, the police took quick and effective action including resort to firing. Indefinite curfew was imposed throughout the walled city from 22.30 hrs. Considering the gravity of the situation, the State Government Called Army in aid of civil authorities. Instructions were also issued for effective use of force against attempt of arson and looting. The State Government strengthened the police re-inforcements in the city by assigning sensitive areas to senior officers from outside. Additional armed reserve police forces were called from Rajasthan, Madhya Pradesh and Maharashtra. The State Government also deployed three CRPF Coys which were already available at their disposal in Ahmedabad. On 19th March, additional six companies of Central para-military forces were deployed.

The unfortunate incidents since 18th March, 1985 till this morning have resulted in 7deaths out of which 6 were due to police firing. About 42 persons were injured due to police firing and stabbing. 122 cases of arson and 27 cases of looting and shop-b eaking have been reported during this period. The extent of damage is being assessed.

As the House is aware, I visited Ahmedabad yesterday afternoon. I visited the affected area within the walled city in which rioting had taken place. I also visited hospitals and met injured persons. I met a number of members of opposition parties as also deputationests belonging to both the communities. After discussing the situation with the Chief

Minister, Home Minister and officials of the State Government I found that the State Government had acted with considerable promptness and dealt the situation with right degree of firmness. This State Government have taken all possible measures to restore normalcy.

The State Government are extending relief to the families which have been affected and these dishoused due to riots. Ex-gratia payment is being made to these killed and injured during the course of the rioting.

This forenoon we have been informed that the situation now is fully under control although some sporadia incidents have taken place in isolated places outside the curfew area. Unfortunately, three incidents of burning of buses have been reported elsewhere in Gujarat by anti-reservationists. I hope and trust that taking into account the present situation and the fact that the State Government have already announced their decision concerning the reservation, the student community of Gujarat would call off the agitation and contribute to the restoration of normalcy in Ahmedabad and also to ensure that there is no broach of peace elsewhere in the State. I am confident that all political parties will jain me in this appeal.

(Interruptions)

MR. CHAIRMAN : No question will be allowed. Nothing will go on record. If you want any furtner action, you give notice.

16.06 hrs

STATEMENT RE PROCURE-
MENT PRICE FOR WHEAT AND
SUPPORT PRICE FOR BARLEY
1985-86 MARKETING SEASON

[English]

THE MINISTER OF AGRICULTRE
AND RURAL DEVELOPMENT (SHIR-
BUTA SINGH) : Sir, I would like to

would like to make the following statement :

Government have fixed the procurement price for the 1984-85 wheat crop to be marketed in 1985-86 season at Rs. 157/- per quintal for fair average quality.

Government have also fixed the minimum support price for the 1984-85 crop of barley at Rs. 130 per quintal for fair average quality.

The procurement price mentioned above would be adopted by all the public procurement agencies in all the States and Union Territories.

(Interruptions)

MR. CHAIRMAN : There is a discussion at 6 p.m. regarding this.

(Interruptions)

MR. CHAIRMAN : Nothing will go on record. There is no subject before the House. Off-hand you are speaking.

16.10 hrs

GENERAL BUDGET, 1985-86,
 GENERAL DISCUSSION AND
 SUPPLEMENTARY DEMANDS
 FOR GRANTS (GENERAL)
 1984-85—Contd.

[Translation]

DR. RAJENDRA KUMARI BAJPAI : Mr. Chairman, Sir, I want to speak on one or two points more. The Opposition has been continuously saying that it is a pro-rich-man Budget. Members have not seen paragraph 20 at page 7 of the Budget Speech wherein it has been stated that the Government is formulating a Social Security Scheme which is intended—

[English]

—to cover the risk of death by accident in respect of earning members of poor families comprising landless labourers, small and marginal farmers, traditional craftsmen and others not covered by any insurance scheme or workmen's compensation arrangements.

[Translation]

This is a scheme under which today we have taken steps to implement those Directive Principles of our Constitution which we could not give effect to for so many years. Is it not a step towards Socialism ? I want to ask the Members sitting on the other side whether it is not a revolutionary step I hope that every section of the House will welcome it.

As the Hon. Finance Minister had also said, in the Budget due attention has been paid to the poorest of the poor of every section of the society. The Government has said that landless labourers whose wages could not be fixed would be covered under the Social Security Scheme. The scheme is meant for the poor, for their future and old age. This scheme can be of great help to those children who become orphans on the death of their parents in accidents. We should understand it. I welcome it.

It is a good thing that the pension of the retiring employees has been increased.

This is the Centenary Year of our Freedom Struggle which resulted in the attainment of independence. This is the Centenary Year of the Congress also. The pension being received by the freedom fighters from the Central as well as the State Governments should have been increased in this Budget. I would urge Central Government, the Finance Minister and the Prime Minister to increase

(Dr. Rajendra Kumari Bajpai)

the pension of our freedom fighters in this very Budget, as this is the Centenary Year. I have myself been a freedom fighter and I am making this demand on behalf of my brethren freedom fighters. They should be honoured and their pension should be increased. I hope the Finance Minister will touch this point while replying to the debate. I hope the Government will accept my suggestion.

In this Budget electronic goods and computers have been exempted from excise duty and the electronic goods have been given some more concessions separately. It is clear from the speech made by the Hon. Minister in this House some time back that the Government is anxious to ensure that the country makes rapid progress. We cannot make progress with traditional equipment only in the present era. The people of the world are far advanced now. We have a large population to whom jobs have to be provided and who have to be taken ahead on the road to progress. We hope that through electronics we would be able to make more progress in every walk of life. We do hope that with the dynamism shown in the budget and the way the big industries are coming up in the world, we would also be able to make progress. This budget has been prepared keeping all these aspects in view.

Before concluding, I would like to draw your attention to two or three points. The duty on bidis has been raised from Rs. 3.74 to Rs. 4 per thousand. This increase of 26 paise may mean an increase of one paise per bundle only. Why should the Government give any chance to the poor to say that the Government has increased tax on bidis? Our Government professes the welfare of the poor. We want to speak on behalf of the poor. The Government, therefore, must pay attention to this aspect.

Being a woman, I want to put feelings of women before the Hon. Minister. This

The speech was originally delivered in Tamil.

Budget can be called anything but a housewives' Budget. Every housewife is worried over the increase in her family in her family budget. The Hon. Minister should withdraw the levies imposed on kerosene, cooking gas, vanaspati and soaps. I hope he will pay due attention to it.

The increase in the duty on writing paper will pinch every parent belonging to the middle class. I am appealing to the Government to reconsider this increase also.

In the end, I will say that all told this Budget has been prepared keeping in view the progress of the country, the interest of the industries, and overall prosperity. Our Prime Minister and the Finance Minister deserve congratulations for this.

With these words, I welcome the Budget.

*SHRI P. SELVENDRAN (Periulam) : Madam Chairman, on behalf of my party the All India Anna D.M.K., I rise to say a few words on the Central Budget for 1985-86. At the very outset I have to say that this Budget has received bouquets as also brickbats. The ruling party members have acclaimed this Budget as the saviour of suffering poor people of the country, as the manna from heaven for the salaried class, and as the potent weapon for industrial and economic growth of the country. The Opposition Members have criticised this Budget as anti-people, as capitalist budget and as an instrument of surrender to the vested interests.

So far as I am concerned, I am delighted to make my maiden speech on the maiden Budget of our young and ebullient Prime Minister and his Government's first budget. I can say unhesitatingly that his Budget is as attractive and as strong our energetic Prime Minister, Shri Rajiv Gandhi.

None of us can controvert the universal claim that this Budget has brought

numerous directional changes to the economic policy of the Government. Normally the Budget is treated as a statement of account of the Government. The Budget for 1985-86 is far away from this appellation. This Budget of Shri Rajiv Gandhi's Government is like the New Deal offered by President Roosevelt immediately after assuming the Office of the President of United States of America.

So far it has been the usual practice to levy taxes on the assumption that the people are prone to deceive the Government. It has been axiomatic that the expenditure is exaggerated and the revenues from taxes are under-rated, thus building the premise for heavy dose of taxes. This year's Budget stands aloof from all such assumptions. The basis seems to be the Government's unshakable faith in the people and in their honesty. Hence this Budget deserves the unanimous commendation of this House. I am happy to say that this Budget is a beacon light for posterity, beyond the compliments and criticisms depending upon the whims and caprices of individuals.

In 1970 the Central Budget enhanced the income-tax to 90% at the higher bracket income. That was the first Budget of our late-lamented Prime Minister Mrs Indira Gandhi. Our hon Finance Minister, Shri Viswanath Pratap Singh has presented his first budget in 1985, which has brought down the income-tax on higher bracket income to 50%. It is not wrong to claim that this is a directional change in the income-tax structure.

Similarly, the minimum exemption/limit for income-tax has been raised to Rs. 18,000/-. This has removed about 10 lakhs of assesses from the income-tax net. This will relieve the Income-tax Department from unnecessary heavy workload. This will enable the Department to concentrate on the completion of income-tax cases and to expedite the recovery of

tax arrears running into hundreds of crores of rupees. The Comptroller and Auditor General used to point out in his Annual Report that so many hundreds of crores of rupees are income tax arrears. Here after he will be inhibited from doing so because the Department will recover the income-tax arrears expeditiously.

Another notable change is about MRTP companies. The statutory regulations were made applicable to companies with assets worth above Rs. 20 crores. 180 companies had been registered under MRTP and they were precluded to diversify their productive potential. This Budget has raised this limit to above Rs. 100 crores. Consequently, 100 companies have gone out of the purview of M.R.T.P. Act. They will now be free to diversify their industrial activities and to exploit their productive potential for the good of the country. Narasimhan Committee had made certain recommendations in this matter. Our Finance Minister has gone beyond the recommendations of Narasimhan Committee in this regard. The nation stands to benefit industrially and economically by this bold step.

Many other laudable innovations have been made in this Budget. The Wealth Tax duty structure has been modified. The Estate Duty has been repealed. No doubt the common people may not be concerned with these changes. But this will rid the Income-tax Department from heavy load of work, which will assist in the Department's labour elsewhere in tightening the taxation laws.

The removal of licensing system for TV, Radio etc. is a relief to one and all in the country. This has many indirect beneficial effects, like higher sales of these items leading to larger production, which in turn will generate more employment. The employees of P and T Department will heave a sigh of relief. I would like to suggest here that they should be given

[Shri P. Selvendran]

special training for implementing the small savings programme throughout the country. It is regrettable that out of 5.5 lakhs of villages in the country, there are no post offices in 4.5 lakhs of villages. The absence of post offices in rural areas means no serious effort to mop up small savings there. Besides, when the country enters 21st century, the rural areas will not be able to accompany the nation in the absence of post offices. At least for every 10 villages there should be a post office. I request the Hon. Minister to take note of this and do the needful,

Our Hon. Prime Minister has been repeatedly stressing the imminent danger to human society if despoilation of nature is allowed to continue without check. In rural areas the firewood from the forest is the main source of energy. The rural women walk 5 to 6 kms every day together firewood for cooking the meals. It will take decades for the setting up of bio-gas plants all over the country. With stringent implementation of Forest Laws by the States, the rural women are left with no alternative except kerosene for cooking purposes. Our Hon. Chief Minister, Puratchi Thalaivar Dr. M.G. Ramachandran has ensured the supply of electricity to all the villages; in fact the electricity is supplied free of charges to small farmers. Yet electricity cannot be used for cooking in rural areas. Kerosene is the only energy fuel available in the rural areas. Now the price of kerosene has been enhanced, affecting 80% of the people of our country living in rural areas. I appeal to the Hon. Finance Minister to drop the increase in the price of kerosene.

The Hon. Finance Minister has modified the excise duty structure on safety matches. In order to ensure the conservation of wood, he has suggested four rates of excise duty, expressing his hope that the manufacturers would take to produce cardboard matches. Unfortunately the matches are not sold at

four different prices. The match box paying less excise duty is sold for 25 paise and the match box paying higher excise duty is sold for 25 paise, thus denying the benefit of differential rate of excise duty to consumers. In this process the Government is also denied its revenue from this area. The objective of conservation of wood is also defeated. Hence I suggest that the excise duty on wooden matches should be higher than that levied on cardboard matches.

I cannot approve, appreciate and admire the increase in the price of Gas Cylinder. The housewives are the worst-hit. With the increase of freight rate by 10% and with the re-classification of essential commodities like wheat, rice, pulses, salt etc. being carried on concessional rates, the price of all these essential commodities is going to be increased steeply. Naturally the mothers and sisters are afflicted by this budget disease. Remembering the jewel among women who was at the helm of affairs of the country for two decades, I want that the price increase in gas cylinder should be dropped. I request the Hon. Prime Minister to intervene in this and ensure that this is done.

In all the meetings of National Development Council, our Chief Minister, Dr. M. G. Ramachandran has been repeatedly drawing the attention of the Central Government about the frequent increases of DA being given to Central Government employees without taking into confidence the State Governments. The State Governments with their limited resources and with no possibilities for augmenting their resources, are hardput to increase the DA to their employees. The Reserve Bank of India is very strict with the States regarding overdraft facility. The Centre should appreciate the problem of States in this regard and in consultation with the States, such DA increases should be sanctioned.

Our benevolent Chief Minister has introduced the Nutritious Meals Scheme for the welfare of blossoming buds of humanity. When hunger is appeased, the children attend to their school work. The sinews of posterity are being strengthened. The scheme has been acclaimed even by international agencies. This deserves to be introduced all over the country. I take this opportunity to demand that the Nutritious Meals Scheme of Tamil Nadu Government be treated as a Plan scheme.

The Hon. Finance Minister has become the saviour of suffering peasants by introducing the crop insurance scheme. He has generated seeds of hopes in their minds and he should allow them to grow into fruit-bearing trees by introducing such welfare schemes for the good of farmers in the country.

The Central Government has earned the gratitude of farmers in the country by yet another scheme of paying Rs. 3000 as compensation to the dependents of one who is killed in an accident. I am constrained to say that this sum is too meagre even to meet the expenses on obsequies. I suggest that this should be enhanced to Rs. 5000/.

The Budget for 1985-86 is like a bejewelled and bedecked bride in all her beauty and glory. Just because there are one or two pimples on her face, she cannot be called ugly and not beautiful. Similarly, this Budget may have one or two undesirable propositions. That should not deter us from commending the Budget to the unanimous approval of this House.

With these words, extending my support to the Budget on behalf of AIADMK. I conclude my speech.

[Translation]

DR. G S RAJHANS (Jhanjharpur): Mr.

Chairman, Sir, it is my maiden speech in this House.

This Budget is unprecedented in every respect. I think such a good Budget has never been presented after independence. This is a growth-oriented Budget. It is a common man's budget, a middle class Budget. Sometimes I think if I were a Professor of Economics and my students had asked me what type of budget the country should have, my reply would have been that it should be like the budget of 1985-86. Before dwelling on other points, I would say that the Finance Minister has himself met all those points of criticism which the Opposition has been raising for several years. The rate of income tax has been reduced and the tax-structure has been rationalised. Estate duty has been withdrawn. Crop insurance has been introduced. Provision of compensation to the dependents of persons killed in accidents has been made. Due attention has been paid to benefits for industrial workers. The gratuity rate has been raised. Every sector of society has benefited by this Budget.

After hearing the arguments of the opposition, it appeared that they were advancing arguments for the sake of arguments. I am a journalist. This Budget was reviewed by one of my friends and several leading dailies of the country and all of them were of the view that this is a good and invigorating Budget. That is why you say that it is a good Budget. I would like to say to my friends in opposition that if there is freedom in the country it is in the press. Neither the owner nor the Government can pressurize it.

Let me give an example. Our Hon. friend has based half of his Budget-speech on an article which appeared in a leading daily of Delhi.

[English]

The greatest gain for the smallest people.

[Translation]

This was published in yesterday's newspaper. You call that newspaper a monopolistic newspaper. Had it been a monopolistic newspaper then it would not have been free to write such a critical article on which you based your speech. So, for God's sake do not malign the newspapers of this country. It pains us. We have only one freedom and we want to keep it intact. We will call a spade a spade, whether you like it or not.

Secondly, our friend has said that the deficit of Rs. 3349 crores will cause inflation and prices will rise sharply. Sir, I want to submit that the deficit was more than this in the 1984-85 Budget. It was Rs. 3985 crores but the inflation did not increase more than 5 percent. You cannot say that if there is good monsoon, the inflationary pressure will be reduced and if there is failure of monsoon, the inflationary pressure will go up. I will submit on the basis of your own argument that there were good rains in 1983-84 resulting in a bumper crop. In spite of this, the inflationary pressure was much more but in 1984-85 the rate of inflation had decreased. So you cannot attribute it only to monsoon. With better economic management, the rate of inflation goes down. There is a principle of economics that money chases the goods. If there is abundance of products in the market, the inflation will go down. So, it is my submission that the deficit is not on the high side and there will be no significant increase in the prices.

Sir, praising the budget in every respect, I want to draw your attention to my constituency. Indiraji once said that Mahatma Gandhi had taught have a basic principle that whenever she was in doubt she should keep only one thing in mind namely how her action could be beneficial to the poorest of the poor. I belong to that Constituency which has been known as Mithila in history for thousands of years. Mithila is the place

where Sita was born, where Sita married Ram. There was a time when Mithila was a prosperous region but today Mithila is one of the poorest areas of the country. That poor area will also be benefited by this Budget. There the farmers will get the benefit of crop insurance and workers will get compensation in case there is an accident. Today, this area has to bear the brunt of three rivers —the Kosi, the Kamla and the Bhoothipalan. You cannot imagine the suffering of the people of that area. The people live on boats or on trees by making *machan* on them for 6 months in a year due to floods. During the rainy season, all means of communication are disrupted. If someone falls ill, he can be taken to the nearby hospital only on a cot helped by four persons. Sita of Mithila always remained in anguish. If Sita of Mithila remained in anguish, should the people of the land of Sita also remain in anguish? Lav and Kush did not tolerate the suffering. Today there is an army of Lav Kush there who demand employment. I urge upon the government to set up industries there because the unemployment problem is acute and the pressure of population is increasing. Unless industries are set up there and employment is provided to the people of that area, it will not be possible to uplift the people of that area. The army of Lav Kush has arrived in Delhi. Today, three to four lakh people from Mithila are living in Delhi. They have come here in search of livelihood. Something should be done for them so that they may be able to earn their livelihood in Mithila itself.

Thousands of tonnes of mangoes not every year in Mithila. If a mango-based industry or agro-based industry is set up there, it will provide employment to the people of that area. I have still to cover many points but as I have been asked to wind up, I shall conclude with these last words. Government have tried to curb the circulation of black money and it is a good step by itself and we all should welcome it. The economy of the country will improve

only when black money is eliminated. The Opposition should support all the constructive steps of the Government and should not criticize all the time only for the sake of criticism.

With these words I conclude.

SHRI OWAISI (Hyderabad) : Mr. Chairman, Sir, the Budget which has been presented in this House after a massive victory has failed to fulfil the hopes and aspirations of the people. It reminds me of an adage, big cry little wool. It will be in the fitness of things if I say that there has been no gain at all from it.

It has been said that in this budget that a good number of benefits have been provided to the common man but the fact is that this Budget is intended to give benefits to the capitalists and the poor will not gain anything from it. You must have seen that the Members sitting on the other side repeatedly pointed out that increase has been proposed in the prices of kerosene, cooking gas, petrol and diesel. It will cause increase in the prices of all commodities. The Railway fares have increased. So, the question is; What has the poor man got through this budget? If you see the wealth of capitalists at the time of Independence of India and the wealth earned by the twenty or twenty two capitalist families of today then you will know that the Government talks of socialism but benefits the capitalists. In short, through the Budget the poor will become poorer and the rich will become richer. Secondly, presenting such type of budget is resulting in the erosion of values in India because a poor man cannot make both ends meet in these days of high prices. A Government employee also finds it difficult to make both ends meet with his salary these days. The result is that corruption rampant and the law and order situation is getting worse. If you look at the British period of 250 years, you will

find that the incidence of firing and lathi-charge was far less then as compared to the situation obtaining now.

(Interruptions)

Similarly, the issue of Gujarat is before us. An agitation has been organised there against reservation. The State Government, instead of going into the problem of reservation, has termed it a communal riot. As a result thereof, it has assumed serious proportions and many people have lost their lives.

[English]

SHRI HAROOBHAI MEHTA (Ahmedabad) : Law and order pertains to the State subject. He is abusing the privilege.

[Translation]

SHRI OWAISI : I would like to say that whereas the moral aspect of this issue should be looked into, it should also be kept in mind that in India Muslims constitute one of the largest minorities. They have some problems. You should pay attention to the redressal of those problems.

Muslims are very backward in the matter of education. According to the law of the country, they can open their separate educational institutions. They want to open their own medical and engineering colleges but all sorts of difficulties come in their way. That is why they are lagging behind in the matter of education.

The Central Government has set up a Minorities Commission. But its report has not been made public so far. The Commission should be given statutory status so that its report has the desired effect. In this way the problems of the minorities will be sorted out. Similarly, a Minorities State Finance Commission should be set up, rich as are in existence in some States. This will enable the

[Shri Owaisi]

common man, who cannot get loan from the banks, to get loans from those institutions. This will help them in improving their lot. A scheme should be formulated for the Muslims to enable them to get employment and make progress.

You know that Muslims are backward in the matter of education and employment. A Ministry for the minorities should be set up for the redressal of their problems.

Muslims in Andhra Pradesh feel insecure. It is the duty of the Central Government to make provision of reservation there. You know what had happened there during elections and what is happening today. Even today arrests are taking place. When you see newspapers, you would say that there is no trouble of any kind, but if you go through the proceedings of the Assembly, it is stated clearly in it that arrests have been made there. The Home Minister of the State was informed that the Muslims were beaten up and when they asked for water, instructions were given for passing urine on them. I want that the Central Government should protect the rights of minorities and should provide facilities to them.

Similarly, you will find that ten lakh rupees were provided from the Prime Minister's Relief Fund for those people in Andhra Pradesh whose shops etc. had been looted but till date not a single paisa has been given to them. When they are asked, it is said that assistance had already been provided to you and as such those ten lakh rupees have been adjusted with the earlier assistance. Please tell me why the money given from the Prime Minister's Relief Fund has not been distributed. You should look into all this. I want that the Government should immediately probe into this aspect why when money has been provided from the Prime Minister's Fund, the same has not been distributed till today. It is

for the Central Government to find out why the money has not been distributed till today to the affected people, to the persons whose shops were looted. Similarly, I want that in the old city where Muslims are living and where 45.5% of the total population of the city lives, drinking water should be made available. In spite of so much population, drinking water facility is not available there. I want that the Central Government should do something in this respect and solve their problems. When you can allocate money for the people from Sri Lanka, you can do something for the people of Andhra Pradesh also. The Government of India should look into this. With these words I thank you.

(*Interruptions*)

I do not need your applause because when I speak about Telugu Desam you feel elated but when I talk about you, it is not liked by you. Therefore, I do not know what your likes and dislikes are.

SHRI UMA KANT MISHRA (Mirzapur) : Mr. Chairman, Sir, heartily support this Budget. I want to congratulate the Hon. Finance Minister and the Prime Minister that without abandoning our basic policies and accepted economic principles, a new path has been adopted in the Budget. First of all, I would praise the Finance Minister for getting inspiration from Smt. Indira Gandhi in the beginning of his Budget Speech. The economic policies of Shrimati Indira Gandhi were based on the principles and ideals established by Mahatma Gandhi, Pandit Jawahar Lal Nehru and on the basis of those principles she established the economic, social and political structure of the country and made it strong; she took the country forward and brought respectability to it. We want to congratulate the Finance Minister and the Prime Minister on their success in giving a new shape to the Budget without abandoning the principles and ideology of Shrimati Gandhi.

Sir, the good features of the Budget have been enumerated by many. Taxation has been simplified, taxes have been reduced for the private Sector, crop insurance for the benefit of farmers has been provided, Estate duty has been abolished, surcharge has been abolished, the Rs. 15000 limit has been raised to Rs. 18000, ten lakh tax payers have benefited by the relief, Compulsory Deposit Scheme has been abolished, employees have been given relief; but the most important feature of the Budget is that for the economic development of the country and for generating job opportunities, along with the public Sector, other sectors have also been given incentives. Just now, one Member from the Opposition was saying that we had relegated public sector to the background and its officers were feeling ignored. Our basic economic policy, which was formulated by Pandit Jawahar Lal Nehru, is based on mixed economy. Under the mixed economy, all the three sectors, i.e., Private Sector, Public Sector and Cooperative Sector were to play their role for the economic development of the country. We did not fully utilise the services of the Private Sector, as was envisaged, in the name of socialism.

If the country is to become economically strong and if the backward areas of the country are to be industrialised and developed, it is very necessary to utilise, along with Public and Cooperative Sectors, the services of the Private also. Private Sector, has been encouraged now. It does not mean that we have adopted the capitalist system but the idea is to do something which may help in the development of the country, generation of employment opportunities and reduction of unemployment. If the production increases, the poor too will be benefited. To say that with Private Sector capitalism will be encouraged and it will not be advantageous to the poor is not true. This is in accordance with our policy of mixed economy. We have decided to utilise

the Private Sector fully. The Private Sector is feeling inspired because setting up of industries will result in more production and employment. This will benefit the poor and the economic condition of the country will improve. The most important thing is that incentive to the Private Sector will result in accelerating the pace of economic development of the country. This step of the Hon. Prime Minister is a welcome step. After becoming Prime Minister, Shri Rajiv Gandhi had declared that the Government would adopt a liberal economic policy. The people of the country were waiting to see what type of economic policies would be adopted by our young Prime Minister. The people are satisfied with the Budget presented. It reflects the liberal policies of our Prime Minister. It is not possible, as the people are expecting, that the country can be taken into the 21st century in a period of six months or one year. This Budget is just a step to take the country into the 21st century. We heartily congratulate the Hon'ble Prime Minister for this. If I speak more on economic issues, you will ring the bell. This country cannot develop without resources. Without the taxes imposed by the Finance Minister, development is not possible. Certain sectors have been exempted and certain sectors have been included. The progress of the country is not possible without resources. To oppose the laying of taxes by Government or to criticise taxation in a developing country is to obstruct development. In a developing country, it is not possible to undertake developmental work without mobilising resources, whether by direct or by indirect taxation. One thing, of course, I would like to say. With the present taxation, certain articles will become costly which will affect the common man. Kerosene oil, soap, vegetable oil are items of daily use by the common man. Their prices should not increase. There is no objection if the prices of radios and television sets increase. Reduction in the prices of the radios and television sets

[Shri Uma Kant Mishra]
will not make any difference. It will be good if the prices of the used by the common man are reduced.

A new facility of crop insurance has been provided to farmers. Mr. Chairman, as the Hon'ble Finance Minister himself said, and the country and the whole world recognises, our economy is dependent on agriculture. During the last few years agricultural yield has been very good and it is because of this that our economy looks strong today and we are happy. Decline in agricultural production will affect the economy of the country also. The credit for increase in agricultural output goes to the agriculture policy of this Government, the hard work of the farmers, and also to favourable weather and climate. Therefore, my submission is that with a view to increasing production, more incentives should be given to the farmers and the prices of agricultural produce should be increased. I am happy that the Minister of agriculture has announced the support prices for wheat and certain other items which are more than they were in the previous years, but that is not enough. The fact is that when the farmer goes to market, the price he gets for his produce is less than the price he has to pay for the items he needs. There is still need to further increase the prices of the agricultural produce.

17.00 hrs.

Sir, there is lack of irrigation facilities in the entire country and in the past six Plans the irrigation facilities have developed at a very slow pace. Here, I would like to mention particularly the case of U.P. My first demand is that all the irrigation projects in U.P. lying incomplete should be completed on a priority basis and the projects which have been completed should be utilised in a better way. Their maintenance should be improved. Besides, more areas should be brought under irrigation.

Similarly, Sir, potable water is a basic necessity of life. Several areas in the country are facing the acute problem of drinking water. Water level in Mirzapur district and the areas around it is very low and people have to face acute drinking water crisis there. I request that urgent steps be taken to provide drinking water in that area. Likewise, Government should provide drinking water and irrigation facilities on priority basis in other parts of the country also where these are lacking. Jaunpur, Banaras, Mirzapur and many other districts are facing acute shortage of drinking water. I request that arrangements be made to provide water there through pipelines.

In addition, all the development programmes, like Rural Development programme, Rural Employment Scheme, Employment Guarantee Scheme and the programme for providing self-employment opportunities to the educated unemployed are important and essential. More and more funds should be provided for these schemes and it should also be ensured that these funds are utilised properly and not misappropriated. No fund has been earmarked for the programme to provide self-employment to the educated unemployed during the year 1985-86. I submit that adequate funds should be provided for this scheme in order to provide jobs to the educated unemployed and save them from frustration.

Sir, in the end, I would like to point out that Eastern Uttar Pradesh is poverty-stricken and backward area. The work of eradicating poverty in this area has not been done with the desired speed. Uttar Pradesh is divided into five parts—Eastern U.P. Bundelkhand, Central U. P. the Hilly region and Western U.P. The *per capita* income in Eastern U.P. is 75 paise, 80 paise in Bundelkhand, one rupee in Central U.P., 90 paise in the hilly region and it varies from Rs. 3 to Rs. 4 in Western U.P. It is the most populous State in the country. If it

remains backward for centuries together, it is a matter of great distress. Government have not paid due attention towards this most populous State. I would like to give some examples. If you look at the *per capita* plan outlay in respect of all the States in the Sixth plan, you will find that it is Rs. 567 in Uttar Pradesh, 577 in Rajasthan, 570 in Kerala, 584 in Andhra Pradesh, 600 in West Bengal, 614 in Karnataka, 651 in Tamilnadu, 687 in Madhya Pradesh, 983 in Maharashtra, 1073 in Gujarat, 1179 in Punjab, 1273 in Himachal Pradesh and 1385 in Haryana. In this respect Uttar Pradesh lags behind considerably. So far as *per capita* Central assistance in the Sixth Five Year Plan is concerned, the share of U. P. in it has also been less.

I request the Finance Minister to provide more funds for the development of Uttar Pradesh particularly its backward areas.

Mirzapur district is a big district having an area of 275 sq. kms. It is almost equal to that of Kerala. Some development is taking place in Southern Mirzapur because of coal mines and a power-house there, but Northern Mirzapur and Mirzapur city are getting desolate in the absence of any industry there. I have repeatedly demanded that some big industry may be set up near Vindhyachal in Mirzapur. I request the Finance Minister, the Minister of Industry and the Prime Minister to pay attention to it.

With these words, I welcome and support the Budget and thank you, Mr. Chirman, for having given me the opportunity to speak on it.

SHRI MAHENDRA SINGH (Guna) : Mr. Chairman, Sir, I congratulate the Finance Minister on his presenting a very balanced budget. I support it. In this Budget efforts have been made to provide some sort of relief to everybody, whether

he be an artisan, a farmer, a worker or an unorganised labourer.

Launching of the Seventh Plan cannot be held up for want of resources in the next year, but efforts have been made to impose minimum taxes and provide maximum relief to the people. There was no alternative but to impose these taxes keeping in view the resource constraint. The economic position of our country has improved because of the policies of Nehruji and Indiraji. Our production has increased and many development works have been undertaken.

The practical economic policy adopted by the late Shrimati Indira Gandhi was not influenced by anyism. Efforts were made to eradicate poverty and achieve development of country through mixed economy and in a Planned way. Incentives to small business to the growth of the country.

Members from the Opposition have said that it is a conservative Budget and it will take us towards modern capitalism. (*Interruptions*)

Marxists Communists and C.P.M. (Naxalites) call it a bourgeois Budget. I am at a loss to understand the meaning of bourgeois because they have fifteen to twenty parties.

It is for the first time that a practical budget has been presented. This Budget does not follow the leader track and it will bring economic prosperity to the country in the same manner in which Roosevelt has brought about the economic development of his country through the New Deal.

It has provided a new direction to curb the corruption prevalent due to quota, permit and licence system and also to remove the hurdles thus created by the bureaucracy. It will help each section of the society to march

(Shri Mahendra Singh)

ahead. During the last 30 years, our infrastructure has become strong that we have been able to meet the requirements of electricity, coal and irrigation. Thousands of persons want to set up small-scale industries because of various development works that have taken place. In this Budget they have been given incentives for setting up small scale industries.

The deficit has increased as compared to what it was last time. There is a deficit to the tune of Rs. 3000 crores. I would urge upon the Finance Minister to ensure that the deficit does not increase at least this time as happened last time. It is very imperative for sound economy.

The relief given in the matter of income-tax is a welcome step. The exemption limit for personal income tax has been raised from Rs. 15,000 to Rs. 18,000. It will help 10 lakh tax payers, particularly the middle class tax payers, out of 40 lakh taxpayers. Another welcome step is the abolition of Compulsory Deposit Scheme and simplification of tax-structure. Income slabs have been reduced from 9 to 4 for which I would like to congratulate him particularly. I appreciate the step taken to rationalise wealth-tax by increasing its limit from Rs. 1-1/2 lakhs to Rs. 2-1/2 lakhs.

The sum provided as social security has been raised to Rs. 3000/- which is also a good step. It should be further increased and effort should be made to extend the benefit to the maximum number of people.

A welcome step has been taken by starting crop insurance scheme. The C.P.M. Members were saying something about premium. They have perhaps not gone through the Budget speech if the Finance Minister. Crop insurance would benefit thousands of farmers.

The Finance Minister has done a very commendable job by raising the tax

free limit of retrenchment compensation from Rs. 20,000/- to Rs. 50,000/-. The payment of wages to workers in the companies, where lock-out has been declared, would be given priority like the dues of other creditors. It would provide great relief to the workers. There is a provision in the budget to punish the sick units which is a very good step. The capitalists used to declare certain units as sick by diverting the funds to other activities and took loans from various agencies and no punishment was awarded to them. Now such people would be punished and they would not be allowed to set up any other unit in future.

You have taken a very welcome step by abolishing tax and licence fee on Radio, T.V. and V.C.R. I would like to congratulate the Finance Minister for the same. I would also like to congratulate him for raising the ceiling of investment in plant and machinery in respect of small scale industries from Rs. 20 lakhs to Rs. 35 lakhs. The increase in ceiling in respect of ancillaries from Rs. 25 lakhs to Rs. 40 lakhs is a good step. It will provide incentive to people with meagre resources to set up industries. In our mixed economy more opportunities are available to the people and the Hon. Finance Minister deserves congratulations for making provision in these directions.

No country can make progress these days without having electronic and computer industries. I would like to congratulate you that you have given incentives to them.

The provision of giving contributions to political parties by companies with a view to checking black money is also a welcome step. It would check growth of black money.

Now I would like to put forward certain suggestions. First of all, I would like to say that our food grain production has increased so much that our country has become self sufficient now.

But due to decline in production of sugar and tobacco and oil seeds as well as pulses, an amount of Rs. 700 crores has to be spent on their import. It would be a step in the right direction if production of pulses and oilseeds is increased. It would be in the interest of the economy of the country also.

The increase in the irrigational facilities has benefited a particular area and a few rich farmers only. Despite that, a huge amount has to be spent on the import of agricultural implements and other agricultural imports. I would like to say that the benefit of increase in irrigational facilities should also be entered to small farmers and to the areas where no such facilities exist at present. Dry cultivation should be given the maximum importance with a view to increasing the foodgrain production and so that the benefits of the country's progress could also be enjoyed by those people who have not so far benefited at all.

According to study conducted by IDBI, due to increase in production capacity in 30 industries, which account for most of the industrial production, the growth rate which was 7.5 percent in 1981, declined to 7.3 percent in 1982 and 5.2 percent in 1983. It is a matter of concern that despite the help of financial institutions there has been a decline.

Secondly, the biggest problem is that of sick units. Till 1983, a loan of Rs. 1735 crores was locked up in these sick units. It is very necessary to set them right so that the funds could be utilised in a profitable manner.

Capital of about Rs. 36,000 crores has been invested in the public sector units. In 1982-83, there was a profit of Rs. 1603 crores. If of profit ONGC and IOC etc., is deducted from this profit, the earning from this huge investment comes to a very negligible amount. It is, therefore, very necessary that the condition of the public sector units is improved

so that the economy of the country could make progress.

The licencing system was started to check the monopolistic tendencies, but it has encouraged the protected monopolistic tendency. The big multi-national companies especially Reliance Textiles should not be allowed to grow in a monopolistic manner. Care should be taken in this regard.

The growing administrative expenditure is causing great harms to our economy. The increase in the percentage of administration expenditure to National Income is proving to be a hindrance to the developmental process and you would have to take steps in this direction. In the budget of 1950-51, the administration expenditure which was only 5 percent of national income, has now grown to 28 percent. This increase is excessive and efforts should be made to reduce it. 75 percent of non-plan expenditure is under the head defence, interest and subsidy etc. Whenever efforts were made to reduce the unproductive expenditure, the axe fell on, social service like Health, Education etc., unproductive expenditure should be reduced in such a manner that social services are not affected adversely.

If growth-rate in the Seventh Plan has to be kept at 5 percent, there should be constant improvement in the agricultural field. It is very necessary that the growth-rate of agricultural production is stepped up and efforts made to increase the production of pulses and oilseeds in addition to wheat and paddy. The record increase in agricultural production is bound to improve industrial production. If the growth-rate is raised to 7 percent as against 5.5 or 5.2 percent last year, there would be much progress and great improvement in the economy of our country. The financial discipline must be brought about in our economy and the states which violate the financial discipline must be punished. Similarly the States

(Shri Mahendra Singh)

which do not violate the financial discipline, must be given incentives. The overdrafts by States specially. Contribute to increasing in inflation. It is very necessary that overdrafts of States be minimised. There should be a ban on the case of those States which resort to overdrafts quite often. I would request the Government that it should announce a scheme to provide additional incentives to the States which maintain financial discipline.

I would also like to add that it is a matter of great satisfaction that foreign exchange reserves of the Country have increased to Rs. 6014 crores from Rs. 5498 crores. With a view to improving the economy of the country, it is very necessary that power generation increased to the maximum power generation has not been increased to the optimum level. Besides, power and petroleum products are equally essential items. It is very necessary that indigenous production of petroleum is increased to the maximum so that import of petroleum could be minimised. I am happy to note that Government has made sufficient provision for this, purpose. For power sector also, a provision of Rs. 2025 crores has been made as against Rs. 1484 crores last year. A provision of Rs. 200 crores has been made in the budget for the development of nuclear power plants, which is a very good step. All these things will have good effect on every sphere of the economy of our nation.

New textile policy is proposed to be announced by the Government. I would request that every effort should be made to make the cloth available at cheaper prices and the new textile policy should be declared as early as possible.

The most urgent need is to provide the people with cheaper houses. HUDCO provides loan for-Constructed of houses, but the HUDCO charges interest like an usurer. With the loan

which is sanctioned it is not possible to maintain the prescribed specification and standard. I would, therefore, request that practical specifications should be prescribed and maximum number of houses should be constructed in the rural areas. One of the main causes of consumption is that the teachers and other Government employees who are pisted in villages are unable to get houses. It is also necessary to bring down the price of building material, otherwise a time may come when it would be impossible for the people to construct houses.

I would also request that you should provide maximum subsidy for installation of hand pumps in the villages. In each village two, four of five handpumps should be installed. You should make maximum provision for this purpose so that at least the problem of drinking water could be solved after 37 years of Independence.

I would also like to add that the loans being provided to the people under IRDP and other programmes, are being grossly misused. The banks are putting obstacles in such loans. The Minister of State for Finance, Shri Poojaryji had visited our area. He continues to visit all the areas and he is marking all possible efforts for which I would like to thank him. This aspect is in his knowledge, but more efforts should be made in this direction. Many complaints of consumption have been received regarding disbursement of Rs. 25,000/- as loan to the unemployed. these loans are being disbursed to the families who are not entitled to receive them.

So, I request the Minister to make arrangements for according priority in the matter of providing loans to those families where not a single member is employed so that genuine and needy persons get full benefit of this scheme.

As the Chairman is not allowing me more time, I conclude my speech and support the budget presented by the Finance Minister.

SHRI LAL VIJAY PRATAP SINGH (Sarguja) : Mr. Chairman, Sir, I support the Budget whole heartedly. All the sections of society will be benefited by it because it has been prepared with great wisdom, imagination and judiciousness.

Mr. Chairmen, Sir, you know that ours is a big and a developing country. There are great potentialities of its development. There is a large number of low income group, middle income group and high income group people in the country. This Budget has been prepared keeping in view the interests of all sections of society and I feel it will benefit all of them. If you glance at the budget proposals, you will find that the income-tax limit has been increased from Rs. 15,000/- to Rs. 18,000/- which is a welcome step and it will benefit quite a large number of people. Similarly, in the case of wealth-tax, the limit has been raised from Rs. 1,50,000 to Rs. 2,50,000 and the rate of tax has been reduced from 5 percent to 2 percent. It is also a good step because most of the people come under this category. In addition, the introduction of the crop insurance scheme is also unique in itself and I feel it will benefit the country to a great extent. It will benefit the farmer and have a very good impact on our country.

In addition, I would like to submit that the proposal regarding contributions to the Prime Minister's Relief Fund is a welcome step. It is well known that people have black money in abundance which is kept concealed. Now donations to the Prime Minister's Relief Fund, will qualify for relief in tax. It is a good step and it will be helpful in preventing the generation of black money which can be put to a better use.

The Finance Minister deserves congratulations for abolishing the Compulsory Deposit Scheme as the employees

had been demanding its abolition for a long time. The limit for payment of bonus has also been raised from Rs. 750 to Rs. 1600. There is also a proposal to give compensation to the victims of accidents. All these measures do not appear to be important, but a closer scrutiny reveals their importance. In addition, tax relief has also been provided to the sportsman and the scientists. Authors of university level text-books, dictionaries etc. in Hindi and other Indian languages have also been provided tax relief. I welcome all these steps. If we see the Budget in totality, we shall find that the Finance Minister has used imagination to prepare this practical Budget. The Members from the Opposition have expressed apprehensions that the prices will go up on account of this budget, but if the budget proposals are given effect to properly, the prices will certainly come down.

Mr. Chairman, Sir, through you I would like to touch one or two more points. So far as duty on petroleum products and other essential commodities is concerned, I request you to reconsider this matter because these commodities are used by the common man. For example, petroleum products are used by everybody in the country, whether he is a small farmer or a worker, directly or indirectly. I would, therefore, request the Finance Minister to reconsider the increase in all seriousness and ultimately it is he who will have to decide whether to provide some relief or not.

A laudable step has been taken so far as modern computers and medicines are concerned. A provision has been made for the import of medicines for serious diseases like T.B. etc. Similarly, some other facilities have been given to the public in this Budget and these should really be appreciated.

I would also like to draw the attention of the Finance Minister towards the

(Shri Lal Vijay Pratap Singh)

backwardness of Sarguja district from where I have been elected. It is inhabited mostly by Adivasis. This district supplies fuel, coal and other useful items in large quantities to the entire country. There is great scope for development, but it is a matter for regret that despite many effective steps this district could not be linked with the mainstream of the country so far. The schemes meant for linking this district with the mainstream are progressing at a slow pace. Whatever the reasons for the slow pace, whether it is backwardness ignorance or any other reason, additional funds should be provided for expeditious execution of the schemes. Acute drinking water scarcity is also there in this district. I would only submit that keeping in view its backwardness and to ensure its proper development, it is absolutely necessary to make proper arrangements for drinking water there. If proper attention towards development of this area is paid, this backward area will definitely join the mainstream of the country.

With these words, I once again congratulate the Finance Minister on presenting a very good Budget.

[English]

SHRI JAGANNATH PATTHAIK (Kalahandi): Mr. Chairman, Sir, I welcome this Budget because it is a tax-cutting and forward looking Budget and an attempt has been made in this Budget to inject honestly the philosophy to modernise India and to land India safely in the twentieth century. That is the desire of this generation whose symbol is Shri Rajiv Gandhi, the Prime Minister of India and it has been reflected in the Budget. Sufficient attention has been paid in this Budget to see that India can be advanced and modernised technically and industrially in this age of global competition. The philosophy of this Budget is that it is better to consolidate in some sectors than to have unscientific and unplanned

growth, and I welcome this philosophy. Measures like free education to girls, benefits to industrial workers and to persons who meet with accident, curbing of black money, given incentives to various sectors, generating the genius of youth in the fields of culture and sports, are highly appreciable and the younger generation of the country will be benefited by these measures.

While preparing this Budget, must probably there would have been three options left to the Finance Minister or the Finance Ministry. Firstly, to curtail the plan, secondly to increase the borrowings heavily and, thirdly, to inject heavy doses of taxation, and out of these our Finance Minister has rightly chosen not to curtail the plan or to borrow heavily and create problems for the future generation, but to have some taxation. Practically that is the best solution so far as my view is concerned.

I would like to urge upon the Government that we have to be vigilant and careful about our economy because our economy is a gamble with weather, and if the weather god is not kind to us, there is every possibility of inflation and the whole risk that we have taken in this Budget may prove to be a disaster. Therefore, my suggestion would be that we should give sufficient subsidy for food and fertilizer. Especially, we should supply subsidised food to the rural people and to the lower income group. Similarly, sufficient incentives and subsidy should be given to the farmers in the matter of fertilizers and other inputs also. I say this because there is a feeling among the agriculturists as we observed during the elections while talking to them, that although this is a country of rural and agricultural economy, but in actual practice they are not done sufficient justice. So, we should take care of them. I think in this Budget we have given concessions to all the sectors, mainly to the industrial sector, but we have not given sufficient incentives and subsidy to

the agriculturists. So, we should do that.

As we have taken a very practical approach so far as our industrial policy is concerned, and have given sufficient incentives to the industrialists in the private sector, there cannot be any grumbling now that the Government is not allowing them to grow in a free atmosphere. Sufficient scope has now been given to them for their free and fair growth. Now it is the duty of the Government to review whether the industrialists are taking advantage of the concessions provided to properly take care of the growth of industry or not. We should be more vigilant now, because we have given them sufficient incentives.

The mere provision of finance or giving them tax concessions will not be sufficient for the growth of industry. We have also to take care of the raw materials and power generation.

We all believe in socialism. Now it is not a party matter. It is enshrined in the preamble of the Constitution by the Fortysecond Amendment. We have taken the pledge to have social justice in articles 38 and 39 On our Directive Principles. Therefore, we should now be more careful about the growth and development in the field of agriculture and industry. There should be proper justice done through equal distribution so that there will be socialism. We should take steps to eradicate regional imbalance. From that point of view, we should pay more attention to States which are not developed agriculturally or industrially, where the *per capita* income is very low. We should take this philosophy, not only to the State but to the district level, so that proper justice will be done to all parts of the country.

Even though Orissa is a land of plenty from the point of view of minerals, mainly because of the political insta-

bility, it remained a poor and backward State all these years. Now there is no more political instability and we want to bring the State up to the level of the industrially and agriculturally advanced States. One of the reasons for our backwardness is that we are lacking in the field of irrigation and power. So, sufficient attention should be paid and more funds should be allocated to the State of Orissa, to enable it to increase the area under irrigation, which is in fact the first point of the 20-Point Programme.

In the Indravathi Project, which is the biggest project now in progress, the pace is slow because of lack of funds. This project will provide not only irrigation but also generate power to the extent of 600 MW. So, more funds should be provided for this project.

As sufficient coal is available in our region near the Jib river, a Thermal Power Plant may be set up. The Super-Power Thermal Station at Talcher should be taken up and executed expeditiously.

Improvement in the matter of railway facilities is a must for the growth of the State and also the national economy. Therefore, the Talcher-Sambalpur line and the Ambaguda-Jeypore line, which will link Kalahandi which is rich in mineral deposits like bauxite, should be taken up without further delay.

In order to remove the regional imbalance, sufficient attention should be given to backward States and backward districts. The Planning Commission should have an independent monitoring cell, which should periodically evaluate the progress, which should be printed in their magazine, *Yojana*.

I again welcome this budget, as it has given attention, to all sections of the people. At the end, I will spongly plead that the enhanced rates of levy on

(Shri Jagannath Pattnaik)

kerosene and cooking gas should be reviewed or withdrawn.

[*Translation*]

SHRI NARESH CHANDRA CHATURVEDI (Kanpur) : Mr. Chairman, Sir, first of all, I thank you for giving me an opportunity to speak and I also congratulate the Hon'ble Finance Minister on presenting such a judicious and courageous Budget. I congratulate him on introducing new features in the Budget which were not there in the Budgets of the past several years. The special features of the Budget are tax relief to big companies, abolition of the Compulsory Deposit Scheme, concession to electronics industry tax relief to the authors of books in Hindi and other Indian languages and they are commendable. The criticism by the Opposition about these issues is unreasonable and they have opposed for the sake of opposition only.

The Hon'ble Finance Minister has mentioned certain things in the Budget and I would like to say something about them. In the beginning of the Budget speech he has quoted Shrimati Indira Gandhi : 'No section of our vast and diverse population should feel forgotten.' This approach has been adopted in the Budget. I support this approach but I would like to draw his attention towards an event which occurred many years ago. This event relates to the period when our great leader and the first Prime Minister, Pandit Jawahar Lal Nehru took over the reins of the country on the eve of Independence in 1946, and he went to Mahatma Gandhi to seek his blessings and guidance to run the country's administration. Bapu had given him a guiding principle that while taking any decision, he should keep in view the poorest of the poor of this country and thereafter whatever decision he took would be for the benefit of the whole country. I want to submit to the Hon.

Finance Minister that though he has kept in mind the diverse population of India, yet he has overlooked the direction of Bapu at one place; at the time of increasing tax on petroleum, products he has forgotten that petroleum, diesel, kerosene oil and gas cylinders are no longer used exclusively by the affluent people; now these are being used extensively by the small people and middle classes. Every well-to-do farmer has a tractor and uses diesel in it. Each and every hut of the village burns kerosene oil. Even the *bildis* smoked by people with the lowest income, have not been spared. Therefore, I request the Hon'ble Finance Minister to reconsider taxes on these items. To increase one rupee per litre on petrol, Rs. 6 on every gas cylinder and 75 paise per liter on kerosene, to my mind, is quite a heavy burden on the poor citizens of this country. The Government should reconsider it.

I would also submit that increase in paper prices is also not justifiable. There is still great need to propagate literacy in the country, and in a country where paper is needed not only for media but also for books, exercise-books by crores of children, the increase in paper prices is a matter of great concern. Our Finance Ministry and the Hon'ble Finance Minister, who himself is an intelligent and a scholarly person, cannot overlook the fact that paper is needed extensively both for literary pursuits and educational work. I hope he will reconsider this matter.

For one thing I will definitely congratulate him that he has maintained the dynamism of the Budget and has not bothered that the Opposition Members will brand him as supporter of the capitalists or make others, baseless allegations. He has done what a good Finance Minister should do for the better future of the country. The exemption limit for personal income-tax has been raised from Rs. 15,000 to Rs. 18,000 which I think

is on the lower said. Today in India, there has been considerable increase in the number of persons with a minimum salary of Rs. 2,000, whether they are bank employees or L.I.C. employees or professors or teachers. You take any middle class man, his pay will not be less than Rs. 25,000 per annum. The exemption limit should have been at least Rs. 20,000. By not doing so, the Finance Ministry has shown its somewhat narrow approach. I hope that the Hon. Finance Minister will remove this short-coming and extend the limit from Rs. 18,000 to Rs. 25,000.

I would like to say a few words about the provisions made regarding Education, Labour and Industry. I have been elected to Lok Sabha from Kanpur city. Two or three mills of the city have been closed down. The Hon. Finance Minister himself, when he was the Commerce Minister, while speaking on J.K. Rayon Mills has stated that the mills would be opened soon. A period of two to three years has elapsed since that announcement was made. J.K. Manufactures, the second mill, has been lying closed for the last 7-8 years. Thousands of workers of that mill have been rendered jobless. They are suffering a lot. I think lack of complete control over the industrialists running these mills is the cause of the sufferings of these poor employees. If the Finance Ministry, after giving compensation, takes over the mills, the problem can be solved to some extent. The management of the mill is not in a position to run the mill. When the State Government put pressure on the management for starting the mill, they went to court and got a stay order. The problems of the employees cannot be solved this way. When the new textile policy comes into force, many sections will be affected. It will affect Kanpur also because maximum number of textile mills are in Kanpur. We will welcome modernisation but if it affects the interests of the toiling workers adversely, there would be difficulties in accepting it. Only after the new textile policy has been announced, we

will come to know about its merits, but this should be taken care of that it does not create difficulties for the workers.

The funds allocated for education are insufficient. The Indian educational system is in doldrums. Education being a State subject, neither the three-language formula is being implemented nor any clear language policy seems to have been formulated. In certain States, the teaching of the English language starts from the First Standard, in the others from the Third or Fourth Standard and in certain States English is not taught at all. There are States where Hindi is not taught. Whenever the matter of three-language formula is raised, it is said that there are financial constraints. Hindi is spoken by a majority of the people in this country. Non-use of Hindi in work and frequent change in policies are resorted to at the State Level. My submission is that the language policy should be clarified. Even after 38 years of independence, it is not clear how long English is going to continue. If Hindi and other Indian languages are not given importance, Independence loses its meaning. Babu has said that a country is dumb if it does not use its national language in carrying out its entire work and does not develop it. The fact is that our progress in the matter of use of Hindi remains far behind. I want that the Finance Minister should provide sufficient funds for the development of the national language Hindi and for the propagation and development of all the Indian languages. It is very important. Without this the country will remain dumb. To enable the country to become articulate and to infuse vitality in it, it is necessary that there should not be any negligence in this regard. If the Indian languages are not developing due to lack of finances, efforts should be made to remove this constraint so that Indian languages could develop and the brighter profile of the Indian people is projected before the world.

I would like to submit that the

(Shri Naresh Chander Chaturvedi)

workers in our country are facing very difficult problems. Firstly, there is the housing problem being faced by lakhs of workers engaged in the big factories in the metropolitan cities. I know about Kanpur where the mill-workers even after working for years together, have still to live in shanties. They have not been provided with a roof over their heads or a flat to live in. On the other hand, hundreds of residential quarters have been constructed in Kanpur city. Therefore, I would request you that in Kanpur city, where about five and half lakh labourers and workers live without any proper housing facility and about two lakhs of them sleep on footpaths braving heat, cold and inclement weather, and many are living in Jhonpris which leak, the Government should at least provide a roof over their heads. I am not speaking of Kanpur alone but in all the industrial cities of our country where there is a little or no housing facility for workers, appropriate provision for the purpose should be made. The dwelling units may be small or big ones, but at least a roof should be provided to all of them. In a welfare State like ours if we are not able to provide food, medical facilities or employment opportunities, we should at least provide them with a roof over their heads.

It is appreciable that government has introduced crop insurance scheme but it is still in its infancy and its scope is very limited. I would like its scope be widened. Alongwith the workers, the defence employees are also facing the housing problem.

These number is about one lakh and a half and there is no labour colony for them. Therefore, effective steps should be taken to provide them with housing facilities. I would like the Finance Minister to look into it and provide funds therefor so that these welfare measures could be implemented. This budget is beneficial to all sections of the

country. This should benefit the common man also. With these words, I support this budget.

17.58 hrs

DISCUSSION ON URGENT NEED TO
ENSURE REMUNERATIVE
PRICES FOR AGRICUL-
TURAL PRODUCE TO
FARMERS

[English]

MR. CHAIRMAN : Now, two more minutes are left for 6 o'clock. Shall we take up the Discussion on the urgent need to ensure remunerative prices for agricultural produce to the farmers under rule 193 ?

Prof. Madhu Mandavate.

PROF. MADHU DANDAVATE (Rajpur) : Mr. Chairman, Sir, I rise to raise a discussion on the urgent need to ensure remunerative prices for agricultural produce to the farmers.

Mr. Chairman, in our country, the lobbies of organised labour and those of industry are quite vocal. But unfortunately, the peasant who is the backbone of our entire economy in the country has a very feeble voice. To give voice to the demands of the peasants and their aspirations, I rise to raise this discussion under rule 193.

The question is one of remunerative price. For any agricultural produce, to quantify the remunerative price for all times to come is a meaningless proposition. The remunerative prices for the agricultural produce basically depend on the cost of production in the field of agriculture. This in turn depends upon the cost of fertilisers and other inputs, like, water, electricity, diesel, oilseeds, etc.