

The Madhya Pradesh Government has also formulated river water cleaning schemes and forwarded them to Central Government and they are pending for approval for the last many years. It is very necessary to clean and make pollution free the rivers of Madhya Pradesh namely, Kshipra, Narmada, Chambal and Shivana. Drinking water is also supplied from these rivers.

I, will therefore, request the Central Government to accord immediate approval to various river water cleaning schemes submitted by various States including Madhya Pradesh which have been pending for approval for several years.

**(v) Need to Open LPG Outlets in Ashta, Shirala, Patan and Ubraj Towns of Maharashtra**

[English]

SHRI PRITHVIRAJ D. CHAVAN (Karad) : Sir, the pressure of population growth has caused a major problem of shortage of cooking fuel. Strict enforcement of Forest Conservation Act has virtually eliminated forest fire wood as a source of fuel.

There is urgent need to start LPG outlet in following place in my Lok Sabha constituency of Karad: Ashta in Sangli district which is a municipal town, Shirala, in Sangli district — Tahsil headquarter, Patan, in Satara district — also a Tahsil headquarter, and Ubraj in Satara district — a major trading centre.

I request the Ministry of Petroleum and Natural Gas to start LPG outlets in these four centres in my Constituency in Maharashtra at the earliest.

**(vi) Need to provide Air Links Between Bareilly (U.P.) and other Metro Cities**

[Translation]

SHRI SANTOSH KUMAR GANGWAR (Bareilly) : Bareilly is a prominent industrial centre of West Uttar Pradesh where major industrial organisations like IFFCO fertilizer factory, synethetics and chemicals, camphor slide products, WIMCO, IWP, three sugar mills etc. are there. And their head-quarters are in Delhi, Bombay and Calcutta. The Central Government has decided to develop Bareilly as a counter-Magnet city keeping in view the suitability of this town. The country famous Jain Temple is located in Bareilly and it is the nodal point for famous tourism centre Nainital; it is the Mandi for Kumaon and Garhwal region. But Bareilly has not been connected with air service, as a result, the tourists, passengers and industrial heads experience great inconvenience. Bareilly is being industrialised with great speed. The absence of air service is creating hurdles. I have also met the Hon. Minister with the request of connecting Bareilly by air service. He has given an assurance also. Therefore, I will request the Central

Government that keeping in view the utility of Bareilly, all effective steps should be taken to connect Bareilly with air service on priority basis.

**(vii) Need to Extend Reservation Benefits to Muslims in the country**

SHRI MOHAMMAD ALI ASHRAF FATMI (Darbhanga): Sir, many schemes are in operation for social uplift and economic development of backward classes and Harijans. The Government is paying special attention to their needs. The Muslim community in India still deprived of proper development and it is very backward from economic and social point of view. This particular community is not being developed and is backward in many areas.

I, therefore request the Government to make provisions for reservation for this particular community on population ratio basis so as to enable them to make their economic and social development.

[English]

MR. SPEAKER : Now, the House stands adjourned to meet again at 2.15 p.m.

13.11 hrs.

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

[English]

14.21 hrs.

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

(Mr. Deputy-Speaker in the Chair)

**FINANCE BILL, 1995**

MR. DEPUTY-SPEAKER : Shri Inder Jit Ji, one minute please. Shri Panigrahi wants to go to some meeting. So, if you could just accommodate him, I call his name.

SHRI SRIBALLAV PANIGRAHI (Deogarh) : Mr. Deputy-Speaker, Sir, I have the pleasure to support the Finance Bill for the year 1995. Since time is very limited for me, I would just deal with some points and leave the rest points.

Sir, there are several welcome features in this year's Budget. This Budgetary process is going to get completed today with the adoption of the Finance Bill by this House. In 1991, when this Government came into power, the Indian economy was in disarray. A lot of efforts have been made to bring the economy on a right path. Economic reforms are going on speedily and are also yielding results.

Sir, I feel, the period from 1st April to 31st March, which has been chosen as the financial year is not suitable in the Indian context. As you know, we have a strong monsoon season which generally commences from the 15th of June and continues upto to October. Even today it is said that Indian Budget is a journal on the monsoon. This is because we have not yet advanced very much in the field of irrigation. Thus, this saying holds good even today. Very recently, some parts of the country, namely Orissa, Andhra Pradesh have experienced prolonged torrential rains which, in turn, have caused havoc. Nobody knows what will happen? The people are reasonably apprehensive about a possible dry spell during the monsoon season. It is in this context that this choosing of the financial year from April 1st to March 31, following the practice of the other countries, would not help in this country.

India is predominantly an agricultural country. Agriculture is the mainstay of our economy. The period of the financial year should be chosen so as to correspondingly match the agricultural year or the crop year or the procurement year or whatever that may be. In that case, a lot of additional time would also be available for development activities in the field. Now, what happens is that by the time the Budget is passed, the various provisions of the Budget percolate down to the lower level and real work starts, we are somewhere in the last part of May or first part of June, that is, just on the verge of the onset of the monsoon season.

The work again gets disrupted till the month of November. So, in this way it should be given a thought to.

I am not going into the details of so many exemptions given in the field of income tax. However, I would like to make some suggestions. Since computers have been introduced in different fields, I think we can introduce permanent card system for the income tax assesses. I think it is also time to shift from the present Modvat system to Value Added Tax system.

The present Government is quite responsive. The Finance Minister has listened to the various suggestions made by hon. Members during discussion on the General Budget and has come up with amendments to the Finance Bill, which was presented together with the General Budget on the 15th of March. People from all sections of life have welcomed this Budget. It is a growth oriented Budget laying special emphasis on employment generation, poverty alleviation and rural development. These are the thrust areas of the Budget. While on the one hand it is welcomed by all, on the other hand people also criticise it saying that it is a pre-election Budget and a populist Budget. If there is some big dose of taxation, people say that it is an anti-people Budget. And if people like the Budget, they say that it is a

populist Budget. The point is, in whatever way the Budget is presented, it is subject to criticism by the Opposition Members.

I have a number of points to make but since you have put the time ceiling, I would not like to prolong my speech. The recommendations contained in the Tenth Finance Commission Report, which has already been presented though it is yet to be debated on the floor of the House, amount to blatant injustice to the backward State of Orissa. The natural calamity that we just had in Orissa can be called as a national calamity. But as per the Tenth Finance Commission Report the cut under the Calamity Relief Fund is coming to about Rs. 46 crore annually. There is an increase of nine per cent compared to the Ninth Finance Commission report, whereas for a State like Rajasthan there is 162 per cent increase and for Andhra Pradesh the increase is 142 per cent.

Orissa is a backward State, which is known as the home State of natural calamities. Flood, drought and cyclone visit the State of Orissa every year. Some time they come one after another and some time to make the life miserable for the people of Orissa, all of them come together. Orissa is the State which has maximum number of people living below the poverty line. As per the report of UNESCO, Orissa and Bihar are the two States which come first not only in India but in the whole world as far as hunger is concerned. I think this is something on which we should hang our heads in shame. How can such a State manage the affairs if only Rs. 46 crore are made available annually to meet the natural calamities?

This is an injustice being done. Orissa is lagging behind in the matter of per capita allotment of assistance. I would request the hon. Finance Minister — he is not here but Mr. Murthy is here who can convey it to him and the Government — to see that this issue is raised in the Finance Commission. We have to go in for balanced development of all regions and considering that point of view there is a lot of scope for improvement in our Budget and in our approach.

Sir, regarding the fertilizers some thing is being done to revive the sick public sector units but allocation done is not very satisfactory this year. Sir, we cannot depend on the world market to get fertilizers of the required quantities. India is a huge country. Even if you approach the international market with money backing it may so happen that it may not be available in required quantity. We have to try to achieve self-sufficiency to the extent possible in the field of fertilizers. There are several fertilizer plants, one in Talcher, another in Ramagundam and so many other plants, and with little bit of financial assistance they can be run very well which should be done.

Sir, I will close my speech with one point about banking sector. There have been so many poverty alleviation programmes like Jawahar Rozgar Yojna, and

Prime Minister Rozgar Yojna. Selection of beneficiaries for such schemes is done at the district level. It is done in the meetings attended by the District Collector and the representatives of the banks. Sir, it is surprising, it is a matter of regret, it is disgraceful that having agreed to the lists they are going back later on. They go back upon their own recommendation which they agree to, when it comes to the question of making payment. However, in many cases they are financing. We have to see that whatever they agree to is implemented by them.

Sir, the idea, the concept of rural banks is becoming irrelevant. There has to be life in the banking sector. So many other things are there, but I would not like to speak more today on this. I would, once again, request the Government through you, to give their consideration to these aspects regarding the backward States like Orissa which are often being visited by natural calamities making people's lives miserable, and worse. After all human suffering should get the primary consideration. That way the Tenth Finance Commission recommendations should be revised to see as to how they can do it. In the instant case, the calamities that have befallen Orissa should be declared as national calamities so that the Government also can locate funds under different heads and can effectively meet the deteriorating situation there. As I said earlier, this budget is a landmark budget. Fiscally, this is a very prudent budget with many concessions offered in it. It is a step further in our journey of liberalisation. To achieve our cherished goal, so many provisions are there in it. But we have also to see that the mention of humane face is there in the budget.

I will conclude, Sir, after I mention the point of Income Tax provisions. The Income Tax ceiling is raised now from Rs. 35,000/- to Rs. 40,000/-. The demand is there but, I feel, in a country where we have reconciled ourselves with the poverty and living in the midst of poverty, where about 40 per cent people live below the poverty line — in some States it is 45 per cent, and for the country as a whole the figure is 25 per cent which is also disputed and debatable — where we are having this sort of income they should share something, a part of their salary with the downtrodden people.

Sir, about the industrial labour I was making a reference in the Zero Hour the other day. There is reasonable demand, a long-standing demand of the industrial labour force for increase in the ceiling limit on bonus payment.

Sir, everybody is getting Rs. 1500. Of course, the inflation rate is causing concern to all of us. The inflation rate is again coming down. It has come down to below two-digit level. You have to keep this inflation rate further down.

Now, I will come to the demand of the industrial workers for raising the ceiling limit and also making available to them the facility of pension regardless of their contribution towards the Provident Fund. A decision had been taken regarding this. A Bill is pending. It has got to be expedited. Another decision had been taken and announced regarding creation of slab system for Dearness Allowance. That has also got to be expedited.

With these few words, I support the Finance Bill and I also thank you, Mr. Deputy-Speaker, profusely for having given me an opportunity to speak out of turn. I also thank my esteemed colleague Shri Inderjit for having accommodated me.

[Translation]

SHRI GOVINDA CHANDRA MUNDA (Keonjhar) :  
Mr. Speaker, Sir you just heard about Orissa.

[English]

If there is a BJP-ruled Government there, what would have they done? In the name of Orissa, you are all playing with democracy. Sir, the Opposition Leaders are here and they are listening to us. They have got higher responsibility compared to us in Orissa. They should have come and seen the problems of Orissa.

[Translation]

You should know about the problems of Orissa.

[English]

This is our House. I also know that in democracy, the Opposition has got higher responsibility compared to Government. We are only Members belonging to Treasury Benches. So, you have every responsibility to see that our country progresses. But you are just playing with us. Please do not play with us. Mr. Advani is here. I know he is our 'President'. Mr. Vajpayee is a very good gentleman. He is my 'Prime Minister'. I know him. But they are not looking after the interests of Orissa. Why are they not looking after the interests of Orissa? Only during elections they used to come to Orissa. Please excuse me for saying so. So, they should see that our country progresses. We have a population of more than 85 crores. What are you doing here? You are just sitting and watching. You are not doing anything. You are playing with us. I again say that please do not play with us. If you play with us, then we will also start playing with you. So, you should serve our country. If you serve our country, then, many people will follow you. Mr. Jaswant Singh is here. He is my Chairman. In democracy, we are the Members belonging to the Treasury Benches and you are the administrators. But you do not know what an administration is.

I was a Minister in Orissa for four or five years. So, I will teach you what you people should do. You are all

educated people. You are a set of loyan men. You do not know what is what. So, I again tell you that you shall have to see and solve the problems faced by the people of India.

\*SHRI MOHAN RAWALE (Bombay South Central) : Mr. Deputy-Speaker, Sir, with your permission, I would like to speak in Marathi. According to the World Bank Report, the population of India in 1990 was 90 crores. According to Registrar General of India, the population of India would be 101 crores by 2000. So, the biggest obstacle in the path of development is enormous growth of population. This Government never made any attempt to check the growth of population. That is why the number of unemployed persons which is more than 2 crores now is bound to increase to 10 crores by 2000 A.D. The Government indulged in politics of religion and never considered national interest above narrow political gains. Religious interest has come in the way of checking population. The Government should, therefore, seriously consider the issue of checking population growth.

In 1980, the number of sick industrial units in the country were 23,500. In 1990, it was 21000 while in 1993-94, their total number was 3 lakh 96 thousands. More than one crore persons are unemployed due to these sick industrial units. The Government has introduced new economic policy. But in the competitive industrial growth, this policy will ultimately result in shrinking of employment opportunities thereby giving rise to huge unemployment. In many places lay offs are effected and compulsory retrenchment scheme is being implemented. As many industrial units cannot face the competition of multi-national companies, they are on the verge of closure. That is why the scheme of compulsory retrenchment is sure to be implemented.

Just now, Hon. Member Shri Panigrahi said that more than 22% of our population lives below the poverty line. But the Budget formulated by this Government is not meant to take care of this Section of population but it is meant to provide luxuries to affluent section of our society. But this Government has never tried to control the rising prices of essential commodities like milk, pulses, rice, foodgrains etc. There are many children in the country who have died for want of milk. Therefore, it is the duty of the Government to bring down the price of milk to Rs. 2/- per litre. Only then the poor children and poor people can survive in this country.

As there is National Food Security in America, similarly National Food Security should be implemented in our country as well. The Government should exercise control over the prices of sugar, cereals, pulses, milk and other essential commodities. But unfortunately, sugar lobby and other lobbies are surrounding Dr. Manmohan Singh and Narasimha Rao Government.

\* Translation of the Speech, Originally delivered in Marathi poor children and poor people can survive in this country.

These lobbies are not allowing this Government to take this step. That is why it has become difficult for a common man to survive.

Late Rajiv Gandhiji had announced that his Government would control prices within 100 days: I am telling this because you always chant the name of Rajiv Gandhi. But the prices never came down. As time is short at my disposal, I cannot give all figures. But compared to 1991, the prices have gone up 10 times. Prices of foodgrains and all other essential commodities have gone up. Rice which was selling at Rs. 2.86 a kg has gone up to Rs. 8/- a kg. There is similar increase in respect of other essential commodities.

The Government is bent upon destroying small industrial units. The Government has not announced exemption in respect of all small scale units. It has announced exemption in respect of some units but some other units have been omitted. The Bank rates are ranging between 25% and 30%. I do not know why the Government is not in a position to control bank rates. I have recently submitted a representation in this regard. I want to request that units like electrical wiring etc. which have not been given exemption should be granted exemption so that they can survive. It will also give boost to cottage industrv.

Sir, the time at my disposal is short. But, I want to make a few points. Government has taken over Scindia Industry. But the workers in this company have not got wages for 7 years. Through you, I would like to request that these workers should be given wages immediately. Workers of Mazgaon Dock are also unemployed for the past 4 years. I do not know what is the intention of the Government. Does the Government want that these workers should be thrown out of employment? The Government says that it would protect the workers. But even after working for 240 days, the workers are not regularised. Therefore, the workers are on the verge of unemployment now.

In conclusion, I would like to refer to textile mills of Bombay. I congratulate the Government for bringing forward the scheme of modernisation. The Government should introduce this scheme without delay. But today, the workers are sitting idle. But as raw materials and working capital are not supplied to workers, they are not getting work. You are destroying their ability to work. The Government has said that it would accept the decision of the Supreme Court. Large number of workers of Kohinoor Mill are jobless since 1994. The Supreme Court has given a verdict that they should be reinstated and their dues should be paid. So, I request that jobless workers of Kohinoor Mill and other NTC Mills should be reinstated.

This Government has done injustice to the city of Bombay Delhi Administration and Delhi Police hav...



said that even a domestic servant who is seeking work should be registered and his photograph and address should be obtained. The burden on the city of Bombay is ever increasing. According to the Constitution, a citizen of the country can go and settle anywhere in the country. But where should people of Bombay go? Electricity, water, roads, schools and other civic amenities a.e limited. The incoming population is imposing huge burden on the city of Bombay. This Government is getting revenue to the tune of Rs. 17,000 crores from the city of Bombay. I want to know whether the Government intends to convert this great commercial city into a slum. Therefore, I want to request that every person who is coming to Bombay should register himself and a card should be issued to him and card-system should be started in Bombay. While the Government is getting a revenue of Rs. 17,000 crores from the city of Bombay, the Government is giving only 9 crores for this city and Rs. 50 crores for the improvement of slums. More than 50 lakh people live in slums. That is why the Government should increase the allocation for slum improvement.

There was Sugar Scandal sometime back. The Government asks STC to import Sugar. But I do not know why STC is not allowed to export Sugar. But while importing sugar, STC faces loss. Since STC is a public undertaking, proper balance of export and import can be maintained and loss can be avoided. But the Government is allowing Sugar lobbies and private business lobbies to export sugar. That is why there is no control on sugar prices. If raw sugar is imported and refined here, it can prove to be economical. Sugar factories which run for only 4 months can run for a longer period. Even though, STC had stocks of more than 3000 lakh metric tonnes, STC imported sugar at costlier price i.e. at a higher price of Rs. 805 a tonne. In this manner, the Government is trying to wreck the economy of the nation. This money could have been saved. That is why we must maintain the stocks of sugar. You say that crop of sugarcane is good. But, when the crop is good for last 4 years, why do you not have stock of sugar. You can stock wheat, rice etc. why do not you stock sugar? If you had stocked sugar, there would not have been need to pay 450 dollars extra.

Sir, please allow me to make my last point. You can give relief to the common man by increasing exemption limit of Income Tax upto Rs. 60,000/-. This will also help the Government as there will be better tax recovery and Government can pay attention to recovery of tax from black marketeers and hoarders who are defrauding the Government for crores of rupees. The Government can gear up its entire machinery for catching the bigger culprits.

I am thankful to you, Sir, for giving me an opportunity to speak.

*[English]*

SHRI INDER JIT (Darjeeling) : Mr. Deputy-Speaker, Sir, I have great pleasure in supporting the Finance Bill. The Finance Minister, Dr. Monmohan Singh, deserves our grateful thanks for having pulled back the economy from the brink of financial disaster. The economic reforms have brought about an upswing in the economy. Foreign Exchange reserves have risen. Exports have grown in dollar terms. The rupee continued to remain stable and has been made convertible on Current Account. But, Sir, even as I support the Finance Bill, I would like to share with this House in the limited time available to me a few concerns and disappointments.

Sir, in today's increasingly globalised economy, liberalisation of economic and industrial policies is an essential prerequisite if India is to enter the mainstream of international trade and investments. From this viewpoint, our liberalised policies are undoubtedly in the right direction. However, Sir, the time has come for honest stocktaking. Some hard questions need to be asked sooner than later.

First, what is the basic objective of India's liberalised policies? Is it to promote foreign direct investment as an end in itself? If so, despite the inflow of investments in the production of low-priority consumption goods, India lags far behind China and Indonesia.

Second, is it our objective to promote exports through increased foreign participation? This does not appear to have yielded any great result so far. Importantly, increased foreign direct investment has primarily been in sectors concentrating on production for the domestic market.

Third, is our policy designed to strengthen Indian enterprise through promotion of strategic alliances and partnerships? There is relatively little evidence of this also. Or, fourth, is our liberalised policy aimed at all these objectives?

Perhaps, the last question provides, Sir, the correct answer. If so, certain changes and fine tuning are urgently required in our policies. Experience of market-oriented policies over the last decade clearly highlights the key role of Selective State Intervention, and I repeat Selective State Intervention, in channelling industrial investments not only in certain sectors and directions but also in certain locations.

We need to learn from the experience of at least three South-Asian Tigers — South Korea, Singapore and Taiwan. Effective State Intervention and support played a crucial role in these fast developing economies of South-East Asia. In South Korea, it took the form of developing local 'chaevols' into gigantic conglomerates such as Hyundai, Samsung and Daewoo. In Taiwan, it resulted in the spectacular growth of electronic giants

such as Arec and Mitac. In Singapore, it resulted in the growth of a wide range of precision and electronics manufacture and financial service operations.

In India, Sir, with our strong institutional infrastructure and vibrant private sector, we should be able to do as well if not better than any of these countries. Yet, we continue to be far behind why? The question that needs to be asked is: what is it that requires to be done?

In my view, a selective policy needs to be adopted regarding foreign direct investment in the first instance. We should certainly welcome foreign investments, including even wholly-owned subsidiaries in several manufacturing fields, particularly transport equipment and other capital goods. Secondly, we should not give anything more than low priority and I repeat, Sir, we should not give anything more than low priority to purely consumer goods products such as soft drinks, breakfast foods, potato chips and fast foods. True, one cannot retrace decisions in this regard. But in the future, greater selectivity needs to be exercised. Thirdly, there should be closer consultations with the private sector - not with any one particular group, but with various representative associations. There should be greater transparency as to what the Government wants to achieve and what it expects of the private sector, especially from major industrial groups in various fields.

This brings one to the question of infrastructure, particularly electric power generation, communications and transport. All these are woefully inadequate at present. Yet, the entry of a group of foreign companies into the field of power generation has understandably become a matter of sharp controversy. The issues in this regard need to be understood and appreciated. These are economic, not ideological. Today when foreign companies are already playing a key role in telecommunications, why should there be objection when they enter the power generation sector. The answer lies more in the manner in which the Enron power deal has been negotiated. While there was a high degree of transparency in the telecom arrangements, sadly the same is not true of the megawatt power contracts. After all, is global bidding not an essential requirement of all international contracts, irrespective of other considerations? Why was such a provision not sought to be incorporated? If there is inadequate experience of such "Build-and-Operate Deals", we should surely have utilized the services of international Indian experts or organizations. Such an approach would have helped avoid the criticism that such deals are likely to face and the negative impact that this may well have.

The basic purpose of liberalization of industrial policies should be to help the Indian private sector to expand rapidly and achieve competitive capability in

several fields. There are two essential requirements for this. Firstly, our technologies must be competitive. Existing products and processes are old and outmoded and require major upgrading which, in turn, requires foreign participation. Secondly, quality control and standardization are of major importance, following the Uruguay Round Agreements. Unless the Indian private sector can produce a wide range of goods and services on a competitive basis, the principal benefit of liberalization will only accrue to foreign companies and multinational corporations. So India's private sector should be enabled to expand and become vigorous.

Sir, with the present day global developments, the role of the Government is changing rapidly, both in terms of promotional initiatives and regulatory responsibilities. These require a new type and range of specialization where our bureaucrats have had little experience so far. With little interchange of personnel between the Government and the private sector and with specialized services in growing demand, such as, for privatisation or regulation of privatized monopolies or in negotiating Build-Operate-Transfer (BOT) contracts, it is again necessary to consider whether selective selection should be made of a group of middle or top-level experts for help in some of these fields. Greater inflow of specialized talent and expertise is essential in the higher echelons, if the government is to discharge its new and fast-changing responsibilities. Earlier concepts such as having an Economic Pool at Centre must be viewed as being a little too rigid for today's needs. We should seriously consider the alternative of selective recruitment of senior experts in specialized fields on a short-term basis for two to three years at a time.

Mr. Deputy Speaker, Sir, I feel gravely concerned about such aspects of liberalization as I have just sought to raise. We should, no doubt, globalize our economy. But this must be done on our terms and in the long-term interest of our people and the country. We need to be clear that the MNCs i.e. the multinational corporations are mainly interested in our huge market and not in charity. We must take immediate and effective steps to safeguard both the present and long-term interest of our poverty-stricken millions, and of the basic requirement of moving towards a regionally balanced economic growth and of achieving crucial self-reliance.

15.00 hrs.

The Multinational Corporations must not be permitted to massively loot and gang-rape our country. I am not saying that this has already happened. By many friends across the political spectrum feel that this is already beginning to happen! We must take due note of the fact that the policies advocated and virtually imposed by the World Bank and the IMF have resulted in de-industrialisation of most countries of black Africa

and also of de-agriculturisation of most countries of Latin America. We need to sit up and ensure that we do not fall in the same trap and become de-industrialised and de-agricultured. Our future is at stake. We can ignore this grim warning conveyed to me by well-meaning Indian experts in the U.S. and elsewhere abroad, only at our peril and that of the hard-won economic independence of our country.

I now like to turn to the basic and crucial issue of prices. I am glad that the Government is concerned about the increase in prices, especially of articles of mass consumption. The Government proposes to pursue the twin objectives of ensuring adequate availability and fair prices, with extra concessions for the poor. I do earnestly hope that the World Bank and the IMF are not creating any problem in view of their mindless opposition to subsidies and special requirements in a poor country like India.

The World Bank needs to be educated about one basic fact of life. There is a qualitative difference between the profile of poverty in the West and the profile of poverty in India. The profile of poverty in India is totally different from the profile of poverty in the West. The poor in India are forced to spend anywhere from eighty to ninety per cent of their income on food — for just physical survival. In the West, they spend no more than ten to fifteen per cent on food. The poor in India are almost certain to be pushed over the brink with even a small increase in prices. Not so in the West.

In the circumstances, no Government in India can afford to over look or ignore the poor. Our policies have to be pro-poor in our parliamentary democracy which, as we all know, is a game of numbers. This has to be understood, and understood well, by the West-dominated World Bank and the IMF and their many ardent votaries, both on Raisina Hill and abroad. Ultimately, liberalisation, or for that matter democracy, is not an end in itself. The end is the greater welfare, happiness and glory of our masses. True, man does not live by bread alone. But he needs bread before all else to survive in the first place.

We need to give a better deal to our poverty-stricken millions, especially those living below the poverty line. We need to provide essential commodities, such as, foodgrains, edible oil, footwear and *dhoties* to them through the Revamped PDS at prices they can afford. The Government must find whatever resources are need to subsidise these items. All claims by the Government that it has kept inflation down to single digit are meaningless, considering the prevailing prices of consumer goods. *Dal* is now selling at Rs.28 to Rs.35 per kilogram, and gram (*Channa*) at Rs.40 per kilogram. The poor are finding it increasingly difficult to make their two ends meet. This is making them angry as never before, even bitter. We may well face grave

difficulties in the next general elections unless the Government corrects its present image of being anti-poor and pro-rich. True, Dr. Man Mohan Singh has spoken about having provided thousands of crores for anti-poverty programme under the leadership of the Prime Minister. But our people are no longer interested in the pie in the sky. As a Hindi saying goes : "Unko to Aam Khane se matlat hai pair ginne se nahin"

They are concerned with the substance rather than the source.

We must remember that people normally vote on the basis of broad impressions, not the party manifestos. We can also ignore this warning only at our peril.

My third and the last point is related to the issue of corruption. Like some others, I am deeply disappointed to note that the President's Address to the two Houses and subsequently other Government statements do not contain even a word in regard to the cancer of corruption, which is playing havoc with our body politic and the lives of our people.

I was pleased to note that a few days prior to the commencement of the session, the Prime Minister told the Editor of the Tribune in an interview that the Government proposed to bring forward in the forthcoming session the long-overdue Bill providing for the appointment of a Lokpal. I eagerly looked forward to an announcement on the subject in the President's Address. Sadly and regrettably there has been none so far.

But, Sir, a mere Lokpal will not do. Much more needs to be done if we are to really combat corruption, brazen corruption, which has been growing by leaps and bounds during the past decade and more. More than anything else, we need to get all the Ministers and Members of Parliament to make public declarations of their assets and to lay copies of such declarations on the table of the House. They must also solemnly declare that they own no other assets. I suggested this in the last Lok Sabha. The then Prime Minister welcomed my suggestion on the floor of the House. Alas, his Government fell before long.

I had occasion to discuss my suggestions and plea with Shri Rajiv Gandhi more than once. He assured me prior to the 1991 poll that he would not delay matters any further in this regard. But fate struck a grievous blow and we lost him. True, corruption is a global phenomenon. But there is one difference. In leading democracies, those guilty of graft get punished and punished severely. In India they go scot-free. *Mathatma Gandhi* once said that Ministers in free India should, like Caesar's wife, be above suspicion. But we have now followed a system in which they are above proven guilt!

Corruption was once a non-issue. It is not so any more. The people, our voters, are now awake and alert. They now understand democracy better. Their vote gives them the power to punish bad Governments and to reward those they consider to be good. Every vote against a Government is not merely anti-establishment. It essentially reflects the voters' decision to exercise their ultimate right to punish bad rulers. The earlier we recognise this basic truth the better for all of us and the country.

I am now concluding. We gave ourselves the Committee system. The Committee system is something for which I had crusaded for almost two decades. The Committee system is designed to ensure greater parliamentary control over the Government. But this has not happened. Therefore, I would appeal to the hon. Speaker, I would like to appeal to you and I would like to appeal, through you, to the Leaders of all the political parties to take a fresh look at the Committee system that we have given ourselves so that we could make it more effective.

Sir, under the Westminster model, the Committees can summon Ministers. But, for some unknown reason, we have now chosen to say that Ministers cannot be summoned. I think this weakens the Committee system tremendously, I have this on the authority of none other than the Speaker of the House of Commons that they have this right and have exercised this right in the larger interest of greater parliamentary control over the Government.

I shall now end my speech with a general proposition which I was privileged to put forward at the recent I.P.U. session at Madrid. Our world today faces many crises because we have lots and lots of politicians but very few statesmen. As you all know a politician thinks only of today but a statesman also thinks of tomorrow. Tragically the situation is even worse in India. Most of us seem to only think of the moment, live for the moment, revel in the moment and talk about yesterday!

I will conclude by appealing to everybody that we must stop thinking only of the moment we must not merely think of today. Let us also think of tomorrow.

SHRI ATAL BIHARI VAJPAYEE (Lucknow) : Mr. Deputy Speaker, Sir, this summer session started with the Address of the Hon'ble President and it will come to an end after the Finance Bill is voted. During the discussion on the motion of thanks on the President's Address, I had said that it was delayed by 11 weeks and as a result, the importance of President's Address was diluted and the discussion has also not been so relevant as it should have been. The budget was presented on 15th March. The discussion on the budget is taking place as per the time schedule but it took place in piece-meal and there was no cohesion.

15.11 hrs.

[Mr. Speaker in the Chair]

Unfortunately, we have not been able to ensure the atmosphere which was necessary for discussing the budget. Even the media did not accord such importance to this discussion as it deserved. The budget is not only a statement of receipts and expenditure for this year, it represents our economic position and sets guidelines for the following year. The budget also indicates the details of the contribution the people have to make by way of paying taxes and therefore, it is an important ingredient of Parliamentary System which should attract attention of all of us.

Sir, I know during this session, many such events took place which were beyond control, but I would like to impress upon the Honourable Members that while raising any discussion or during the course of proceedings they ought to keep in mind what is necessary and what is unnecessary. If we lose our mind, and are swayed away and continue to attach more importance to what is unnecessary than what is necessary, we will not be able to ensure positive debate within a limited time and nor will we be able to impress upon our countrymen, our media.

Mr. Speaker, I am not in agreement with those members who say that this situation has arisen because of introduction of Standing Committee System. The Standing Committees are doing good work. There is a need to strengthen them further and make them more effective but this should not render the debate in this house ineffective. Sir, I hope you will look into this problem seriously and take such a decision in consultation with all of us that the committee system succeeds and we are also able to make positive discussion in an integrated manner, not piece-meal, in this house, so as to create some impression here and outside. This is necessary.

Mr. Speaker, The budget which Dr. Manmohan Singh has presented and on the basis of which this Finance Bill has been brought, will always be remembered for bringing the differences between economist Dr. Manmohan Singh and Members of Parliament involved in party politics. We are happy that economist Dr. Manmohan Singh has achieved the status of a statesman. The economist is always concerned not about the present but about the future also. This time, economic angle has received second priority and first priority has gone to populist measures. It was hoped that the economist inside Dr. Manmohan Singh will lead us to a right path but the economist - Dr. Manmohan Singh has become a victim of political compulsions and competitive populism. The budget of the Finance Minister has of course, been prepared in North Block but it appears to have greater imprints of other Block.

The proposals which aim at reducing the poverty of those more than 30 per cent people living below poverty line can be termed as a right step to some extent but this aspect also needs concrete steps. It is not enough to prepare imaginary schemes and to mobilise funds therefor. What benefit will accrue from such schemes? The Finance Minister is gripped by the competitive populism when the need for controlling deficit budget and inflation is crystal clear. This has jeopardised the economic stability for which he always pleads. In some other cases also, the Finance Minister has deviated from his old promises. I want to discuss banking sector which had been referred to by several members. The Government have been making announcements that it will keep off the operation and administration of Banking Industry. The Finance Minister wants to spend through NABARD, Commercial Bank Deposits in developing infrastructure in rural areas. NABARD is not known for its competency. This agriculture bank receives funds from Reserve Bank on 6.5 per cent interest and disburse the same through commercial banks at 11.5 per cent interest. The bank should not behave in this way in the name of helping the needy. The Financial Institutions are required to mobilise funds for North Eastern Development Bank. The banks are supposed to disburse loan to poor sections of the society. During the last two years, the nationalised banks received a capital amount of Rs.11,300 crore but inspite of that some banks are running in loss. During 1992-93 and 1993-94, 14 major nationalised banks incurred losses to the tune of Rs.8500 crore. It is true that some banks are doing very good job and they should be praised for this. But most problems arise because of flowing non-banking procedures. A new burden is being put on them. It is a matter to be pondered over as to how this new burden will affect their functioning. The regional banks are also incurring losses. There are 196 rural banks out of which 172 banks incurred losses amounting to Rs.1300 crore during 1993-94. It is known to all of us that the poorest of the poor does not get any benefit from the bank. The benefit goes mainly to big farmers, industrialists and businessmen. The earlier Governments had admitted that only 16 per cent of the Central Financial assistance reaches the poor. Then, why the Finance Minister wants to adopt this path? The Finance Minister should clarify as to how these four proposed schemes meant for reducing poverty will be formulated and how they will be implemented as also how much more resources will have to be mobilised?

This the fifth budget which the Finance Minister has presented and may be, it is his last budget. He is taking off poverty alleviation and not of removal of poverty. There is a difference between these two. Your slogan of poverty alleviation is very old.

Recently, a conference of SAARC countries was held in which it was said that poverty will be removed

from South Asia by 2002 AD. The target of wiping out poverty in seven years is difficult to achieve but they have set a target. Our Government is also talking of alleviating poverty and of minor modifications here and there. This is not sufficient. The direction and the speed with which the Government is moving does not convince us that poverty will be removed within a period of few years. The Finance Minister instead of Taking concrete and long term steps for raising infrastructure has involved himself in reducing custom and excise duties. It was expected that the taxes and duties would be collected with a firm and effective steps taken to check tax evasion. It appears that the Government is satisfied with the amount of collection of income tax in the entire circle and a slight increase in the collection of custom duty in Delhi. This house wants to know names of those who were benefited from stock market and banking scam. We have come to know as to why and how the UTI purchased the shares worth Rs.1000 crore from a particular industrial house. The UTI incurred 25 per cent loss on the shares within six months. If we are not satisfied, there is a justification for it; if we criticise, there are some reasons for it. The Finance Minister failed to formulate policies and schemes in his 5th Budget which might have strengthened our fiscal position. The big corporations are earning huge profits. The 25 top companies which earned a tax free profit of more than Rs. 5000 crore have not paid any tax this year. This is a serious situation. The major Corporations which floated Euro Issues and other issues only a year ago and had earned billions of dollars have now become private bankers. The funds were not utilised for the purpose for which they were given. Whatever the position, the country is accountable for the utilisation of foreign exchange. There are figures which indicate that the borrowers which include major companies and important individuals have not refunded the loan worth Rs.30,000 crore. What action is Government taking against them? I demand the names of such companies and such individuals should be notified. The nation is entitled to know as to who is taking undue advantage of the liberalisation policy. The liberalisation policy is not meant for making a few houses richer and should it be the result of liberalisation, it will not be acceptable to common people. I want to reiterate why the major industrial houses and companies do not pay taxes, why do they not refund the loan amount? Then this also involves the question of interest and utilisation of funds.

Sir, the Government's statistics claim that today, foodgrain production stands at 185 million tonnes the position of balance of payment is satisfactory; inflation is constant, the rate GPD is 5.3 per cent and industrial development stands at 8 per cent. These are Government's claims. People had a natural expectation from the Finance Minister that he would bring such a



budget and taxation proposals as would help the nation to jump ahead as per its economic position, but the Government have slowed down the process. They have perhaps been disturbed by the results of State Legislative elections. It appears that Government do not have any target now. Atleast, the budget does not reflect such a target.

Sir, the Government have no policy even for core sectors like power production. Only ad-hoc and working decisions are being taken. We have given a sovereign guarantee for a power station in Maharashtra, on behalf of the State Government. Is it not a matter of regret that a 90 crore people nation is required to stand such a guarantee to a foreign group of companies? It could perhaps be given by the State Energy Department or State Electricity Board.

We talk of foreign investment, but what are the statistics that these investments represent? I feel it is very small, the capital is very small. We do not have any well-defined policy for power production or capital market. We have been ridiculed by companies like Margan Stenlay.

Mr. Speaker, Sir, the Government know that billions of rupees were remitted to foreign countries scantly under 'hawala' transactions and the money is deposited in foreign banks in the accounts owned by Indian and it has failed to get this money repatriated. Nor have we been able create a sense of patriotism among those depositors nor any attractive proposals have been offered to them. The over-all position is that we paid a sum of Rs.52 thousand crore last year by way of interest for internal and external debts. No imaginative policies have been framed in respect of Public Sector Undertakings, Several members have criticised the way in which the shares of these Undertakings have been sold and now the privatisation is taking place there. In fact Government deserves this criticism. The Government appears to be at a loss after the sale of these shares at low prices and now is in a fix. The progress achieved by BHEL and other Public Undertakings should be emulated by other Undertakings. Incentive is necessary, but determination and willingness are lacking. Why do not the Government adopt some policy for running and further developing the Public Undertakings? Some policy is also to be adopted about the participation of Financial Institutions in Private Sector companies. There have been instances where shares worth thousands of crores of rupees were sold at throw away prices. This process would have continued if people's pressure was not there.

We know the Finance Minister is not concerned with all this, but the question is why any policy has not been framed. If any company wants to purchase shares controlled by non-promoter Financial Institutions, why should it not purchase them at market rates? We must

at least take a decision that Public Sector Companies shares will not be allowed to be sold below market price. The Financial Institutions, when they lift their control should get greater profit.

As far as sick-Industrial Units are concerned, the Government are instead of revitalizing them, making them more sick. It has been decided to invest a Rs.2000 crore capital on the NTC controlled Mills but the question is whether they will be allowed to continue to function the way they have been working when they incurred such a huge loss. What is the Programme for bringing about improvement in these mills? The NTC workers have also expressed apprehension about this proposal. It is necessary to enlist the participation of workers to make a scheme success. It should have the inspiration of workers. The Government has withheld privatisation of IISCO, but what is the proposal for future. Nobody is prepared to take it over. There is also a proposal to take over IISCO. But it will be wrong to do so.

I have talks with the Hon. Finance Minister regarding the Scooter India Limited unit situated in Lucknow. It can be made profit earning by making a small investment. We can save the workers from being rendered jobless but it is being delayed and the situation is worsening. The Government should review their policy in respect of such Industrial Units. It is necessary to revamp the management of Scooters' India Ltd. so as to make it viable and it should be entrusted with the manufacture of diesel engine for three-wheelers.

Even if Government has to hand over loss incurring units to the Private Sector it will have to chalk out some strategy. Many of the sick units can be brought in good condition by making small investment and they can then be sold on higher bids. But Government is not considering this aspect. It appears that a market has been organised in Delhi for sale of Industrial Units. Earlier we were caught by the wind of nationalisation and now by privatisation. Now the pendulum has turned the other way. Even today, the sick industries can be put on rights track by overhauling their management and improving their working conditions. But this will require freeing the industry from bureaucratic control. Only those bureaucrats should be entrusted with the management of running industries and factories who are really competent to discharge this job. If such bureaucrats are not available with the Government it should not hesitate in bringing them from outside. No industry can work properly without competent and efficient management.

Sir, I would suggest that the Finance Minister should seriously consider constituting an Indian Treasury Service because Government needs such competent, expert people who could give correct advice to Government in complicated fiscal matters-not only correct but quick advice also. Government should consider how far it is proper to leave financial matters to the mercy

of Civil Services. For the time being the Government's policy is to entrust balancing responsibility to those Indian repatriates who have worked in International Financial Institutions. A gentleman who has worked in Washington based financial institution returned to India and he was entrusted in the management of Animal Husbandary for Eastern States...*(Interruptions)*... Similarly, another person with simliar qualifications is managing national calamity office in a southern State. This is a ridiculous thing. Financial matters are becoming complicated day by day. We face the problem of foreign exchange regulation, the exchange rates change frequently. New developments take place in Financial field. So, it is necessary that the Finance Ministry should have more financial experts. That is why I have suggested constitution of a new treasury service. Presently the Finance Ministry is being shouldered by several 'Singhs'. We can term it as 'Sing Darbar' also. But this needs further expansion and new experts ought to be associated with it. An international organisation is trying to find ways to convert our foreign exchange reserves in portfolio management. This should be discouraged.

Mr. Speaker, suggestions and proposals are forthcoming in the country that foreigners should be invited to advise us as how to make proper use of our foreign exchange reserves because we ourselves are not very competent to take a decision in this regard. This sort of suggestion cannot be accepted. This is the job of Reserve Bank. It has to discharge its obligations in consultation with Finance Ministry. We have several qualified persons in India itself who are fully competent to handle this special job.

Sir, from the very beginning, our stand has been that the lower the taxes, the greater the collection. But the Finance Minister is not prepared to accept this in all cases. If he had accepted, he would not have been so miser to raise the income tax limit to Rs. 40 thousands only. Now if we take that in many cases, no tax will be payable upto an income of Rs.57,000/- then the tax limit should be raised at least to Rs.60,000/- so that the budget of a family is not affected adversely because increased inflation and price-rise, which has been affected during the tenure of Dr. Mammohan Singh. An average family consisting of husband-wife and two children need Rs.75,000/- p.a. to maintain normal family standard.

Income-tax is deducted at source in respect of salaried class, and there is no way for them to evade income-tax. Only traders and indstrialist have this facility, people engaged in industry pay negligible personal tax or do not pay at all.

I would urge upon the Government to publish a list of one thousand top indstrialists of four metropolition cities so as to reveal whether they pay personal taxes

and if so, how much. Those who make maximum use of national resources, must also be prepared to pay more taxes.

The Finance Minister has not accepted the suggestion of reduction in surcharge on taxes and reduction of taxes. I shall appeal to him at this last moment to have some courage to announce some more relief to the most deserving class of tax payer considering that the reliefs announced by him in the beginning of debate was inadequate. I shall request him to consider this suggestion.

Mr. Speaker, Sir, I am grateful to you for giving me time to speak.

SHRI K.T. VANDAYAR (Thanjavur) : Mr. Speaker, Sir, I rise to suport the Motion for consideration on the Finance Bill, 1995 moved by our hon. Minister Dr. Manmohan Singh.

I support most of the proposals made in the Bill. However, I would like to give a few suggestions for consideration. The River Cauvery which originates from Talai Cauvery in Karnataka passes through Tamil Nadu and the delta of Thanjavur. It is not a perennial river but a seasonal one. As water is a necessity, the water management is a must. The river bunds should be lined by concrete construction which could avoid seepage of water. The Grand Anicut Canal in Thanjavur has already been lined and it is an example. So, I would request the hon. Finance Minister to formulate a Central Scheme for lining of water channel on the Cauvery old delta. This should be implemented directly by the Central agency either by the C.W.C. or the Inland Water Transport Authority without entrusting to the State Government.

It is said that rupees one lakh core has been spent in Jammu and Kashmir but what is the result? Where has the money gone. Have any tangible assets been created? I would urge upon the hon. Minister to see that the money is properly spent for developmental works with substantial outcome.

When Shri Kamraj was the Chief Minister of Tamil Nadu, there were industrial estates and all facilities were available under one unbrëlla. For example, we can cite Guindy industrial Estate and Ambatur Industrial Estate near Madras. Unemployment is prevalent everywhere and equally more acute in Tamil Nadu. I would suggest to the hon. Minister and to the Government to bring in some industry espically Agro industry, in the agriculturally developed areas of Thanjavur district in Tamil Nadu. Thanjavur is famous for coconut grove and also paddy fields. The by-products, namely, coir, hay, dry fodder bran are available in plenty and therefore, Agro-Industries based on agriculture produces can be established.

In Thanjavur of Tamil Nadu, there is a very big wealth of cattle. The Anand type of Co-operative Dairy

Model will help Thanjavur district to process milk and milk products and distribute it in an organised way without the middlemen's commission. The Animal Husbandry Department should, with their veterinary doctors, train the framers, cure diseases and breeding like insemination etc. which will help the farmers to know the latest technique for nursing their own cattle.

There are at least three new schemes brought out in this financial year which would directly concern with the Panchayats. One is the Rural Infrastructure development fund to be set up by the NABARD bank for developing infrastructural facilities in the rural areas. The second one is the Group Life Insurance Scheme of the LIC in rural areas to be implemented by the Panchayats. The third one is provision of Rs.1,000 crore to the KVIC (Khadi and Village Industries Commission) for lending funds to Khadi and Village industries. Ambar Charka is one of the important component of khadi industry and the khadi produced cloth is environment friendly suitable to all season.

When so many schemes are expected to be implemented through the village panchayats, it is very unfortunate that the panchayat elections in many States, including Tamil Nadu, have not been held for the last three decades, which is the major abuse of democracy.

I want the hon. Finance Minister to consider may appeal for the people's benevolence.

SHRI BOLLA BULLI RAMAIAH (Eluru) : Sir, I rise to say a few points on the Budget presented by the hon. Finance Minister for the year 1995-96.

One of the most important items is the non-Plan expenditure which is going up to Rs.1,25,651 crore. Out of these three items, the first one is the interest liabilities, which is Rs.52,000 crore — 42 per cent of which is going very steeply from several years - and I think it needs to be controlled and we should adopt proper method. The Defence, of course, is Rs.25,500 crores, but there is not way that we can help it. Subsidies of Rs.11,000 crore and the balance is due to various other things. We are making our efforts to control the Government expenditure, but in spite of that somehow or other we are not able to control that expenditure, which relates to a very important item. Interest on revenue has gone up by Rs.8,000 crore whereas the non-Plan expenditure itself has gone up to Rs.10,141 crore. We should also keep in view while controlling our deficit financing.

In this Budget, somehow or other, we find that not much incentive is given for savings. Savings are more important for us to have the planning and future growth of industrialisation and capital expenditure. There are two things which we find : One is that interest rates are going up. We are trying to bring it down. On the one side, we are planning the liberalisation and privatisation

but in the case of globalisation, we find that our infrastructure needs to be improved and we have made some suggestions but luckily the hon. Finance Minister has given us some more extension of infrastructure development for a longer period. But in regard to the interest rate, we are not able to do something. At least, we must remove the tax on interest, probably that will be able to help us to some extent to have our industry to cope up with the international market competition.

Coming to tourism, I also made that point very clearly. Tourism requires to be encouraged in the country so that it gives more employment because in the competition of present system, employment potentialities have not been increased so much. The tourism is one of the most important items for which the State should give more stress on that.

The most important item is sickness of industries. Several thousands of crores of rupees have been locked up in the banks and financial institutions and also a lot of unemployment has been increased because of this. This requires the Finance Minister to take some bold steps. It is not only in this country, but in other countries also that sickness is there. Not only the BIFR should handle this, but the banks and financial institutions should come forward with amalgamation and mergers which needs the Finance Minister's support to give them some powers and support in all respects, so that they are able to revive the sick industries and bring them back into production and give more employment.

Coming to the taxation side, earlier from both sides of the House a request was made that tax exemption should be increased to more than Rs.40,000. It can be on the basis of some norms that you could adopt whether on the basis of probably the escalation of the price or whatever it may be. He should be able to go scientifically, so that he should be able to follow it and give reasonable exemption beyond Rs.40,000. We also made some request on the corporate taxation. As I mentioned earlier, though the Finance Minister said 'defer it', for this year in last year I stress it again because I have his earlier statements. He should be able to see that some surcharge is reduced on the corporate taxation. We have already made some request on the continuation of 80 (1) (A), if not for another five years, at least for two-three years, whatever the best that is possible. On the dividend taxation which is going to be doubled, it requires to be considered. If not the entire amount, at least a part of it can be considered and he should look into this matter.

Coming to the indirect taxation, as I said earlier, LPG which is a common man's requirement, should be completely exempted from Duty. I also made a request for ammonia which is used not only in fertilizers, but along with ammonium nitrate it is used for the coal mining and for other purposes also. It should also be

completely exempted. Some method should be found for the capital goods, for the power saving and pollution control like membrane technology and other things. In the case of small scale sector, the Excise Duty exemption which has been given to the tune of Rs.30 lakh, should go up to Rs.75 lakh. In the case of SSI units, recently the Excise concession was increased to Rs.3 crore. It should go up to Rs. 5 Crore, so that at least they will be able to have some growth in this sector which gives more employment.

Coming to some of cattle feed and poultry feed, a number of people have approached us saying that this should not be under Excise because this is the common requirement of all farmers. I am sure that the Finance Minister will take into consideration some of these things.

Coming to the family planning side which is more important about which other Members have also mentioned, population growth should be curtailed. I am sure the Finance Minister has adequate provision for this purpose, which is very important.

On the agriculture side, we have been pressing on the crop insurance for a long time, but it has not been touched. I hope he would do it in consultation with the Agriculture Minister. He should do something for the farmers.

Many Members have mentioned about the cyclone relief in the coastal districts of Andhra Pradesh and other States also. Some quick remedies should be found and relief given as early as possible, so that they should be able to get some sort of support.

Prohibition, which is Mahatma Gandhi's philosophy, should be paid more attention. Whichever State has implemented full prohibition, the Government of India should come forward to give that State some subsidy because it requires a substantial amount of assistance.

Today taxation covers less than one per cent of the population. We feel that it should be widely spread. Whatever is the method acceptable, the Finance Minister should adopt it.

With these few words, I thank you very much.

SHRIMATI CHANDRA PRABHA URS (Mysore) : Thank you, Mr. Speaker. I would like to mention only a few points regarding the Finance Bill, which has been placed before the House.

A major portion of the Budget allocation goes to Defence, to safeguard the security of the nation. As against an allocation of Rs. 11,340 crore last year, that is 1994-95, this year it has gone up to Rs. 12,432.81 crore.

The subsidies on all items put together - on different items like food and fertilizer - are stated to be Rs. 11,965 crore. The total subsidy on potassium and phosphate and *ad hoc* basis is only about Rs. 500

crore. There is a hike in the international prices of urea, which we are importing. Time and again, we have been making a request to increase the subsidy on the fertilizers, especially nitrates and phosphates, which are very much required by the small scale farmers in the agricultural operations. They have given some subsidy on urea, but the other items which I mentioned earlier have also to be given a little more subsidy. So, the fertilizer subsidy should be increased further if the hon. Finance Minister would be able to do it. The farmers depend on the chemical fertilizers in a major way. I think, the day has come when we will have to educate our farmers on the use of organic and green manure.

We are saying that in the matter of food production we are self-sufficient, especially in wheat, rice, *dal*, pulses and cereals. As an hon. colleague has rightly said, we have to make a survey by going to the market where the common man purchases his requirements. As a housewife I can tell you that the price of *dal* is Rs. 30 to Rs. 35/- and sometimes it is Rs. 42 a kilo. The price of *tuvar dal* is Rs. 40 per kilogram; the price of *urad dal* is Rs. 30 per kilogram. The prices are actually burning the fingers of the housewife, who goes to the market. As a one-time import, can the Government think of importing these things, as they did earlier in the case of edible oils? It was very much necessitated to have a one-time import of edible oils. In the same manner, instead of importing sugar which is already there in good stock, we can go in for one-time import of cereals and pulses. We can give more incentives to the farmers to grow these cereals and pulses according to our requirements. These are basic day-to-day requirements of the common man.

The non-Plan expenditure in 1980-81 was Rs. 13,062 crore. In 1989-90, this had grown to an enormous figure of Rs. 65,388 crore, which is a five-time increase within a decade. It is quite an alarming increase as against a three-fold increase in the Plan expenditure. This needs to be revised to see that we cut the non-Plan expenditure.

As part of the hon. Finance Minister's tax reforms, improving the system of tax administration, tax structuring, revenue collection, modification of certain rules and regulations and simplification of direct taxation and improvement in all directions of tax collection are found in the Budget proposals.

This has now resulted in equity and economic efficiency. The net tax revenue is Rs. 74,374 crores. There is an increase and there is also an improvement in this area. The fiscal deficit for 1995-96 is Rs. 5,000 crores. For the year 1994-95, this had gone up to Rs. 6,000 crores and it has been brought down to Rs. 5,000 crores. Major areas are there for growth in the economy especially in our country which is an agro-based economy. A large number of farmers depend on the rain-fed areas.

Energy and irrigation play a very important and a major role in improving the production in the agricultural sector. There are small farmers those who are not able to go in for major irrigation facilities and are to depend only on rain. There are natural phenomena, as we are finding in some areas of some States which are extremely flooded and there are also other areas where there is acute drought condition. We have observed this a few years back in many of the States. In such conditions our farmers are exposed to many of the vagaries of nature where the crops or the production of crops are not insured. The crop insurance scheme was about to be brought forward; and we would like to insist on the Government to think over it and bring forward a comprehensive scheme to cover the crop insurance scheme.

For the rural areas the allocation of Budget for 1995-96 is Rs. 6,740 crores. Quite a good increase is there in the allocation which is nearly about Rs. 900 crores for the Rural Development Ministry. But what we are observing is this. There is lack of proper coordination, monitoring, supervision and evaluation at the implementation level. This is the ground reality at the grassroot level where the beneficiary or the person for whom it is intended, lives. We have to devise some system or we have to rethink or evaluate these things so that the beneficiary or the person to whom it has to be reached gets it properly. Otherwise, we will not be knowing how much input we are putting and what is the result that we are getting, what are the achievements that we have been making in these areas.

Another important sector is power. For any growth of economy, power is the basic necessity. Regarding power generation, both conventional and non-conventional energy, our hon. Minister, Shri Salve said that our target was to produce 30,000 MW which has been cut down to 20,000 MW in the Plan. In this way, there will be a contradiction between our targets that we are going to achieve and the targets that we are thinking of for progress in industrial and agricultural sectors. As we have been seeing, many concessions, many relaxations and many tax exemptions have been given to ensure generation of self-employment in the rural areas, for unemployed youth and for the people who are below the poverty line. This is to alleviate poverty among the poorer sections. The utilisation part of the money which is allocated for this is lagging in the system which needs to be evaluated or to revitalised to see that better results are achieved.

**16.00 hrs.**

We have to have comprehensive plans or policies in augmentation or improvement of maintenance and repairs of minor irrigation tanks. This is one of the areas which we have been insisting upon. There are lakhs of these tanks in our country which have been totally

neglected. There are no repairs or maintenance whatsoever. These minor irrigation tanks are supposed to go a long way to keep good environment near the villages, provide drinking water for cattle and used for percolation and charging of ground water level. This also should be thought of and a comprehensive scheme has to be brought forward. We find that, though it is a State subject, priority is not being given to this area in every State; no money is allocated for these minor irrigation schemes. So, I would request the hon. Minister to think of it once again because many tanks have been dried up; there is no percolation or charging of ground water level. The ecological balance and environment that we are thinking of area being polluted due to these reasons also.

Conservation of soil and dry land development is another field. They go hand in hand. One cannot be thought of without the other. Importance should be given to these areas.

I would like to say a few words of appreciation. There is an improvement in the tax structure and also in the direct taxes. The personal income tax slab has been increased from Rs. 35,000 to Rs. 40,000. The Finance Minister has already announced relief in income tax up to Rs. 58,000 per year only for ladies. As other hon. Members have put it, I would also like to say that minimum slab for income tax should be Rs. 48,000 for all.

About price rise, we have been observing that the inflation rate is coming down to 8.5 per cent. We are watching it in the news, Press media and other media. But we have to see the ground reality and the basic needs for a man to survive or to have the purchasing capacity to go into the market to get basic items like *dal*, oil, etc. As I already mentioned, through public distribution system also, we should see that the system works properly and if there is a failure at any level, then we have to rebrush it and activate these schemes wherein a poor man can get his basic requirements like pulses and foodgrains at a proper price.

Another area which we have to care is health and primary education. These have also been given emphasis. At the same time, we are neglecting family planning and population control which form another major area where in every input goes to the growth of population. We should also keep in mind that population check or family planning should be given more emphasis. More money should be allocated for this area and more steps should be taken towards control of population for a healthy development, growth and progress of the people of the nation.

With these few words, I would like to support the Finance Bill and I hope Shrimati Manmohan Singh will keep apprising him of the latest rates in the market



keeping in view the difficulties faced by housewives. I would request the hon. Finance Minister to rethink over certain basic items to get them imported or to have a check or control over the prevailing rates.

MAJ. GEN. R.G. WILLIAMS (Nominated Anglo-Indian) : Mr. Speaker, Sir, I rise to support the Finance Bill, 1995 introduced by the hon. Finance Minister on the 18th May, 1995. It is four years since this Government under the leadership of Prime Minister Shri P.V. Narasimha Rao took office in the midst of an unprecedented economic crisis of falling production, soaring inflation and deepening poverty.

Sir, today it is heartening to note that these problems have been dealt with swiftly and systematically and there has been a remarkable recovery in a relatively short time. We have now transformed our sinking economy into a rejuvenated one, showing strong growth in agriculture and industrial output, a strong revival of domestic investment, a steady increase in foreign direct investment, renewed growth of employment and a comfortable foreign exchange position. Considering the time frame, bold economic policies and spectacular results achieved, the country's image has been fully restored to its rightful pre-eminence among the developing nations.

Sir, it is reassuring to note that the inflation rate which had recorded a menacing 11.41 per cent only a few months ago is now well under control and down to a welcome low figure of 8.5 per cent as announced on Doordarshan. We hope that this control will continue and the inflation rate kept well below the double digit figure.

It is noted with considerable satisfaction that the thrust of the Budget is not only upon poverty alleviation schemes but also on generations of employment in the rural sector. Approximately 50 per cent of the plan expenditure is earmarked for the development of the rural sector and a major share of the non-plan expenditure will be spent on food and fertiliser subsidies. These measures will greatly better the conditions of the common man.

Sir, I regret to point out that the proposed Finance Bill has once again bypassed the pressing problems of the salaried class or the middle income group of tax payers. Although the tax exemption limit has been raised from Rs. 35,000 to Rs. 40,000, all the hon. Members of this august House consider this as grossly inadequate and are unanimous that it should be increased to Rs. 50,000 taking into account the accumulated inflation of the past several years. Similarly, the rates of income tax are, far short of the rates recommended by the Tax Reforms Committee. The Chelliah Report had recommended a maximum tax of 40 per cent on incomes exceeding Rs. 2 lakh.

Whereas our Finance Bill proposes of a rate of 40 per cent on incomes exceeding Rs. 1,20,000. This imposes a harsh financial burden on the middle income group which constitutes the backbone of the nation.

Sir, there are a number of other sections of the Income-tax Act which require regular review and revision every two or three years so as to give timely financial relief to pensioners and salaried personnel. I will deal with a few of the more important and pressing ones. The first is Section 16 (1) on Standard Deduction. Under this Section, deduction is permitted up to one-third of salary or pension, subject to a maximum of Rs. 15,000. The purpose of this deduction is to defray petty expenses such as conveyance etc., in carrying out one's duty. These rates have been in force for a long time and a change is long overdue. Today salaries have increased very substantially and there is a huge difference between one-third of salary and the maximum deduction permitted of Rs. 15,000. I would humbly suggest it is time that the maximum deduction permitted be raised to Rs. 25,000, which is more in line with the present salary structure.

My second point is Section 80 (L). Deduction under this Section has been raised to Rs. 13,000. Actually, this is no increase because in 1991, the maximum deduction under this Section was also Rs. 13,000. In 1992, it was drastically reduced to Rs. 7,000. Section 80 (L) incidentally also includes dividends paid on shares which amount to double taxation on this source of income. I would humbly suggest that deduction under this Section should be increased liberally to Rs. 20,000 which will also stimulate investment in shares, whose prices in our Stock Exchanges have been steadily declining over the past one year.

My third point is about Section 80 (G.G). This Section permits a maximum deduction of Rs. 1,000 per month in respect of house rent paid in metropolitan cities. As you are aware Sir, house rents in big cities have increased manifold and the existing rate of deduction is very inadequate, to say the least. I would humbly suggest that bearing in mind the soaring rates of house rent, this deduction should be increased to Rs. 2,500 per month, which is more in keeping with the escalation rates of house rent in major cities.

Another harassment to middle income group tax payers is having to pay advance tax on the 15th of September, the 15th of December, the 15th of March and again on the 30th of June, each year. In order to give relief to the less affluent tax payer, I would suggest that in the case of tax payers whose income is less than Rs. 2,00,000 per year, they should be required to pay at least 90 per cent of their income tax for the financial year before the 31st of March, in one lump sum payment of in as many as desired.

This, to my mind, would reduce a lot of paper work and there would be no financial loss to the State.

Sir, finally a word about bank charges. The fariff rates recently announced by foreign banks are prohibitive. For example, the collection charges for clearing outstation cheques is Rs. 100 per transaction and for clearing cheques on overseas banks, a minimum charge of Rs. 250 is levied. These measures greatly affect our middle income tax payers and charitable institutions who rely on small remittance from well-wishers of relatives abroad.

DR. VASANT NIWRUTTI PAWAR (Nasik) : Sir, I am extremely thankful to you for giving me this opportunity to speak. I am on my legs to support this Finance Bill.

Sir, the Budget is an expression of the Government's political will to improve the economic conditions of the nation and the people. If the people of a country become rich, then the nation becomes poor and if the nation becomes rich then the people become poor. Hence a balance has to be maintained. I am glad that our new economic policy, initiated under the leadership of our Prime Minister, Shri P.V. Narasimha Rao and our Finance Minister, Dr. Manmohan Singh, we are on the path of liberalisation and privatisation and we have succeeded in restoring the impulse of growth to the nation.

I am happy that on the requests by the Members of Parliament and some associations, our Finance Minister has declared some reliefs on the 18th of May, 1995. To widen the tax base, for the professional and technical services, if the fees are more than Rs. 20,000, the tax collected as TDS has been reduced from 10 per cent to 5 per cent. For advertisement agencies, the tax has been brought down to one per cent. 100 per cent depreciation has been granted for the cost of books purchased for professional purposes. The exemption on the cotton hosiery is a welcome step. Full exemption of excise duty on sweet meats and snacks is also a welcome step. I am glad as a doctor, as 31 drugs have been declared as life saving drugs and they have been exempted from import duty; as well as the medical equipments which are used for the dentistry and E and T purposes have also been exempted.

The pressure Cookers where the aluminium circles are necessary, the duty has been brought down from 40 per cent to 25 per cent. The import duty on the paper and the paper boards have also been brought down to 20 per cent. The agricultural silos which are used in soyabean extraction units have also been brought down to 25 per cent. The duty on button cells has also been brought down from 50 per cent to 25 per cent. This will definitely give a strong boost to the economy while avoiding the burden on the common man.

I have got some suggestion to make. The tax exemption limit has been raised to Rs. 40,000. We were expecting that it would be raised to Rs. 50,000. The Chelliah Committee had recommended this exemption to the tune of Rs. 60,000. In the 1970s, the tax exemption limit was about Rs. 18,000. If we compare the conversion cost of Rs. 18.00 in 1970s, it comes to Rs. 52,000 in 1995. So, there is a rationale in asking for the increase in the tax exemption limit. I request the hon. Finance Minister to look into this matter.

Sir, in the banking sector, the new policy has been brought out by the Reserve Bank of India. New cooperative urban banks are being permitted to operate.

At the same time, TDS on the interest on the bank deposits of more than Rs. 10,000 will be collected by the banks. This will not only increase the work of banks but also violate the principle of secrecy. People will also not be ready to deposit the maximum amount in banks and this will hamper the functioning of the banks. If this work cannot be curtailed, I request the Hon. Finance Minister to give some collection charges or service charges to the banks for working for the Income Tax Department.

The Prime Minister's Rozgar Yojana for the educated unemployed or other anti-poverty programmes are being implemented by the banks. Definitely the banks are being over-burdened and as a result, the recovery of loan is very low. I learnt that about 92 per cent arrears are there with regard to the Prime Minister's Rozgar Yojana and, therefore, banks are not ready to give finance to the educated unemployed people. This matter should also be looked into. There are also a number of complaints about corruption in sanctioning of the loans to poor persons. This point should be given prior attention so that the basic goal of nationalising the banks, which was done by late Shrimati Indira Gandhi, be achieved in real sense.

The cooperative sector is working mainly for the farming community. This should be made tax free. There is a provision of 15 per cent dividend and the remaining is allowed to be converted into assets. So, if the cooperative sector is made tax free, it will boost its working. Our foodgrains production is of the order of 185-190 million tonnes. This year our sugar production is also maximum, which is about 142 lakh tonnes. Our farming community is doing a good job. Fertilizers are important for the farmers as they help in improving the yield per hectare. So, I request the hon. Finance Minister to increase the subsidy on fertilizers to give maximum benefit to our farmers.

For the professionals, like Chartered Accountant, doctors and lawyers the tax has been reduced from 10 per cent to 5 per cent. I appeal that it should be further

brought down to 2 per cent as in the case of contractors. When the contractors are paying only 2 per cent tax at source, why cannot this facility be given to the professionals?

Maximum provision is being made for the schemes like, Poverty Alleviation Scheme, Employment Generation Scheme in rural areas and to improve the Khadi Gramodyog industry. I welcome this step. I suggest that if some donation is given by an industry of an individual to the NGOs working in the field of population control, family welfare programme and the literacy mission, it should get hundred per cent tax exemption.

I do not understand the logic behind the excise on cement when we have announced to build 10 lakh houses in rural areas under the anti-poverty programmes. I request the Finance Minister to look into this. The manufacturers are not willing to pass on the excise cuts to the customers and hence the customers are always at a loss. Some step should be contemplated to see that the customers get the benefit of this excise cut.

There is a rational demand to abolish the dividend tax which involves double taxation and I request the hon. Finance Minister to look into this. Only nine months are left for the next Budget.

That means, this budget will not be for one year. So, why not think of a two-yearly budget formally? The budget can be presented every two years so that we do not change the tax pattern; so that we do not change the laws and the policy remains the same; so that the investors, the individuals who are working for the country get some benefit.

The Local Area Development Fund for the Members of Parliament is working properly and there are no recommendations on it. I request again that the amount of Rs. 1 crore presently reserved should be increased to Rs. 2 crore.

Sir, this budget and the Finance Bill are mainly inflation-controlling. This is an anti-poverty budget. It is far from truth to dub it as an electioneering budget. There are so many imaginative and innovative welfare schemes for the poor which would generate employment and improve the income of the poor. I am sure this new economic policy will definitely prove to be good for our country.

With these words I support this Finance Bill and I thank you for giving me this opportunity and time to take part in the debate.

SHRI GOVINDA CHANDRA MUNDA (Keonjhar) : Sir, the Local Area Development Fund for Members of Parliament should be increased to Rs. 2 crore.

*[Translation]*

So far, Rs. one crore was given but now it should be increased to Rs. 2 crore.

*[Translation]*

SHRI RAM KRIPAL YADAV (Patna) : Mr. Speaker, Sir, I am thankful to you for giving me a chance to speak on this finance bill. This is the fifth budget of Dr. Manmohan Singh. In 1991 when he became the Finance Minister of the country we hoped that millions of workers of this country would get relief, but our hopes were belied. The fiscal position of the country which we expected would improve, rather deteriorated. The financial management of the country which needed large scale improvement also deteriorated. The estimates made in 1991 proved wrong and the expectations of millions of labourers of the country were watered down.

Sir, the Finance Minister had visualised that the Budget will give a fillip to our economy but the budgets presented by him did not succeed in providing dynamism to our economy. He made an effort which failed and the country continued to remain entangled in fiscal difficulties. The situation today is very bad and the plight of countrymen is pitiable and there is resentment among them.

Sir, the Finance Minister followed the policy of economic liberalisation with the hope of improving financial condition of the country and extending its benefit to the common people, but this policy has totally failed. No fiscal improvement could be brought about. The industrial sector was not encouraged. Import and export sectors also we could not achieve what was expected. We are a poor country, Workers' and agricultural country. Most of the population live in villages, but still subsidy on foodgrains and fertilizers have been reduced. I would plead for increase in the subsidy.

The Government must formulate such schemes which generate more rural employment opportunities. The Finance Minister has not spelled out any policy for farmers and workers and this is hampering the welfare of the poor of the country.

The budget allocation made for Defence Ministry in the budget for 1994-95 was inadequate because the prices, the cost of Defence material has escalated. The country is passing through a very critical time. The external enemy has encircled us and we have to give a befitting reply to it. I want, this aspect should be given fair consideration so that we are able to fight the enemy with courage.

The Energy, Irrigation and Railway departments have direct link with the people. Adequate provision have not been made for these departments. I would request the allocation for these departments be enhanced so that daily problems of citizens are removed.

The external debt is mounting day by day and the interest we are paying accounts for 51.5 per cent of our total income. So, if internal establishment expenses are not reduced the entire income of the nation will be spent on payment of interest on debts and we will be pushed to the situation of poverty and the development process will come to a stand-still. Therefore, it is necessary to impose cuts on internal establishment expenses.

The income tax exemption upto an income of Rs. 40,000 is inadequate. Many members have expressed their opinion very strongly on this issue. The speed with which prices are rising, I think this Rs. 40,000 limit is inadequate and it should be raised to Rs. 60,000. The increase in inflation should be checked and such schemes formulated as would benefit common man and encourage small industry. The deteriorating financial position of the country needs immediate improvement so as to provide relief to common man. I would request the Finance Minister to keep in mind the points made by me and deal with them in his reply. I want that the common man, the farmer, the worker, small entrepreneur and all should be given sufficient relief.

[English]

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH) : Mr. Speaker, Sir, I am very grateful to all the hon. Members who have taken part in this debate on the Finance Bill. Sir, because the House had inadequate time to have a general debate on the Budget, it was inevitable that the debate on the Finance Bill turned out to be a general debate on the Budget itself. And I certainly agree with hon. Shri Atal Behari Vajpayee that this is not adequate, that in future we must ponder as to how this House can deliberate much more effectively on the Budget and the financial proposal for a particular year. Since, as I said, the debate turned out to be a general debate on the economic philosophy.

I should begin by saying a few words about the underlying philosophy of the Budget what we set out to achieve and what we have succeeded in doing. From most Members of the Opposition the common refrain was that this is an election-budget and that this is a politician-budget. From that I judge that their criticism was lacking in substance. The fact that all these things have been discussed and what was said was often a repetition of what was said by the Members of the Opposition during the last four years. I thought by this time they would certainly have been convinced that the prophecies of gloom that they have been predicting and projecting in these last four years that these prophecies of doom have not materialised. Whether one likes it or not, the world accepts the fact that in these last four years the Indian economy has made a

remarkable turn around and in fact if you look at most international studies or programme of adjustment and structural change, people are now saying that the process of economic reforms in India has turned out to be much smoother than in most other countries and as an investment risk, India today compares favourably even with countries like China. Now, it is another matter that for partisan reasons we are not able to agree in this House on this basic fact. But the facts are there for everyone to see who cares to see them.

Sir, the basic objectives of this Budget are to carry forward the process of reforms which we began some four years ago. And the objectives have been to bring about a rapid expansion of economic activities, to bring about a rapid increase in employment, to mount a frontal attack on poverty and to strengthen the forces of self-reliance to reduce the dependence of this country on artificial props of foreign concessional aid from abroad.

In all these areas we have made substantial progress. Even though I would be the first one to admit that a long arduous task of getting rid of abject poverty which still afflicts millions of millions of people of this country cannot be accomplished in a short period of four years, yet I would respectfully submit that the two-track strategy that we have adopted, namely a strategy to strengthen the impulses of growth in our economy and secondly, to ensure that the fruit of development do reach the poorest segment of our society, that is, strengthening of all anti-poverty programmes, strengthening of social safety net, and education and health measures to ensure that the weaker sections of our society have more effective participation in the mainstream process of development. I submit to this hon. House that this strategy is working.

The growth rate of our economy in the year, that has just ended, was 5.3 per cent. If you look at the terms in the number of jobs that have been created, there is progress. In the year of crisis, only three million jobs were created. In the next two years, the average was about six million, 60 lakh jobs. In the year that has ended, because the growth rate was much higher, the job creation would be close to be addition in our labour force. If we persist with a growth rate of five-and-a-half per cent to six per cent, I am confident that within a period of less than a decade, we can remove the burden of abject poverty. The lessons of experience are all there to support us.

In India, if you look at the poverty profile, until 1980 very limited progress was made in reducing the proportion of people living below the poverty line. But in the 80s, on any conceivable indicator of measurement of poverty, there was a sharp reduction because there was a sharp increase in the growth rate of our economy,

from the previous average of 3.5 per cent to 5.5 per cent in 1980. If we maintain that momentum of growth in the next decade, I feel that we will succeed in not only alleviating poverty but in eradicating poverty.

We need broad base employment oriented growth, a growth which benefits both agriculture and industry, a growth process which takes into account the varied means of the complex polity that India is, which pays adequate attention to the backward regions of our country. That strategy if we pursue diligently, it is bound to enable us to get rid of this abject poverty.

Sir, several Members have referred to estimates of poverty. I do not know, on what basis arguments have been advanced that the reforms programmes has meant an accentuation in the profile of poverty. I respectfully submit, all the evidence that I have seen points to the contrary direction.

This is not to deny that in the initial years of reforms we were in crisis years. We had to compress the level of economic activities, we had to compress the level of imports, we had to cut the budget deficit sharply and therefore, there might have been some adverse development. But all the other indicators suggest that since 1992-93, there was a recovery and in 1993-94 even the real wages of agricultural labourers, the poorest segments of our society have risen above the crisis year of 1991-92.

The same picture emerges, if you look at the indices of infant mortality, the crude deficit and all this serves to substantiate that though in 1991-92, there was probably some retrogression which was inevitable in the adjustment process but by 1992-93 the process had reversed itself.

And, therefore, this ascertain that poverty has increased, I respectfully submit to this House, is not substantiated.

A reference has been made to the data of the Planning Commission. The National Samples Survey, every five years, conducts a sample survey of about 100,000 households to find out what is happening to the profile of poverty. The last published data was in 1987-88 when the proportion of people living below the poverty line was estimated officially by the Planning Commission at 29.9 per cent. The survey for the year 1993-94 has been completed. That data processing is in progress. When that data become available, I shall be glad to come back to this House, let there be a debate as to what has actually happened. But the Planning Commission does have the National Samples Survey Organisation, which, every year, conducts a thin sample of about 10,000 households. The latest available estimates, out of this thin sample are for the year, which is again the year of crisis. Even in that year of crisis,

this thin sample, which I do not regard statistically reliable - since a reference has been made to it, I am willing to share this information with the House - according to that thin sample survey, the proportion of people living below the poverty line was no more than 20.3 per cent. But I am not claiming too much because that sample is not statistically very significant. Therefore, the charge that I know something about the poverty profile and I am hiding this thing from the House has no substance.

The second major point of the Opposition's criticism, which has been made, is that of opening up of our economy, that liberalisation is leading us to sacrifice of self-reliance. I strongly repudiate this suggestion. What is self-reliance? In the modern world, no country can be wholly self-sufficient. Everywhere in the world imports do increase in the process of successful development. I know of no country in the world where imports do not increase. If imports are going to increase, it is your employment increase, it is your output increases. How are you going to finance your inputs? The answer was provided by Panditji himself in the First Chapter of the Third Five Year Plan, which I know that Panditji himself wrote. He said that self-reliance is a state of development in which a country can meet all its import requirements through its normal exports and normal receipts of capital without artificial props of concessional duty. If that is the definition - and I submit to this august House that that is the only sensible definition of self-reliance or of *swadeshi* in its true sense - then we are closer to self-reliance *swadeshi* today than we were ever before. In 1980s and before that, our exports financed less than 60 per cent of our imports. Today our exports, because of the rapid expansion of scrips and shares, in the last two years our exports have increased by 40 per cent. And the result is that today India is able to finance 90 per cent of its imports through its own exports. We have, over the last four years, reduced our dependence on foreign savings. In the year of crisis, in which the previous Government was presiding over the destinies of this country, the deficit on Current Account, that is, borrowings from abroad, was nine billion dollars. In recent years, we have reduced this borrowings drastically and in the year that is just ended, the Current Account deficit on the balance of payments was no more than 0.5 per cent of our GDP.

If you are looking at objective evidence of self-reliance, India is, in fact, moving in the right direction.

Sir, I think it was Shrimati Rita Verma, who said - I listened to her with great interest - that because we are reducing our tariffs on quantitative import restrictions, this is, some way, opening up the floodgates of imports which will hurt our industry. So what is the proof of that? Indian industry in 1994-95 increased at the rate of nearly nine per cent per annum. The capital goods industry



sector, where we have liberalized at the fastest pace, has increased by over 20 per cent. Can anybody say then that this liberalization policy is a policy of de-industrialization, as Mr. Indrajit Gupta said or some people in the Opposition implied? I respectfully submit that the evidence is quite contrary. We have, in fact, done a good job that while we are liberalizing our import regime, reducing tariffs, reducing quantitative import restriction but through a simultaneous use of the weapon of the exchange rate, we have ensured that Indian industry will continue to have reasonable degree of protection.

Some Members referred to the threat of dumping. Today we have an effective dumping legislation. So there should be no fear and no worry that we are going to allow foreign countries to dump their goods into our country. If any such things happen, a few months ago this House itself has passed the necessary legislation. The Government is, today, equipped with effective measures to deal with dumping of any goods. Therefore, there should be no doubt on that score altogether.

Now another argument has been advanced that while, on the one hand we are reducing imports, on the other hand we are increasing excise duties and, therefore, the argument is that we are not providing a level-playing field. First of all, Sir, I deny that we have been increasing excise duties. In fact, in the last four years, the process of reduction of excise duties, the extension of the MODVAT credit to most segments of Indian industry has reduced the cascading effects and the distortionary effects of excise duties. It has strengthened the competitiveness of the Indian industry. It has not weakened it. In the same way, in reducing import duties, we have taken care to see that the sharpest cuts are made in duties on inputs - all capital goods, so that the competitiveness of the Indian industry is improved and not weakened. And what is the proof of that? If the Indian industry were less competitive, why would our exports in dollar terms increase in 1993-94 by 20 per cent? Why would such an increase in the year 1994-95 be as much as 18 per cent? As a result, Sir, I submit that the policy of liberalisation is not a policy of de-industrialisation. It is a policy of strengthening India's industrial economy. It is a second Industrial Revolution, if you wish to call it. The industrial policy would see a lot more competition but out of it will emerge an Indian industry which is able to face the rest of the world on its own that we, as a nation, will be able to look everyone else's fate in the eye. Whether we like it or not, we live in a harsh competitive world. If anybody believes that India can keep its market through and that the rest of the world, therefore, will allow India's exports to enter freely without quantitative restrictions with moderate tariff trade, then, I respectfully submit that, that person is living in a world which does not exist today. We have seen, for example, the friction

between Japan and the United States in trade relations. If you want to take part in global economy, if you want India's exports to grow and we do want India's export to grow because our exports of cotton textiles today are nearly 30 per cent of our exports, as millions of people, workers, handloom weavers and others depend on their livelihood for exports, and if you want to say that we will shut our economy from imports but the rest of the world should allow us, I respectfully submit to you that you need to rethink about your economics. We are not living in that world.

This does not mean that we should not take legitimate measures to protect our industries. We will take all possible measures to strengthen our industries, to strengthen our economy. There should be no fear that any international institution, whether it is the World Bank or the IMF or any other country, can dictate economic policies of this country. This country's economic policies have always been formulated keeping in view the national interests, and this Budget continues that process. Today, we do not have a programme with the IMF. Therefore, I was surprised when some Members said that there is the influence of the IMF. With the World Bank, today we have not central programme, except project assistance, and I can faithfully and honestly state to this House that there is no pressure on us at all from these international institutions. We are free to do what we like. We shall do what is good for the people of India. That has always been the paramount consideration and it will remain the paramount consideration...*(Interruptions)*

With regard to foreign investment, a lot of campaign of disinformation has been going on in this country. Even before 1991, India did allow hundred per cent foreign investment in export-oriented ventures. Even before 1991, India allowed seventy-four per cent equity to foreign investors in priority industries. But it was done through highly bureaucratic processes, case-by-case. There were delays. There were also complaints of corruption. So, the Prime Minister said: "Well, let us get rid of these bureaucratic hassles. Let us identify the priority industries where we want foreigners to come in on our terms but where there will be no rigmarole of clearances at several levels." That is why we identified thirty-four industries where we said we shall welcome foreign investment even if it wants to come on a majority basis. So, what we have done is the de-bureaucratization of the process of clearance. It is not a basic change in policy. Therefore, this saying that since 1991 we have adopted measures, selling this country to foreigners, or that we are doing anything which is against the interest of this country, is totally unrelated to the facts of the situation. Outside these thirty-four industries, each case is examined on its merits. As the Prime Minister has pointed out on several

occasions and as my other Ministerial colleagues have pointed out, we may not have got very large amount of direct investment. I admit when people say that we have got only limited amounts of foreign investment. But that was not unexpected. After all, this programme is only four years old. When people talk about China, the Chinese programme started in 1978. But our programme is only three and a half years old. So, I am not at all disappointed that there has been limited inflow of direct investment. But eighty per cent of this inflow has been in high-priority, in technology-intensive industries, including the agro-processing. Let me respectfully submit that when we talk of hi-tech, we always talk of steel. But today it is not steel which represents the commanding heights of the economy. It is the microchips in areas of agro-processing, bio-technologies and all that, which can bring about a sea change in opportunities for our farmers and for our consumers. Therefore, if you close your mind set, if your conception of what constitutes the commanding heights of the Indian economy is limited to what was discussed in 1956, I think that is no service to Pandit Ji. Pandit Ji always recognised and emphasised that we live in a dynamic world, that we cannot be prisoners of the past, and that our thinking has to adjust to the changing needs of our time. And that is precisely the foreign investment policy that we have followed. It is a policy, as I said, of strengthening self-reliance, not of weakening self-reliance, any suggestion to the country is not consistent with the facts that I have presented to this august House.

17.00 hrs.

Sir, I want to talk about the employment situation. The Members of the opposition have been arguing as if employment is falling and as if factories have been closing. But all evidence points to the contrary. I have already referred to the figures of employment generation produced by the Planning Commission. More recently, only two weeks ago, the Confederation of Indian Industry conducted a survey among its members. They have come out with a public study which falsifies this charge that over the reform period employment has been declined. Employment in the industries covered by the survey of the Confederation of Indian industry clearly shows that the increase in employment has been roughly at the same rate as the increase in our population. I am not saying that this is enough. We need much higher growth rate. But, I think this propaganda that after the reforms, employment is falling and factories are closing has, in fact, no basis. ...*(Interruptions)*

SHRI HARIN PATHAK (Ahmedabad) : What about the textile industry?

SHRI MANMOHAN SINGH : Sir, in fact, I was looking recently at the investment intentions approved, after our

Government came into office. Until 31st march, 1995 we had approved, taken on record, 20,780 investment intentions covering an investment of Rs. 4,28,000 crore.

DR. ASIM BALA (Nabadwip) : What will happen to unemployment problems? How would you solve them?

SHRI MANMOHAN SINGH : I am coming to that. All these projects are now in various stages of implementation. When these projects are completed, they would add 40 lakh new jobs to the manufacturing sector of our economy.

SHRI TARIT BARAN TOPDAR (Barrackpore) : The election assurance was for recruiting one crore people. You are now saying of 40 lakh only...*(Interruptions)*

SHRI MANMOHAN SINGH : I would like the House to appreciate that after 50 years of development, India's manufacturing sector, both in the private sector and the public sector, today employs no more than 70 to 75 lakh people. You consider that with the position in these last four years. If these approvals fructify, as they will in the next 4 to 5 years, we would have nearly added 70 per cent of the jobs that today exist in the manufacturing sector of our economy.

DR. ASIM BALA : But it has already gone down.

SHRI HARIN PATHAK (Ahmedabad) : In Ahmedabad alone, 70,000 workers have become jobless. What have you got to say?...*(Interruptions)*

SHRI MANMOHAN SINGH : Now I want to say something about this charge that small industry is the casualty of the reform process. Nothing could be farther from truth. The small industry in India is growing fast enough. And I want to say that all the sectors reserved for the small scale industry remain reserved and there is no dilution of policy on reservation. Import liberalisation has, on balance, particularly helped the small industry. They do not have to go to the canalising industry. They do not have to go to the licensing authorities for import licensing. They do not have to stock raw materials for two years now. They can get all these things on shelf and the proof that the Indian small industry is flourishing is shown by the growth rate. Last year the Indian small industry's growth rate was over seven per cent per annum...*(Interruptions)* Also, last year I asked the Confederation of Indian Industry and I also asked the National Institute of Public Finance to conduct a survey of the impact of our new policies particularly the fiscal policies on the small scale industries. Both these documents are public documents. If you care for the truth, please read these documents. Both these documents come to the conclusion that small scale industry is a beneficiary of the reforms process and not a victim of the reforms process.

As far as tax policies are concerned, preferential excise duty treatment of small scale industry is being

expanded. The limit on the use of the small scale excise concessions have been increased from Rs. Two crore to Rs. Three crore in the budget for 1995-96. The National Equity Fund is being expanded. The tax concessions for new small scale units under which they can deduct 30 per cent of their income if they are companies or 25 per cent of their income if they are not corporate entitles for the first 10 years of operation has been continued in this year's budget.

Also, a provision of Rs. 220 crore Technology Development and Modernisation Fund has been established in SIDBI. A provision of Rs. 1,000 crore consortium lending has been arranged for village and small scale industries to ensure that the small, tiny enterprises in this country also benefit from the economic reform. A Seven Point Programme of reaching bank credit to the small industry people has been drawn up. Specialised bank branches catering specially to the needs of small scale industries will be established, in nearly 85 districts which have concentration of small industries of over 2,000. This year alone, we will establish at least 100 such branches.

The banking system has its problems. Several hon. Members have referred to this. I can assure the hon. House and the hon. Members that I am fully alive that our banking system needs to be streamlined, that it needs to be motivated so that the social objectives of banking are not neglected, even after the process of liberalisation gets going.

Now, Sir, I come to the role of agriculture, the role of food and fertilizer subsidies. Agriculture continues to be the base of our economy. No planning, no development in India can succeed if our farmers do not have an adequate incentive to produce more and our Government have acted on several fronts. We have reduced the disincentive against agriculture, the bias against agriculture built into our trade policies and excessive import substitution. We have, in the last three years, given remunerative prices to our farmers which more than offset the effects of increase in fertiliser prices and the result is that our farmers have responded handsomely to these initiatives. The fact that our foodgrains are so full, that we have over 30 million tonnes of foodgrains is an indication of the success of the new agricultural strategy.

I was Shri Nirmal Chatterjee who referred to the declining per capita availability. I think that is a statistical fiction. What has happened is, because remunerative prices are being offered, the private sector today does not stock foodgrains. All the stocks which were previously being held in the private sector have ended up in the public sector. The natural result is that it is a statistical illusion of a declining per capita availability of foodstocks. *(Interruptions)* The data is correct, but the inference that you are drawing is wrong. *(Interruptions)*

SHRI NIRMAL KANTI CHATTERJEE (Dumdum) : Are they not facts? Is it a fiction then?

SHRI MANMOHAN SINGH : But those facts do not lead you to draw the conclusion which you were drawing...*(Interruptions)*

Now, Sir, with regard to food and fertilizer subsidies, our Government has accepted that food subsidy is an integral part of our process of helping the weaker sections. The Public Distribution System is being particularly revamped in those areas, in those development blocks which contain the hardcore of poverty.

The food subsidy has been increased from Rs. 4000 crore last year's Budget to Rs. 5250 crore. Similarly, the fertilizer subsidy has been increased by nearly 50 per cent, i.e., from Rs. 4,000 crore last year to Rs. 5950 crore and I may inform the House that I would have been happy to spend more on these two things but the Finance Minister has to be conscious of such a thing as a resource constraint. We have a resource problem that limits the option and I may share with the House that before the Budget was formulated, I asked one of the non-Congress ruled State Chief Ministers as to what would be the right amount to spend in this year's Budget on food and fertilizer subsidy, taking into account the resource constraint that we have. That hon. Chief Minister wrote to me and to the Prime Minister that knowing the resource constraint, if you spend Rs. 5,000 crore towards food subsidy that would be an adequate response. We have done better than that. He said, "if you spend Rs. 6,000 crore on fertilizer subsidy that would be an adequate response". We have nearly met that demand. Our fertilizer subsidy bill is Rs. 5,950 crore, close to the figure of Rs. 6,000 crore.

Our Government shares the concern of all sections of the House that we should do as much as we can to strengthen our agricultural base. We would remain alive and alert to the needs of the farmers. The Budget is not the last word on what you can do in these areas.

Sir, I now come to the problem of inflation. I share the concern of the hon. Members with regard to inflation. I had said as much as I would in my Budget Speech. I had also said that there were some temporary factors why inflation had gone out of hand last year. Large inflow of external resources fed the expansion of money supply last year. Also, there were problems with regard to some sensitive commodities like raw cotton and vegetable oil. But this year, we are determined to bring inflation under control. Every week since the beginning of this financial year the inflation index has been declining. We will persist with that. I do share the anxiety of the Members. I also share the view that price rise is still a problem and that we need to do a lot more. But

through control of fiscal deficit, through proper monetary and credit policy, through reduction in import and excise duties, through liberal imports of essential commodities like cotton, vegetable, etc., through reduction in excise on essential products and through market sales of foodgrains, we will ensure that prices are kept under control. I think, it is possible to do so. Already the first six weeks of this year are an indication of what I said in my Budget Speech.

I now come to the fiscal situation. We have made progress; we have reduced the fiscal deficit, but not fast enough. I would be very honest with this House that if we do not contain fiscal deficit — and this is not today a Central problem alone. Today, this problem of the growing fiscal imbalances characterises the finances of most of the States of the Union. Most States are thinking that they can simply spend their way into prosperity. Inadequate emphasis is being laid on mobilising resources. Expanding non-Plan expenditure and subsidies today is affecting the finances of many Governments. Some Governments have gone to the extent of borrowing money from private moneylenders. I do not want to name them. Now, we as a nation, have to recognise that this is an unsustainable situation. We cannot go on increasing expenditure on Plan or on non-Plan or on subsidy and on everything else, and also simultaneously asking that taxes should be reduced, that exemption limit should be increased, and yet imagine that the Finance Minister can produce a rabbit out of his hat to say that fiscal deficit and our Government's deficit can go down! This is today a national problem.

We must tackle it. On the subject of external debt, we have today a problem which is much more manageable. But we have to be alert. The strategy that we are working is that the debt service ratio as a percentage of current receipts on the balance of payments which was about 27.7 per cent in 1994-95 should decline to about 20 per cent by the end of this decade. This requires vigorous export effort, this also requires prudent debt management to which we are committed. And therefore, with these measures, India's balance of payments can be taken care of.

Now, Sir, I come to some specific issues with regard to the Finance Bill. As the debate turned out, most Members did not have much to say on the provisions in the Finance Bill. From that, I take it that the House generally approves of all that I have done in this year. But a reference has been made to raising the exemption limit. Every year, since our Government came into office, we have raised the exemption limit. We have, this year, raised the exemption limit from Rs. 35,000 to Rs. 40,000. Today, Sir, the standard deduction is Rs. 15,000 for working men and Rs. 18,000 for working women.

Therefore, anybody who has a salaried income of Rs. 55,000 in the case of men or Rs. 58,000 in the case of women, he or she is not to bother about the tax. And in addition, if he or she is contributing to the Provident Fund or to an Insurance Policy, the tax incidence can still be lower. In addition, Sir, in this year's Budget, the provision for savings' deduction which was Rs. 10,000 in the last year's Budget, I have increased it to Rs. 13,000. If anybody has saved roughly one lakh rupees, on that, he gets an interest income of Rs. 13,000. In addition to this Rs. 55,000 tax exempt income, you can add another Rs. 13,000 tax exempt income. Considering India's poverty, considering India's per capita income I would like this House to take an objective view, whether the exemption limit needs to be raised. I sympathise with the plight of the middle class. The answer to their problem is that as a nation we must collectively improve the production; we must improve productivity and bring down the inflation. But we cannot achieve the results, we cannot provide genuine relief to the middle class through these gimmicks of raising the exemption limit. What would be the effect, if I raise the exemption limit from Rs. 40,000 to Rs. 60,000? There would be a loss of revenue of Rs. 2,000 crore. 77.5 per cent of that will be on account of the State Governments. If State Governments have less resources, they have less money for education, they have less money for health, they have less money for safe drinking water. Will the nation as a whole be better off? Well, I leave this to the judgement of this hon. House. ...*(Interruptions)*

SHRI HARIN PATHAK (Ahmedabad) : Please make it Rs. 50,000...*(Interruptions)*

DR. ASIM BALA (Nabadwip) : How are you going to control the black money?

SHRI MANMOHAN SINGH : A reference was made by Shrimati Rita Verma to certain anomalies in the import duties. It has been my effort in the last four years to simplify the tax structure to ensure that our tax structure sends the right signal that there is an incentive to send out manufactured goods rather than on raw-materials. But I will be the first person to admit that this process of restructuring is not complete. If there are any anomalies still in the system, we can always look at these things even after this Finance Bill is passed by this House.

Sir, another reference was made to the hike in excise duty on cement. It was not my intention to raise an effective burden of excise taxation on cement. And therefore, nobody, no manufacturers of cement should use the hike in excise duty as an occasion to raise his price. What I had done was I had extended the benefit of MODVAT on packaging to the cement industry.

To neutralise that and to see that cement industry did not pay less or more taxes, I raised marginally the

excise duties. The effective incidence of excise duty on cement industry has not increased as a result of the Budget and, therefore, there is no reason for anybody to complain that construction industry is being hurt as a result of what I have done in the Budget.

Shri B. Akber Pasha referred to the removal of export duty on leather. This has been done to encourage the production, to encourage our exports, but anything that may have been done by way of a cess, I think that that is a separate matter. That cess will benefit the industry. That does not benefit the Government. On my part, I have done my bit to encourage the leather industry which now employs millions of people in the small scale sector.

Finally, several Members have referred to reduction in excise duties. They welcomed this reduction. But they have argued whether these excise duty cuts will be passed on to the consumers. Last year, I had also made cuts on excise duties. I had asked the BICP to conduct a study. In most cases, these cuts on duties were passed on but, in some cases, there were problems. Our other Ministries have been taking up these matters with the concerned manufacturers. In particular, there has been concern in synthetic fibre industry. With slight reduction in duty, the prices have not come down. I propose to ask the BICP to conduct a thorough study of this matter and come up with any sensible suggestions. We allow it to ensure that wherever concessions have been given, these concessions are not for the benefit of the few, but they are for the benefit of the entire Indian people and if these concessions are not passed on, we will take up with the manufacturers and this Government has sufficient power to tackle that problem.

With these words, I commend the Finance Bill to the hon. House.

*(Interruptions)\**

MR. SPEAKER : It is not going on record.

Please sit down now. What is this? Rs. 2,000 crores have been allotted to textile industry.

*(Interruptions)\**

MR. SPEAKER : Nothing is going on record. Sit down now. It is not correct.

The question is :

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1995-96, be taken into consideration."

*The motion was adopted.*

New we will take up Clause-by-Clause consideration of the Bill.

*(Interruptions)*

MR. SPEAKER : Shri Mohan Rawle, do not make a show. I do not appreciate it. You get back to your seat.

*(Interruptions)*

MR. SPEAKER : Are you going back to your seat or not? You have not heard anything at all.

*(Interruptions)*

MR. SPEAKER : This kind of a thing is not appreciated. Please go back to your seat.

*(Interruptions)*

MR. SPEAKER : Nothing is going on record.

*(Interruptions)...*

17.26 hrs.

*At this stage, Shri Mohan Rawle left the House*

MR. SPEAKER : Now, we take up clause-by-clause consideration of the Bill.

#### Clause 2 - Income Tax

SHRI JASWANT SINGH (Chittorgarh) : Sir, I beg to move :

Page 2, line 56, —

*for "forty thousand" substitute "fifty thousand"(1)*

Page 2, line 57, —

*for "eighteen thousand" substitute "fifty thousand" (2)*

Page 3, line 3, —

*for "forty thousand" substitute "fifty thousand" (3)*

Page 3, line 4, —

*for "eighteen thousand" substitute "fifty thousand" (4)*

Page 3, line 15, —

*for "forty thousand" substitute "fifty thousand" (5)*

Page 3, line 17, —

*for "eighteen thousand" substitute "fifty thousand" (6)*

MR. SPEAKER : Now, I shall put amendment Nos. 1 to 6 moved by Shri Jaswant Singh to the vote of the House.

*Amendments No. 1 to 6 were put and negatived.*

MR. SPEAKER : Shri Ram Naik, your amendments are the same as Shri Jaswant Singh's. So, they will not be put to the vote.

SHRI RAM NAIK (Bombay North) : Sir, I understand that. But those amendments could be clubbed together.

MR. SPEAKER : Please understand that once the amendments of the same kind are put to the vote and negatived, other amendments are not mentioned.



SHRI GIRDHARI LAL BHARGAVA (Jaipur) : I beg to move :

Page 1, line 16,—

for "thirty-five thousand rupees" substitute "sixty thousand rupees" (63)

Page 1, line 17,—

for "eighteen thousand rupees" substitute "twenty-four thousand rupees" (64)

Page 1, line 21,—

for "thirty-five thousand rupees" substitute "sixty thousand rupees" (65)

Page 1, line 23,—

for "eighteen thousand rupees" substitute "twenty-four thousand rupees" (66)

MR. SPEAKER : Now, I shall put the amendment Nos. 63,64,65 and 66 moved by Shri Girdhari Lal Bhargava to the vote of the House.

*Amendments No. 63,64,65 and 66 were put and negatived.*

MR. SPEAKER : Amendment Nos. 95 and 96 are the same as amendments negatived previously. Now, Shri Ramashray Prasad Singh to move his amendments.

[Translation]

SHRI RAMASHRAY PRASAD SINGH : I beg to move:

Page 1, line 16,-

for "thirty-five thousand rupees" substitute "fifty-five thousand rupees" (100)

Page 1, line 17,-

for "eighteen thousand rupees" substitute "twenty-five thousand rupees" (101)

Page 1, line 21,-

for "thirty-five thousand rupees" substitute "fifty-five thousand rupees" (102)

Page 2, line 56,-

for "forty thousand" substitute "sixty thousand" (103)

Page 2, line 57,-

for "eighteen thousand" substitute "forty thousand" (104)

Page 3, line 3,-

for "forty thousand" substitute "fifty-five thousand" (105)

Page 3, line 15,-

for "forty thousand" substitute "sixty thousand" (106)

Page 3, line 17,-

for "eighteen thousand" substitute "forty thousand" (107)

[English]

MR. SPEAKER : Now, I shall put amendment Nos. 100, 101, 102, 103, 104, 105, 106 and 107 moved by Shri Ramashray Prasad Singh to the vote of the House.

*The Amendments No. 100, 101, 102, 103, 104, 105, 106 and 107 were put and negatived.*

MR. SPEAKER : The amendment Nos. 113 to 118 are the same as amendments negatived previously. So, I am not taking them up.

Dr. Laxminarayan Pandeya is not present.

The amendment Nos. 136 to 141 are identical and so they are not taken up.

MR. SPEAKER : The question is :

"That Clause 2 stand part of the Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill*

MR. SPEAKER : The Question is :

"That clause 3 stand part of the Bill."

*The motion was adopted*

*Clause 3 was added to the Bill.*

#### Clause 4 - Amendment of Section 10

SHRI JASWANT SINGH (Chittorgarh) : Sir, I beg to move :

Page 5,—

after line 28, insert—

'(8A) in clause (26) for the words, figures and letters "1st day of April, 1989, where such person is resident" the words, figures and letters "1st day of April, 1990, where such person is a *bona-fide* and permanent resident" shall be substituted. (7)

MR. SPEAKER : Now, I shall put amendment No. 7 moved by Shri Jaswant Singh to the vote of the House.

*Amendment No. 7 was put and negatived.*

MR. SPEAKER : The other amendments are of the identical nature. So, I am not putting them to the vote of the House.

The question is :

"That Clause 4 stand part of the Bill."

*The motion was adopted.*

*Clause 4 was added to the Bill.*

MR. SPEAKER : The question is :

"That Clauses 5 to 13 stand part of the Bill."

*The motion was adopted*

*Clauses 5 to 13 were added to the Bill.*

**Clause 14 - Amendment of Section 55**

SHRI JASWANT SINGH : I beg to move :

Page 6, line 47, -

*for "taken to be nil" substitute "determined by the process of averaging" (8)*

MR. SPEAKER : Now I shall put Amendment No. 8 to Clause 14 to the vote of the House.

*Amendment No. 8 was put and negatived.*

SHRI GIRDHARI LAL BHARGAVA (Jaipur) : I beg to move :

Page 6, line 45,-

*after "inserted" insert "with effect from the 1st April, 1995" (67)*

MR. SPEAKER : Now I shall put Amendment No. 67 to Clause 14 to the vote of the House.

*Amendment No. 67 was put and negatived.*

MR. SPEAKER : The question is :

"That Clause 14 stand part of the Bill."

*The motion was adopted.*

*Clause 14 was added to the Bill.*

**Clause 15 - Insertion of new Section 80 DDA**

SHRI JASWANT SINGH : I beg to move :

Page 7, lines 14 and 15,-

*for "as the income of the previous year" substitute "at the rate of ten per cent" (9)*

MR. SPEAKER : Now I shall put Amendment No. 9 to Clause 15 to the vote of the House.

*Amendment No. 9 was put and negatived.*

MR. SPEAKER : The question is :

"That Clause 15 stand part of the Bill."

*The motion was adopted.*

*Clause 15 was added to the Bill.*

MR. SPEAKER : The question is :

"That Clauses 16 to 18 stand part of the Bill."

*The Motion was adopted.*

*Clauses 16 to 18 were added to the Bill.*

**Clause 19 - Amendment of Section 80-1A**

SHRI JASWANT SINGH : I beg to move :

Page 8, line 6,-

*after clause (iv), insert*

(i) in sub-clause (c), the following proviso shall be added, namely:

"Provided that the prescribed guidelines for identifying industrially backward districts shall also include the border desert districts of Gujarat and Rajasthan", and (ii)' (10)

I seek your permission to just explain why I am moving this amendment. It will take me only a minute. The hon. Finance Minister is extremely partisan in granting benefits to certain hill areas. I can understand his preference and liking for hill areas because that is an area of particular interest and of partisan interest to him. But I would be thankful if he would be so good to extend the benefit that he is granting to those hill areas also, to the industrially backward districts and also include to border desert districts of Rajasthan and Gujarat. This is a very reasonable plea. What the hills can get, why should not the desert get it? That is my plea to the Government.

SHRI HARIN PATHAK : We support this. This is a request from all the Members from Gujarat.

MR. SPEAKER : Now I shall put Amendment No. 10 to Clause 19 to the vote of the House.

*Amendment No. 10 was put and negatived.*

SHRI JASWANT SINGH : I beg to move :

Page 8, line 6,-

*after clause (iv), insert-*

(i) in sub-clause (c), the following proviso shall be added, namely:

"Provided that the prescribed guidelines for identifying industrially backward districts shall also include the Uttarakhand region comprising the eight hill districts of Uttar Pradesh." (57)

MR. SPEAKER : Now I shall put Amendment No. 57 to Clause 19 to the vote of the House.

*Amendment No. 57 was put and negatived.*

[Translation]

SHRI RANJENDRA AGNIHOTRI : I beg to move :

Page 8, line 6,-

*after clause (iv), insert-*

(i) the sub-clause (c), the following proviso shall be added, namely:

"Provided that the prescribed guidelines for identifying industrially backward districts shall also include the Bundelkhand region comprising the six backward districts in Uttar Pradesh and 13 backward districts in Madhya Pradesh." (58)

Sir, Bundelkhand district is most backward and a no-industry district.

[English]

MR. SPEAKER : Now I shall put amendment No. 58 moved by Shri Rajendra Agnihotri to the vote of the House.

*Amendment No. 58 was put and negatived.*

## [Translation]

SHRI GIRDHARI LAL BHARGAVA (Jaipur) : I beg to move :

Page 8, line 6,-

after clause (iv), insert

"(i) in sub-clause (c), the following proviso shall be added, namely :

"Provided that the prescribed guidelines for identifying backward districts shall also include the border desert districts of Haryana, Gujarat and Rajasthan"; and (ii)" (68)

## [English]

MR. SPEAKER : Now I shall put amendment No. 68 moved by Shri Girdhari Lal Bhargava to the vote of the House.

*Amendment No. 68 was put and negatived.*

SHRI D. VENKATESWARA RAO (Bapatla) : I beg to move :

Page 8, line 6, -

after clause (iv) insert-

'(i) in sub-clause (c), the following proviso shall be added, namely:

"Provided that the prescribed guidelines for identifying industrially backward districts shall also include the border backward desert districts of Bihar, Andhra Pradesh and Orissa", and (ii)' (89)

MR. SPEAKER : Now I shall put amendment No. 89 moved by Shri D. Venkateswara Rao to the vote of the House.

*Amendment No. 89 was put and negatived.*

SHRI RAMASHRAY PRASAD SINGH (Jahanabad): I beg to move:

Page 8, line 6, -

after "clause (iv)", insert-

(i) in sub-clause (c) the following proviso shall be added, namely:

"Provided that the prescribed guidelines for identifying industrially backward districts shall also include the backward and terrorist affected districts of Bihar", and (ii)' (109)

MR. SPEAKER : Now I shall put amendment No. 109 moved by Shri Ramashray Prasad Singh to the vote of the House.

*Amendment No. 109 was put and negatived.*

SHRI ANNA JOSHI (Pune) : I beg to move :

Page 8, line 6, -

after clause (iv), insert-

(i) in sub-clause (c), the following proviso shall be added, namely:

"Provided that the prescribed guidelines for identifying industrially backward districts shall also include eight hill districts of Uttar Pradesh." (146)

MR. SPEAKER : Now I shall put amendment No. 146 moved by Shri Anna Joshi to the vote of the House.

*Amendment No. 146 was put and negatived.*

Amendment made:

Page 8, for lines 31 and 33, substitute

'(e) in sub-section (6), after clause (iii) the following clause shall be inserted, namely :

"(iv) any ten consecutive assessment years falling within a period of twelve assessment years beginning with the assessment year in which an assessee begins operating and maintaining infrastructure facility":

(f) in sub-section (12)-

(i) for clause (c), the following clause shall be substituted, namely :

'(c) "initial assessment year" -

(1) in the case of an industrial undertaking or cold storage plant or ship or hotel, means the assessment year relevant to the previous year in which the industrial undertaking begins to manufacture or produce articles or things, or to operate its cold storage, plant or plants or the ship is first brought into use or the business of the hotel starts functioning;

(2) in the case of an enterprise, carrying on the business of developing, operating and maintaining any infrastructure facility, means the assessment year specified by the assessee at his option to be the initial year, not falling beyond the twelfth assessment year starting from the previous year in which the enterprise begins operating and maintaining the infrastructure facility'. (160)

(Shri Manmohan Singh)

MR. SPEAKER : The question is:

"That Clause 19, as amended, stand part of the bill."

*The motion was adopted*

*Clause 19, as amended, was added to the Bill.*

**Clause 20 - Amendment of Section 80 L**

MR. SPEAKER : Mr. Jaswant Singhji, are you moving your amendment?

SHRI JASWANT SINGH : I am not moving now...*(Interruptions)*

SHRI RAM NAGINA MISHRA (Padrauna) : I beg to move :

Page 8, line 38, -

for "thirteen thousand" substitute "fifteen thousand" (24)

MR. SPEAKER : Now I shall put amendment No. 24 moved by Shri Ram Nagina Mishra to the vote of the House.

*Amendment No. 24 was put and negatived.*

SHRI RAMASHRAY PRASAD SINGH (Jahanabad): I beg to move :

Page 8, line 38,-

for "thirteen thousand" substitute - "twenty-five thousand" (110)

MR. SPEAKER : I shall now put the amendment No. 110 moved by Shri Ramashray Prasad Singh to the vote of the House.

*Amendment No. 110 was put and negatived.*

MR. SPEAKER : The question is :

"That Clause 20 stand part of the Bill"

*The motion was adopted.*

*Clause 20 was added to the Bill.*

**Clause 21 - Amendment of Section 80 U**

MR. SPEAKER : Shri Jaswant Singh - not moving. Shri Ram Naik - not moving. Shri Girdhari Lal Bhargava - not moving. Shri Mohan Singh - not moving.

Shri Anna Joshi - not moving.

The question is :

"That Clause 21 stand part of the Bill"

*The motion was adopted.*

*Clause 21 was added to the Bill.*

**Clause 22 - Amendment of Section 88**

MR. SPEAKER : Shri Jaswant Singh - not moving. Shri Ram Naik - no moving.

Shri Girdhari Lal Bhargava - not moving. Shri Ramashray Prasad Singh - not moving. Shri Anna Joshi.

SHRI ANNA JOSHI (Pune) I beg to move :

"Page 8, -

after line 43, insert-

'(a) in sub-section 6 -

(a) in clause (i), for "Seventeen thousand five hundred" "twenty seven thousand five hundred" shall be substituted;

(b) in clause (ii), for "twelve thousand" "twenty thousand" shall be substituted'." (150)

MR. SPEAKER : I shall now put amendment No. 150 moved by Shri Anna Joshi to the vote of the House.

*Amendment No. 150 was put and negatived.*

MR. SPEAKER : The question is :

"The Clause 22 stand prt of the Bill"

*The motion was adopted.*

*Clause 22 was added to the Bill.*

MR. SPEAKER : The Question is:

"That Clauses 23 and 24 stand part of the Bill.

*The motion was adopted*

*Clauses 23 and 24 were added to the Bill.*

**Clause 25 - Amendment of Section 115 K**

SHRI GIRDHARI LAL BHARGAVA (Jaipur) : I beg to move:

"Page 9, line 6, -

for "forty-seven" substitute "forty-five" (71)

"Page 9, line 8, -

for "six lakh rupees" substitute "seven lakh rupees" (72)

MR. SPEAKER : I shall now put amendments No.71 and No.72 moved by Shri Girdhari Lal Bhargava to the vote the House.

*Amendments No.71 and 72 were put and negatived.*

SHRI RAMASHRAY PRASAD SINGH (Jahanabad): I beg to move :

"Page 9, line 6,

for "forty-seven" substitute "thirty-five" (112)

MR. SPEAKER : I shall now put amendment No. 112 moved by Shri Ramashray Prasad Singh to the vote the House.

*Amendment No.112 was put and negatived.*

MR. SPEAKER : The question is :

"That Clause 25 stand part of the Bill"

*The motion was adopted.*

*Clause 25 was added to the Bill.*

MR. SPEAKER : The Question is :

"That clauses 26 to 29 stand part of the Bill.

*The motion was adopted.*

*Clauses 26 to 29 were added to the Bill.*

**Clause 30 - Substitution of new Section  
for section 139 A**

SHRI GIRDHARI LAL BHARGAVA : I beg to move :

"Page 9, line 49, -

for "fifty thousand rupees" substitute -"one lakh rupees" (91)

MR. SPEAKER : I shall now put amendment No. 91 moved by Shri Girdhari Lal Bhargava to the vote of the House.

*Amendment No. 91 was put and negatived.*

MR. SPEAKER : The question is :

"That Clause 30 stand part of the Bill."

*The motion was adopted.*

*Clause 30 was added to the Bill.*

**Clause 31 - Substitution of New Section for  
Section 145**

SHRI JASWANT SINGH : I beg to move :

Page 10, line 49, -

after "may" insert -

"in consultation with the Institute of Chartered Accountants of India." (15)

Sir, I have to make just one word of appeal to the hon. the Finance Minister. This relates to the accountancy system. The recent changes have met with some very adverse comments and representations have been received by all of us against them. Even at this late stage, if the hon. the Finance Minister reconsiders this, I will withdraw my amendment.

SHRI MANMOHAN SINGH : Sir, this is with regard to the provision that the Government will lay down the accounting standards. This is nothing unusual. Many other countries have this provision. The feeling which has been expressed that the Government will arbitrarily lay down the standards is not correct. I have stated when I introduced the finance Bill in this House that we would consult the Institute of Chartered Accountants and other professional bodies.

SHRI JASWANT SINGH : As the hon. the Finance Minister has said that the Institute of Chartered Accountants will be consulted, I seek leave of the House to withdraw my amendment.

Amendment No.15 was, by leave, withdrawn.

MR. SPEAKER : The question is :

"That clause 31 stand part of the Bill".

*The motion was adopted.*

*Clause 31 was added the Bill.*

**Clause 32 - Insertion of new chapter XIVB**

SHRI GIRDHARI LAL BHARGAVA : I beg to move:

Page 11

*omit line 49 and 50 (92)*

[English]

MR. SPEAKER : Now, I shall put amendment No.92 moved by Shri Girdhari Lal Bhargava to the vote of the House.

*Amendment No.92 was put and negatived.*

MR. SPEAKER : The question is :

"That clause 32 stand part of the Bill."

*The motion was adopted.*

*Clause 32 was added to the Bill.*

**Clause 33**

MR. SPEAKER : There is an amendment - amendment No.16 - by Shri Jaswant Singh. Are you moving your amendment?

SHRI JASWANT SINGH : No.

MR. SPEAKER : Shri Ram Naik, are you moving your amendment No.49?

SHRI RAM NAIK (Bombay North) : No, Sir.

MR. SPEAKER : Amendemnt No.73. Are you moving it, Shri Bhargava?

SHRI GIRDHARI LAL BHARGAVA : No, Sir. I am not moving it.

MR. SPEAKER : Shrimati Mahajan, are you moving you amendment No.81?

SHRIMATI SUMITRA MAHAJAN (Indore) : No, Sir.

MR. SPEAKER : There is another amendment by Shri Girdhari Lal Bhargava. Are you moving your amendment No.93?

SHRI GIRDHARI LAL BHARGAVA : No, Sir.

MR. SPEAKER : Amendment No. 152 by Shri Anna Joshi. Mr. Joshi, are you moving it?

SHRI ANNA JOSHI (Pune) : No, Sir. I am not moving it.

MR. SPEAKER : The question is :

"That clause 33 stand part of the Bill".

*The motion was adopted.*

*Clause 33 was added to the Bill.*

**Clause 34 - Amendment of Section 194C**

Amendment made :

Page 13, after line 29 insert—

(c) for the words "deduct an amount equal to two per cent of such sums as income-tax on



income comprised therein" the following shall be substituted namely :

"deduct an amount equal to-

- (i) one per cent in case of advertising,
- (ii) in any other case two per cent of such sum as Income-tax on income comprised therein". (161)

(Shri Monmohan Singh)

MR. SPEAKER : The question is :

"That Clause 34, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 34, as amended, was added to the Bill.*

MR. SPEAKER : The question is :

"That Clause 35 stand part of the Bill.

*The motion was adopted.*

*Clause 35 was added to the Bill.*

**Clause 36 - Insertion of new sections  
194 J and 194 K**

MR. SPEAKER : Shri I Jaswant Singh, are you moving your Amendment Nos. 17 to 207

SHRI JASWANT SINGH : No, Sir.

MR. SPEAKER : Amendment No. 50 to 53. Shri Naik, are you moving them?

SHRI RAM NAIK : No, Sir. I am not moving them.

MR. SPEAKER : There are Amendment Nos. 82 to 85 by Shrimati Sumitra Mahajan. Are you moving them?

SHRIMATI SUMITRA MAHAJAN : No, Sir.

MR. SPEAKER : Shri Bhargava, are you moving your Amendment No. 94?

SHRI GIRDHARI LAL BHARGAVA : No, Sir. I am not moving it.

MR. SPEAKER : Shri Anna Joshi, are you moving your Amendment Nos. 153 to 156?

SHRI ANNA JOSHI : No, Sir.

Amendment made :

Page 13, in line 54, for "ten per cent" substitute "five per cent". (162)

(Shri Manmohan Singh)

MR. SPEAKER : The question is :

"That Clause 36, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 36, as amended, was added to the Bill.*

MR. SPEAKER : The question is :

"That clause 37 to 40 stand part of the Bill."

*The motion was adopted*

*Clauses 37 to 40 were added to the Bill.*

**Clause 41 - Amendment of Section 230 A**

MR. SPEAKER : Shri Bhargava, are you moving your amendment?

SHRI GIRDHARI LAL BAHARGAVA : No, Sir.

MR. SPEAKER : The question is :

"That Clause 41 stand part of the Bill."

*The motion was adopted.*

*Clause 41 was added to the Bill.*

**Clause 42 Amendment of Section 234 B**

SHRI NIRMAL KANTI CHATTERJEE (Dumdum) : beg to move :

Page 15, line 48,—

for "to the date of such regular assessment," substitute "up to the period of payment of tax." (128)

Sir, let me mention this. I have moved the amendmnt which says that instead of the date of such regular assessment, substitute upto the period of payment of tax. This really rewards the tax-payer who is paying the tax a little lately and punishes him if he does not pay even after regular assessment. Therefore, I have suggested this amendment. He is nodding his head; I think, he is approving of it.

SHRI MANMOHAN SINGH : I think, that perception is not correct. There is a separate provision already for levy of interest on delayed payment of assessment tax after regular assessment has been made. So, the inference that the hon. Minister has drawn is not correct.

SHRI NIRMAL KANTI CHATTERJEE : But somebody pays the tax before regular assessment and what happens to him?

MR. SPEAKER : Now I shall put the amendment no. 128 moved by Shri Nirmal Kanti Chatterjee to the vote of the House.

*Amendment No. 128 was put and negatived.*

MR. SPEAKER : The question is :

"That Clause 42 stand part of the Bill."

*The motion was adopted.*

*Clause 42 was added to the Bill.*

MR. SPEAKER : The Question is :

"That Clauses 43 to 92 stand part of the Bill."

*The motion was adopted.*

*Clauses 43 to 92 were added to the Bill.*

**First Schedule**

SHRI JASWANT SINGH : I beg to move :

Page, - 28

for line 40 to 47, substitute-

"Rates of Income-tax

- (1) where the total income Nil  
does not exceed  
Rs. 50,000

- (2) where the total income exceeds Rs. 50,000 but does not exceed Rs. 75,000 10 per cent of the amount by which the total income exceeds Rs. 50,000
- (3) where the total income Rs. 75,000 but does not exceed Rs. 1,50,000 Rs. 2,500 plus 20 per cent of the amount by which the total income exceeds Rs. 75,000
- (4) where the total income exceeds Rs. 1,50,000 but does not exceed Rs. 5,00,000 Rs. 17,500 plus 30 per cent of the amount by which the total income exceeds Rs. 1,50,000
- (5) where the total income exceeds Rs. 5,00,000 Rs. 1,22,500 plus 40 per cent of the amount by which the total income exceeds Rs. 5,00,000 (21)

Page 28, line 50, -

for "Rs. 40,000" substitute "Rs. 50,000" (22)

Page 28, -

for lines 51 to 56, substitute, -

"Rates of Income-tax

- (1) where the total income does not exceed Rs. 50,000 Nil
- (2) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,50,000 20 per cent of the amount by which the total income exceeds Rs. 50,000
- (3) where the total income exceeds Rs. 1,50,000 but does not exceed Rs. 5,00,000 Rs. 20,000 plus 30 per cent of the amount by which the total income exceeds Rs. 1,50,000
- (4) where the total income exceeds Rs. 5,00,000 Rs. 1,25,000 plus 40 per cent of the amount by which the total income exceeds Rs. 5,00,000" (23)

Mr. Speaker, Sir, I had moved these amendments to the First Schedule. Even now I appeal to the hon. Finance Minister to grant benefits to the tax-payers and to change these rates as proposed in the amendments.

MR. SPEAKER : Now, I shall put the amendment nos. 21, 22 and 23 moved by Shri Jaswant Singh to the vote of the House.

*Amendments No. 21, 22 and 23 were put and negatived.*

MR. SPEAKER : Shri Ram Nagina Mishra, are you moving your amendment?

SHRI RAM NAGINA MISHRA (Padrauna) : No, Sir.  
SHRI SRIKANTA JENA (Cuttack) : I beg to move :  
Page 28, -

for lines 40 to 47, substitute -

"Rates of Income-tax

- (1) where the total income does not exceed Rs. 55,000 Nil
- (2) where the total income exceeds 55,000 but does not exceed 1,00,000 15 per cent of the amount by which the total income exceeds Rs. 1,00,000
- (3) where the total income exceeds 1,00,000 but does not exceed 1,50,000 Rs. 6750 plus 20 per cent of the amount by which the total income exceeds 1,00,000
- (4) where the total income exceeds 1,50,000 Rs. 16,750 plus 30 per cent of the amount by which the total income exceeds 1,50,000." (60)

MR. SPEAKER : I shall now put the amendment no. 60 moved by Shri Srikanta Jena to the vote of the House.

*Amendment No. 60 was put and negatived.*

[Translation]

SHRI GIRDHARI LAL BHARGAVA : I beg to move:  
Page 28, - First  
for lines 40 to 47, substitute Schedule

"Rates of Income-tax

- (1) where the total income not exceed Rs. 60,000 Nil
- (2) Where the total income exceeds Rs. 60,000 but does not exceed Rs. 1,20,000 20 per cent of amount by which the total income exceeds Rs. 60,000
- (3) Where the total income exceeds Rs. 1,20,000 Rs. 12,000 plus 30 per cent of the amount by which the total income exceeds Rs. 1,20,000" (75)

Page 28, line 50, -

for "Rs. 40,000" substitute "60,000"

Page 28, -

for lines 51 to 56, substitute -

First  
Schedule (76)

First  
Schedule

## "Rates of Income-tax

- (1) where the total income does not exceed Rs. 24,000 Nil
- (2) where the total income exceeds Rs. 24,000 but does not exceed Rs. 1,00,000 20 per cent of the amount by which the total income exceeds Rs. 24,000
- (3) where the total income exceeds Rs. 1,00,000 Rs. 15,200 plus 30 per cent of the amount by which the total income exceeds Rs. 1,00,000" (77)

Page 29, line 12 - First  
for "40 per cent." Schedule (78)  
substitute "20 per cent."

Page 29, - First  
omit lines 36 to 39. Schedule (79)

If the minimum exemption limit is raised from Rs. 40,000 to Rs. 50,000, it will help the poor. Therefore, I feel it should be raised to Rs. 50,000.

[English]

MR. SPEAKER : I shall now put Amendment Nos. 75, 76, 77, 78 and 79 moved by Shri G.L. Bhargava to the vote of the House.

*The amendment Nos. 75, 76, 77, 78 and 79 were put and negatived.*

SHRI NIRMAL KANTI CHATTERJEE (Dumdum) : Sir, I beg to move :

Page 28, -  
for lines 40 to 47, substitute —

## "Rates of Income-tax"

- (1) where the total income does not exceed Rs. 40,000 Nil
- (2) where the total income exceeds Rs. 40,000 but does not exceed Rs. 60,000 10 per cent of the amount by which the total income exceeds Rs. 40,000
- (3) where the total income exceeds Rs. 60,000 but does not exceed Rs. 1,00,000 Rs. 2,000 plus 20 per cent of the amount by which the total income exceeds Rs. 60,000
- (4) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 2,00,000 Rs. 10,000 plus 30 per cent of the amount by which the total income exceeds Rs. 1,00,000

- (5) where the total income exceeds Rs. 2,00,000 Rs. 40,000 plus 45 per cent of the amount by which the total income exceeds Rs. 2,00,000" (129)

He has argued it at length as to why the exemption limit cannot be increased. In fact, what I have suggested is not an increase in the exemption limit but I have suggested that the lowest rates be reduced from 20 per cent to 10 per cent. At present, it is beyond Rs. 40,000. I have also suggested that at the highest level, instead of 40 per cent, it should be 45 per cent but that is above Rs. 2 lakhs. As far as I view, he was never able to oppose these proposals. But I do not know how he will react now. Even if the exemption limit cannot be raised, let him accept these amendments.

MR. SPEAKER : I shall now put Amendment No. 129 moved by Shri Nirmal Kanti Chatterjee to the vote of the House.

*The amendment No. 129 was put and negatived.*

MR. SPEAKER : I shall now put the First Schedule to the vote of the House.

The question is :

"That the First Schedule stand part of the Bill."

*The motion was adopted.*

*The First Schedule was added to the Bill.*

## Second Schedule

SHRI NIRMAL KANTI CHATTERJEE : Sir, I beg to move :

"174. Page 32,  
omit lines 4 and 5." (174)

MR. SPEAKER : I shall now put Amendment No. 174 moved by Shri Nirmal Kanti Chatterjee to the vote of the House.

*Amendment no. 174 was put and negatived.*

MR. SPEAKER : I shall now put the Second Schedule to the vote of the House.

The question is :

"That the Second Schedule stand part of the Bill."

*The motion was adopted.*

*The Second Schedule was added to the Bill.*

## Third Schedule

SHRI NIRMAL KANTI CHATTERJEE : Sir, I beg to move :

Page 70, line 25, -  
for "50%" substitute "65%" (26)

Page 70, line 26,  
for "50%" substitute "65%" (27)

Page 70, line 28,  
for "50%" substitute "65%" (28)

Page 70, line 41,  
for "50%" substitute "65%" (29)

Page 70, line 42,  
for "50%" substitute "65%" (30)

Page 71, line 8,  
for "50%" substitute "65%" (31)

MR. SPEAKER : I shall now put Amendments No. 26, 27, 28, 29, 30 and 31 moved by Shri Nirmal Kanti Chatterjee to the vote of the House.

*Amendment Nos. 26, 27, 28, 29, 30 and 31 were put and negatived.*

*Amendments made:*

Page 38, in line 6, -  
for "(NOT RENDERED OR OTHERWISE EXTRACTED)", substitute "NOT RENDERED OR OTHERWISE EXTRACTED"; (163)

Page 40, -  
(i) in line 4, -  
for "heading No. 18.06",  
substitute "heading No. 18.06 (heading No. 18.06)";

(ii) in line 37, -  
for "UNDENATURATED" substitute  
"UNDENATURED"; (164)

Page 42, after line 28, insert-  
"-OTHER film, without perforations of a width exceeding 105 mm."; (165)

Page 44, for line 28 and 29, substitute  
(iii) in heading No. 47.07, -  
(a) for the entry in column (3), the following entry shall be substituted, namely :-  
"RECOVERED (WASTE AND SCRAP) PAPER OR PAPERBOARD";  
(b) in subheading No. 4707.10, for the entry in column (3), the following entry shall be substituted, namely :-  
"-Unbleached kraft paper or paperboard or corrugated paper or paperboard";  
(c) in subheading No. 4707.20, in column (3), for the words "Of other paper", the words "Other paper" shall be substituted;

(d) in subheading No. 4707.30, in column (3), for the words "Of paper", the word "Paper" shall be substituted"; (166)

Page 46, in line 28,  
for "Textile, fabrics", substitute  
"Textile fabrics"; (167)

Page 58, in line 31, -  
for "derivatives or acyclic", substitute  
"derivatives of acyclic"; (168)

Page 60, in line 8, -  
for "Subheading", substitute  
"Subheading Note 1 to this Chapter"; (169)

Page 63, in line 27, -  
for "-Other", substitute "-Other"; (170)

Page 71, -  
(a) in line 38, -  
for "red-lamps", substitute  
"arc-lamps";

(b) in line 39, -  
omit "Arc-lamps;" (171)  
(Shri Manmohan Singh)

MR. SPEAKER : I shall now put the Third Schedule, as amended, to the vote of the House.

The question is :

"That the Third Schedule, as amended, stand part of the Bill."

*The motion was adopted.*

*The Third Schedule, as amended, was added to the Bill.*

18.00 hrs.

#### Fourth Schedule

SHRI NIRMAL KANTI CHATTERJEE : Sir, I beg to move :

Page 82, line 53, -  
for "40%" substitute "60%" (32)

Page 83, line 2, -  
for "20%" substitute "30%" (33)

Page 75, -  
omit line 17. (130)

Page 75, -  
omit lines 27 and 28. (131)

Page 75,-  
omit lines 29 and 30. (132)

Page 75, -

omit lines 36 and 37. (133)

Page 75, -

omit lines 44 to 47 (134)

Page 81, line 15, -

for "20 per cent" substitute "10 per cent" (135)

MR. SPEAKER : I shall now put the Amendment Nos. 32, 33, 130, 131, 132, 133, 134 and 135 moved by Shri Nirmal Kanti Chatterjee to the vote of the House.

*The Amendment Nos. 32, 33, 130, 131, 132, 133, 134 and 135 were put and negatived.*

...(Interruptions)

MR. SPEAKER : If we continue working, it is supposed that we have agreed to work for, maybe beyond 6 O'Clock.

The time is extended.

*Amendments made :*

Page 74, in line 34, for

"fruit juice of flavoured with non-fruit flavours, such as rose, khjus, kewara"

substitute "fruit juice or flavoured with non-fruit flavours, such as rose, khus, kewra" (172)

Page 80, after line 43, insert -

'(iv) in NOTE 6, for the figures "59.08", the figures "59.10" shall be substituted;

(v) in NOTE 7 -

(a) in the opening line, for the figures "59.09", the figures "59.11" shall be substituted;

(b) in clause (a), for the figures and word "59.07 and 59.08", the figures and word "59.08, 59.09 and 59.10" shall be substituted;

(c) in clause (b), for the figures and word "59.07 and 59.08", the figures and word "59.08, 59.09 and 59.10" shall be substituted;'. (173)

(Shri Manmohan Singh)

[Translation]

SHRI GIRDHARI LAL BHARGAVA : I beg to move:

Page 96 line 44, -

for "20%" substitute "15%" (175)

Page 97, line 14, -

for "20%" substitute "10%" (176)

[English]

MR. SPEAKER : I shall now put the Amendment Nos. 175 and 176 moved by Shri Girdhari Lal Bhargava to the vote of the House.

*Amendments No. 175 and 176 were put and negatived.*

[Translation]

SHRI RAM NAIK : I beg to move :

Page 75, -

after line 32, insert-

(ii) 'For NOTE 7, the following NOTE, shall be substituted, namely :

"7. Heading No. 39.15 shall apply to waste, parings and scrap of single thermoplastic material, transformed into primary forms (heading Nos. 39.01 to 39.14).'" (180)

Sir, my amendment is very small but very important. A levy has been imposed on the recycled plastic, which is manufactured from plastic scraps collected from roadsides by Ragpickers. This plastic was never levied before. This is my amendment and I would request the hon. Finance Minister to consider it and, it will be better if he gives a reply in regard to this amendment.

[English]

SHRI MANMOHAN SINGH : Mr. Speaker, Sir, I have considered this matter. I have discussed this matter also with the hon. Members. I appreciate the spirit. But I find, it is administratively difficult to implement these suggestions. Even then I would have further consideration.

SHRI RAM NAIK : Sir, we could not hear him properly.

MR. SPEAKER : No. no, I can tell you, He says, administratively it is difficult. He will discuss the matter. He appreciates the spirit with which you have moved it.

[Translation]

SHRI RAM NAIK : Mr. Speaker, Sir, in view of the assurance given by the hon'ble Minister, I seek the permission of the House to withdraw the amendment.

[English]

MR. SPEAKER : Is it the pleasure of the House that the Amendment moved by Shri Ram Naik be withdrawn?

*Amendment No. 180 was, by leave, withdrawn*

MR. SPEAKER : I shall now put the Fourth Schedule, as amended, to the vote of the House.

The question is :

"That the Fourth Schedule, as amended, stand part of the Bill."

*The motion was adopted.*

The Fourth Schedule, as amended, was added to the Bill.



## Fifth Schedule

[Translation]

SHRI GIRDHARI LAL BHARGAVA : I beg to move:

Page 105, line 19, -

for "Rs. 45 per quintal"

substitute "Rs. 35 per quintal" (177)

Page 105, line 26, -

for "Rs. 350 per thousand"

substitute "Rs. 330 per thousand" (178)

Page 105, line 40, -

for "Rs. 2.50 per thousand"

substitute "Rs. 2 per thousand" (179)

[English]

MR. SPEAKER : I shall now put Amendment Nos. 177, 178 and 179 moved by Shri Girdhari Lal Bhargava to the vote of the House.

*Amendments No. 177, 178 and 179 were put and negatived.*

MR. SPEAKER : The question is :

"That the Fifth Schedule stand part of the Bill."

*The motion was adopted.*

*The Fifth Schedule was added to the Bill.*

MR. SPEAKER : The question is :

"That clause 1 the Enacting Formula and the Long Title stand part of the Bill."

*The motion was adopted.*

*Clause 1, the Enacting Formula and the Long Title were added to the Bill.*

SHRI MANMOHAN SINGH : I beg to move :

"That the Bill, as amended, be passed."

MR. SPEAKER : Motion moved :

"That the Bill, as amended, be passed."

SHRI NIRMAL KANTI CHATTERJEE : Sir, kindly allow me to speak. What I say is purely for record's sake. I have mentioned it this morning also. He has talked about the per capita availability of foodgrains. Now I am giving the figures which are from the 'Economic Survey'. In 1984, the per capita per day availability of foodgrains was 424.2 grams.

MR. SPEAKER : Mr. Chatterjee, is it the stage to give all those details?

SHRI NIRMAL KANTI CHATTERJEE : As I have said, it is purely for the purpose of record.

MR. SPEAKER : Okay, I will allow you. As it is, it takes more time resisting you!

SHRI NIRMAL KANTI CHATTERJEE : So, in that year the per capita per day availability of foodgrains was 424.2 grams. This was not the first time. In the year 1985, it was 479.7 grams. Then in 1990, it was 494.5 grams. In 1991, it was 476.4 grams.

AN HON. MEMBER : What is it?

SHRI NIRMAL KANTI CHATTERJEE : These are figures relating to per capita availability of foodgrains per day.

In 1992, it was 510 grams. Today, it is 474 grams. The whole point that I am making is that these figures are from your own publication.

SHRI MANMOHAN SINGH : It is a wrong interpretation.

SHRI NIRMAL KANTI CHATTERJEE : They are denying their own publication! My question is simple. In earlier years, when you had much larger per capita availability, you could not export. Today, you had a large stock of foodgrains and you are promoting exports also, while the per capita availability is reduced. Then the only conclusion that any sensible person including Dr. Jakhar would arrive at is that people are eating less. This is point number one.

Secondly, what you have not stated in your reply is that all this is happening either with a stationary rate of saving or investment in the economy or there may even be a decline in the savings rate. Of course, he may get a Nobel Prize for achieving a higher growth rate in the economy with a declining rate of saving! Now, these are to be explained by him.

Thirdly Sir, I have made a suggestion that instead of having tax deductions in income in so many clauses, why there cannot be just one deduction in tax, just as in Section 88 in place of so many sub-sections in Section 80 of the Income-tax Act. I would like to hear his response.

SHRI SOMNATH CHATTERJEE : Mr. Speaker, Sir, there are two issues that I want bring to the notice of this House. I have raised these issues many times before and I want to repeat them now that both the Finance Minister and the Prime Minister are also present here. This is about the Central sector industrial units which are before the BIFR. What is happening is very very disturbing, to put it very mildly. Now, the whole process takes so much time. Production is not taking place. Workers are totally uncertain about their future. These are units which have occupied a very important position in the Indian industry and these include companies like the Indian Iron and Steel Company. These have been taken over by the Government for revival. Merely saying that under the law, these have been referred to the BIFR or that the BIFR will appoint

an operating agency, etc., will not absolve your responsibility. This process takes months and months and years. Now, there may be different views. We have certain views and others may have certain other views. But whatever may be the perception of the Government, unless it is looked into and tackled very seriously and sincerely, this will have a very deleterious effect on our economy as a whole. You cannot have lakhs and lakhs of people facing privation, misery and uncertainty. For whose benefit is this happening? That is why, we have been requesting very sincerely that this matter be solved immediately. We have been raising this issue repeatedly in this House. I have raised it with the Finance Minister as also the Prime Minister that they may please with all seriousness, do a unit by unit study within a particular time frame.

As you know, three or four or five units have already been found to be viable and they have been brought out of the list. BIFR has already stated that they are viable and they need not go into those units. Therefore, they can be revived. A concern like Bengal Chemicals which was founded by Acharya Prafulla Chandra Roy and which was a part of our national movement....

SHRI MANMOHAN SINGH : That unit has been revived.

SHRI SOMNATH CHATTERJEE : Yes, that unit has been revived. That shows that units, in that list of 43, that infamous list, out of that so many of them are being revived. The plea is: take it seriously. There have been units where there have been no Managing Directors, no Director (Finance), no capital input, large amounts of old loans are outstanding on which interest is making the accounts red and from looking at the balance sheet, one will say, this is a company which should not survive although they are making a cash profit. These are creating havoc. My earnest request to you is, whatever may be our difference in perception, difference in our feeling about the economic policies and all that, please do not ignore this. BIFR is no solution. Unfortunately, BIFR is not the solution. The solution is, the Government should sit with us, sit with the people from the Trade Unions and all the Departments should meet together and decide. Let a study be made. Many of these units can be revived.

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) : Are you able to convert...(*Interruptions*)

SHRI SOMNATH CHATTERJEE : I do not appear before the BIFR. What I have been told as to the comments that are made from the Bench show that they have no sympathy. They are taking it as a routine matter. You come with some proposals, Mr. Chidambaram. Everything cannot be commerce.

SHRI P. CHIDAMBARAM : Everything is also not West Bengal Industrial Development.

SHRI SOMNATH CHATTERJEE : I know, this West Bengal Industrial Development has become your bugbear. I know, you are envious.

SHRI P. CHIDAMBARAM : I am making a suggestion to you. Do you agree with me?

SHRI SOMNATH CHATTERJEE : I have never said no. But I must see what is your concept. You just stand here and say something. I would like to know if it is result oriented. Therefore, I would like to request the hon. Prime Minister - some of them are good people there, though not all - the Finance Minister, the Commerce Minister and even the Minister of Steel, though I do not know what his present attitude is...

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV) : BIFR recommended that wage negotiation should not take place; but it was because of the intervention by the Prime Minister that we have given IISCO the benefit of wage negotiation.

SHRI SOMNATH CHATTERJEE : I congratulate you for that.

SHRI SONTOSH MOHAN DEV : You are complimenting me...(*Interruptions*). Let me finish. You are talking of only one aspect. In other respects, the Prime Minister has formed a Group of Ministers, of which, the Finance Minister is the President and Pranab Babu and the Labour Minister are the Members. Each and every case referred by the BIFR has to be decided on merit. We are not taking a view that we will accept whatever BIFR would recommend. We shall examine it, our view point would be heard and wherever we can protect, we will give protection. Take for example, the Heavy Engineering Corporation which is being revived. Some of them can be revived.

SHRI SOMNATH CHATTERJEE : What about MAMC?

SHRI SONTOSH MOHAN DEV : Do not tell everything. Try to appreciate also.

SHRI SOMNATH CHATTERJEE : Have you exhausted yourself? I am quite used to such things and it does not affect me.

Sir, some wage negotiations have ended in favour of the workers. It is good. I think, to that extent he deserves some congratulation, for a change. Therefore, what I am saying is, he himself has said that there is some Committee of the Ministers, but they are not involving others in that; they are not involving the unions in that...

THE PRIME MINISTER (SHRI P.V. NARASIMHA RAO) : He is going into all the aspects.

SHRI SOMNATH CHATTERJEE : Call people who are interested in this.

SHRI P.V. NARASIMHA RAO : Hardly a day goes without our friends coming up with something or the other before the BIFR. They are more vociferous when it is going to be decided. That is the only timing that they do. It is perfect timing.

I have received representations from them and from others. I am taking it personally as a matter of great importance and urgency. I have explained this to them. For instance, Sir, I feel come what may, we should not allow the Heavy Engineering Corporation in Ranchi to die down.

AN HON. MEMBER : What about Haldia?

SHRI P.V. NARASIMHA RAO : I am not going into the individual cases. This is the one which I remember very well, the opening, the beginning of which I remember very well. This is the industry which is the mother of all other machines. So, it is just like killing the mother if this particular industry is killed or allowed to be killed. We will not let that happen, Sir. But it is a very complicated thing, mismanaged over a long period of years. We will have to go it. It will take some time.

SHRI SOMNATH CHATTERJEE : I am thankful to the hon. Prime Minister for this. But some time frame would be very very desirable. Uncertainty does not help either the people, the industry, the economy or the industrial scene. Please understand that.

The second thing is very serious. I sincerely ask the Finance Minister, how corruption is affecting the reform programme initiated by the Government. People have been telling us that it is seriously affecting the reform programme. Please do not ignore it. I would like to know whether the Government is taking any serious step in this direction. Many important decisions have been held up or taken for reasons which are suspected. I do not know, I am not a participant in that. But there are strong complaints, which have been made regularly, that it is affecting the programme seriously. What will happen to the Prime Minister, the Finance Minister or the Government, we all know! But so long as you are there, what are you doing in this regard?

SHRI SRIKANTA JENA : Sir, unfortunately, when the Finance Minister replied to the debate he did not touch about regional imbalance. Because of the new economic policy of the Government, Eastern States like, Orissa, Bihar and West Bengal and also the Northeastern States are being neglected. Whatever investment is there, it is being made in some part of the country, to be more precise only in States where the infrastructure is in a readymade stage. As a result of this, the backward States will remain backward only. The Finance Minister did not even say a word about the regional imbalance which is going to be created because of the new economic policy. The successive Governments in the State of Orissa have been

demanding, whether it was a Congress Government, Janata Dal or any other party Government, that it should be treated as a backward State and all the benefits that are due to a backward State should be extended to it.

In Orissa we have two major public sector units, that is the Rourkela Steel Plant and NALCO. NALCO is the only public sector unit which is giving Rs. 500 crore profit. Rourkela Steel Plant is also giving profit.

MR. SPEAKER : Let us not discuss it State-wise. It becomes complicated.

SHRI SRIKANTA JENA : The profit that is being generated is not being recycled there itself. It is rather flown to the other States. This is creating the regional imbalance.

MR. SPEAKER : The point, which you have made about the regional imbalance, is a good point but you are reducing its value by taking it to the individual State.

SHRI SRIKANTA JENA : Sir, I am just giving this information. We are supplying coal to other States. We are supplying so many other things but that State is particularly neglected when it comes to making investment. I would say that because of the new economic policy the backward States are going to suffer a lot. This point was not at all touched by the hon. Finance Minister when he replied to the debate. Please do not think that the entire country is around Delhi or Bombay. Whatever investment has been made so far, it has been made only in some particular area. Let me have your reaction about this regional imbalance.

SHRI P. CHIDAMBARAM : That is not correct. It is completely wrong.

SHRI JASWANT SINGH : Mr. Speaker, Sir, I refer very briefly, at this stage of the debate in passing this Bill, to two aspects of the Finance Minister's direct responsibility which have not been adequately answered by him. It is the corrosive consequence, Sir, of corruption, as briefly mentioned by my esteemed colleague. This consequence, Sir, is functional, it is also directly related to the investment confidence of India. I will not go into an analysis of what this results in but certainly when we examine the record of this Government, with the continued uncertainty about Bofors, about the lack of information on punishment meted out to the banking and securities scam, sugar scandal about which so many still remain unpunished, and the disinvestment matter. The hon. Finance Minister, Sir, just now cited that earlier there used to be a case-by-case consideration. May I remind him that it is his own Ministry dealing with Telecommunications where there is a case-by-case consideration. ...*(Interruptions)*... It is your Government. Sir, it is a case-by-case consideration. What is happening in Telecommunications? What is after all happening in Power? The list, Sir, is

endless. My senior colleague Shri Atal Bihari Vajpayee just pointed out investment placement of Rs. 1000 crore by the Unit Trust in a very prominent business house resulting in a loss of Rs. 250 crore to the Unit Trust. I am not naming the business house but this is a fact of life. The hon. Finance Minister, Sir, has kept completely quiet about it.

MR. SPEAKER : At this stage we discuss why a Bill should be passed or why it should not be passed.

SHRI JASWANT SINGH : This is why it should not be passed, Sir.

MR. SPEAKER : No, no.

SHRI JASWANT SINGH : I say this because the hon. Finance Minister has given no information. He has not reacted to it. At least let him give some assurance.

MR. SPEAKER : Shri Ram Nagina Mishra.

(Interruptions)

MR. SPEAKER : You please understand that Rs. 2000 crore have been provided for it.

[Translation]

SHRI RAM NAGINA MISHRA : Mr. Speaker, Uttar Pradesh has been neglected in matter of industrial development. A decision has been taken to sell several sugar mills of Uttar Pradesh...(Interruptions). Arrears of billions of rupees of canegrowers are outstanding. What will happen to sugar factories, where will the canegrowers go?... (Interruptions) Sugarcane is the only crop on which the people of Uttar Pradesh sustain...(Interruptions) I would like to know from the hon. Finance Minister as to how the sugar factories there will be developed, how the canegrowers will be paid their arrears. This has also to be looked into...(Interruptions)

SHRI BHOGENDRA JHA (Madhubani) : Mr. Speaker...(Interruptions)

[English]

MR. SPEAKER : Bhogendra Ji, I have not allowed, it is not going on record. Please do not speak.

(Interruptions)\*...

MR. SPEAKER : It is not going on record, why are you speaking?

SHRI MANMOHAN SINGH : Mr. Speaker, Sir, some points have been raised with regard to the per capita availability of foodgrains by Mr. Nirmal Chatterjee. I was not challenging the facts. I was challenging the inferences he was drawing from those facts. The plain truth is that in the last two-three years because our Government has offered handsome remunerative prices, private stocks have declined. While private stocks are

counted as part of the availability, when they go to the public sector those are not considered a part of the availability. Therefore, you have a statistical phenomenon which, despite such good production, appears the way Shri Nirmal Kanti Chatterjee presented it. His inference that, therefore, people are eating less, I do not buy that. ... (Interruptions)...

SHRI NIRMAL KANTI CHATTERJEE : This morning it is said that the farmers are having too much stocks and that is why the prices are rising.

SHRI MANMOHAN SINGH : Sir, with regard to the approach to the sick units, the House has heard the hon. Prime Minister and I have nothing to add. But I would like to say, Sir, that since this Government came into office, we have rehabilitated 24 sick units and we have structured programmes of restructuring or reviving sick units. Never in the history of this country has such a structured programme of reviving sick units been implemented.

Now, Sir, I will come to the issue of regional imbalance. I do agree that regional imbalances exist. We cannot leave it entirely to the market forces or to the private enterprises to take care of them. That is why in the last three years, I have been providing special tax incentives for backward regions. Shri Jaswant Singh was saying that he was not happy because I was providing incentives for hilly regions. If he considers the North-Eastern region of our country as unimportant, if he considers Jammu and Kashmir as unimportant, well, I leave it to see that I do not owe any apology for having given tax concessions to accelerate development of those regions.

I would say that the Government is now disengaging itself gradually from direct investments in prosperous areas. The increased manoeuvrability that our Government has, the funds that will be at the disposal of our Government, we will be better able to invest those funds in the backward regions viz., the North-Eastern region, Bihar and Orissa. But the problems of Bihar and Orissa are not problems of lack of investments. If you look at the *per capita* investments of the public sector in Bihar and Orissa, they figure very prominently. They are much better. The real problems of Bihar and Orissa lie in the continued low productivity, poor administration, and poor electricity generation. If you deal with those problems, I can assure you that a lot more public and private investments will come into Orissa. (Interruptions)

SHRI SRIKANTA JENA : I totally disagree with the Finance Minister. Do you know what are the *per capita* investments of Railways, roadways or any other public sector in Orissa?

You are totally wrong Mr. Finance Minister. You may say political administration or whatever it is, Sir, a wrong signal is being sent to the entire nation. Orissa gives

maximum to the Railway authorities but the Railway investment is less compared to other States ...*(Interruptions)*

MR. SPEAKER : Mr. Jena, what is going on there?

*(Interruptions)*

SHRI SRIKANTA JENA : Sir, the attitude of the Finance Minister towards a particular State is really bad. We are concerned about this. We are giving the maximum revenue.

MR. SPEAKER : If you think that his figures are wrong, you have your method of proving that you are correct.

*(Interruptions)*

SHRI SRIKANTA JENA : We are giving the maximum revenue...*(Interruptions)*

MR. SPEAKER : This is not good. This is pleading a weak case.

*(Interruptions)*

SHRI SRIKANTA JENA : Orissa is the richest State. We are rich in all sectors but because of continuous neglect of Delhi, we are in such a position. If the Finance Minister wants a debate on this issue, we are prepared to debate on this issue. His attitude really concerns us.

MR. SPEAKER : Mr. Jena, this is not proper. I have allowed you but cannot continue like this.

*(Interruptions)*

SHRI SRIKANTA JENA : What is the Finance Minister's attitude towards Orissa?

MR. SPEAKER : You please take your seat. You cannot shout him down on this. He is on his legs. This is not correct.

SHRI SRIKANTA JENA : This is most unfortunate.

MR. SPEAKER : This not correct. This is not the way of arguing the case.

18.30 hrs.

*At this stage, Shri Srikanta Jena and some other hon. Members left the House*

*(Interruptions)\**

DR. KARTIKESWAR PATRA (Balasore) : Sir, I am on a point of order.

MR. SPEAKER : I must hear Mr. Patra's point of order.

DR. KARTIKESWAR PATRA : Sir, According to rule 94 of the Rules of Procedure and Conduct of Business, the scope of debate on motion for passing of Bill is limited. When the hon. Finance Minister moves that the Bill be passed, at that time there is no scope for hon. Members to go for a debate. The Members cannot refer to the details of the Bill further.

\* Not Recorded.

MR. SPEAKER : I must say that Mr. Patra's point of order is in order. All the same I am allowing the Members to have their say because they have cooperated in a very excellent manner.

*(Interruptions)*

AN HON. MEMBER : Sir, it is misleading.

MR. SPEAKER : It is not misleading. If his statement is not correct, confront him by following the rules...*(Interruptions)*

SHRI MANMOHAN SINGH : Mr. Speaker, Sir, with regard to this issue of corruption, I would like to say that our economic policy reforms are designed to reduce the scope for corruption. The fact that we have eliminated industrial licensing; the fact that we have nearly eliminated discretionary import licensing and the fact that we have liberalised imports which will reduce the scope for smuggling of gold and silver, show that all these are designed to reduce the scope for corruption and reduce the scope for generation of black money.

Sir, the hon. Shri Vajpayeeji and Shri Jaswant Singhji referred to a particular transaction of the Unit Trust of India. Sir, the Unit Trust of India operates on its own. I can categorically state that there has been no Government influence in this transaction. And I would also say that if you have come across any credible evidence that any wrong has been done, I would have it investigated. But merely because the security that the Unit Trust of India bought for a long period and are going to hold it for a five year period, the stock market prices fluctuate and merely because the prices today go down, does not warrant a conclusion that anything has been done wrong. But if you have any evidence, you have my assurance that I would have it properly investigated.

SHRI SOMNATH CHATTERJEE : You may say that your reforms are designed to reduce corruption. But has it happened? I would like to have a sincere comment on this. Therefore, it seems that this Government is totally unconcerned about corruption and there is no point in continuing the dialogue with them.

I know he is not allowed to say what he feels. He cannot say what he feels. Therefore, there is no point to see that this rule is printed in the Rules.

We walk out on this point.

18.36 hrs.

*At this stage, Shri Somnath Chatterjee and some other hon. Members left the House.*

SHRI MANMOHAN SINGH : I beg to move :

"That the Bill, as amended, be passed."

MR. SPEAKER : The question is :

"That the Bill, as amended, be passed."

*The motion was adopted.*



MR. SPEAKER : Please allow me to say that the discussion on the Finance Bill was good and all Members cooperated. We would like to thank them very profusely. Thank you.

*Now the House stands adjourned to meet tomorrow the 24th May, 1995 at 11.00 a.m.*

**18.37 hrs.**

*The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, May 24, 1995/Jyaistha 3, 1917 (*Saka*)*

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