

1988-89, be taken into consideration.”

Mr. Murli Deora to speak. Before the Hon. Member starts, Mr. Vakkom Purushothaman to lay a Report.

12.31 hrs.

COMMITTEE ON PUBLIC
UNDERTAKINGS

[English]

Forty-fourth Report and Minutes

SHRI VAKKOM PURUSHOTHAMAN (Alleppey): I beg to present the Forty-fourth Report (Hindi and English versions) of the Committee on Public Undertakings on Shipping Corporation of India Limited and Minutes of the Committee relating thereto.

12.31½ hrs.

FINANCE BILL, 1988—CONTD.

SHRI MURLI DEORA (Bombay South): Mr. Deputy Speaker Sir, I rise to support the Finance Bill proposed by the Hon. Finance Minister, Mr. Tiwari.

The year which has just gone was a very difficult year for the Indian economy. Specially due to very severe drought, the food production of our country has gone down considerably in the last two years. Hence, it was very wise to give a massive boost to the agricultural production and some of the measures like ensuring larger credit, reducing fertilizer and pesticides cost, encouraging irrigation through duty reduction on electric motors and pumpsets etc., providing pumpsets at a nominal leasing and rental charge etc., will help the farmers to grow more at a lesser cost.

The Hon. Minister just now said about the direct taxes Bill. When the Hon. Minister came to Bombay, a lot of people had represented to him regarding some anomalies

or some problems that tax payers are facing. I must congratulate Mr. Tiwari when he said in the budget speech itself that looking to the public opinion we will not make it a prres-tise issue; in case there is a need to withdraw some of the provisions, we will do it. just now Mr. Tiwari said that the article regarding partnership act will not be implemented this year; but it will be postponed for the next year. I don't know why does he want to do this. If the Government is convinced that tax on the partnership firms is not good In the interest of the partnerswou withdraw it postpone it? Why don't you withdraw it totally? This is one point where a large number of people are expressing their concern. The partnership firms—small, medium and big—are there in our country all over. I do'thnk even though you realised it...

SHRI NARAYAN DATT TIWARI: As a matter of clarification I may say that I had already said in my budget speech that we will be proposing a new bill. So this is a temporary transitional period. It will be as it was last year and the tax assessment would be as it was in the earlier times.

SHRI MURLI DEORA: Why to have a sword hanging? You know that you are withdrawing this. Just now you have said it will be postponed for the next year.

SHRI NARAYAN DATT TIWARI: The Amendment Bill is coming.

SHRI MURLI DEORA: So you have given a categorical assurance that the next year; it will not be there at all. Just now you have said that

Anyway I must congratulate you and thank you for that.

The most distressing feature of the Economic Survey presented this year—I would like to read out one small paragraph—is regarding the employment in the organised sector. It is in Page 41 in the Economic Survey.

“This is the first time it shows that the employment in our country in organised sector has gone down by 1.2 per cent. This is a most alarming situation.”

I would like to draw the attention of the Government to this fact. I would read out one more line.

“The monthly average vacancies notified during April—November 1987 was of the order of 50.4 thousand as compared to 54.1 thousand during the corresponding period of last year thereby showing a fall of 6.8 per cent”

This means, instead of achieving the plan targets of giving more job opportunities, in actual terms there is a fall in the employment opportunities available in our country. What is the reason for this? You have stated some reasons; you have justified that; but the real reason that I want to bring to the attention of the Hon. Minister is that there is a terrible fall in the capital formation of our country. I would give one example. If there are more industries there will be more production. If there is more production automatically there will be more employment. Fortunately in the first two years of the Plan there was massive capital formation and rapid industrialisation and even though the food production had gone down there was positive growth of industrial production of 9 to 10 per cent which kept the GNP positive. It has been stable or 1 per cent plus. The capital issues by the Controller of Capital Issues in your Department in the year 1986-87 April-December were to the tune of Rs. 4575 crores and this year in the corresponding period it came down to Rs. 4062 crores. There was decline of 11.2 per cent and for the private sector enterprises the approvals to raise the capital showed a sharp decline of 53 per cent. This means that the investors' confidence is shaken to a great extent. This is a very harmful thing for our economy. This will show results in a year or two. Last year thanks to the industrial production our GNP did not go minus but if you do not take remedial measures about capital formation which is steeply declining we will face a serious situation after two-three years.

There was a system of investment allowance. This worked well for so many years. It is a system where an entrepreneur is putting an industry he was able to off-set the

profit and the money in the investment allowance. Why has the Government withdrawn it?

SHRI NARAYAN DATT TIWARI : I have just announced about re-introduction of investment allowance in strategic industries. The details will be made known.

SHRI MURLI DEORA : If it is so then I must congratulate you for that.

The second point is about the interest charges. The interest charges are very high in our country. The interest rates should be high enough to encourage savings but it should not be so high to discourage entrepreneurship. These days the rate of interest of public sector bonds, the fresh capital or debentures or mopping up of the public money is so high that it comes to 20 per cent gross. Then why would any small or medium entrepreneur put industry or start a business? It is better to put the money in the bank and get 10-11 per cent net amount without tax. I would request the Hon. Minister that there is scope for further reduction of interest charges. The main reason for deficit is the Government paying interest charges to tune of Rs. 14000 crores. Government must reduce further rate of interest for all the sectors. No doubt it should not discourage the savings but it should not be so high as it is today.

Now I would like to draw the attention of the Hon. Minister to a scheme which is mopping up of the resources of NRIs. There are two sides of the scheme. It is a well-known fact. Sometime back even the State Bank Chairman, Mr. Ghosh himself said it in, New York. What are the NRIs doing? If the credit-worthiness of India was so good that the NRIs are buying money at 6 to 6½ per cent and depositing this money in Indian Banks overseas at 10 per cent—now it is reduced—then I do not know the reason why you are allowing this schemes of FCNRs and NRERs. The very NRIs who are buying the money under this scheme are pledging the same deposit receipts in cooperation with our nationalised banks abroad. There is such a racket in this that the Government of India

is losing as much as Rs. 110-120 crores per year in foreign exchange. I do not know why the Government is not counting this in the overall foreign exchange. I mean, what you constitute as debt service ratio, which has gone up so much. Now of Rs. 7,000 or 7,200 crores are borrowed under the fixed deposit programme of NRI, this is also deposit. My suggestion will be, do not give such rate of interest under FCNR because by the time they take back the money, there is no risk for them. They can take back in the dollars, pounds or whatever they deposit. You can give high rate of interest for NRER. If they deposit in Indian rupees, the money will lie in India itself.

If you have already announced the investment allowance, I am sure, this will help to a great extent to boost the economy and the confidence. I do not know whether you announced one more thing which we have talked to you earlier when you went to Bombay and met the Chamber of Commerce people. This is the dual tax on the dividend. Now if a company is paying the tax on the amount of money they have earned, and also the shareholder or the man who has received the dividend, if he is paying the tax, this is keeping lakhs of small farmers in the rural areas to invest in the productive purposes. What I am requesting you is that you must try to mobilise the savings of the rural people which are available to a great extent but it is not used in a productive manner. So, there is a need for removing this dual tax on the dividends.

PROF. N. G. RANGA (Guntur) : Where is the money in the rural areas ?

SHRI MURLI DEORA : There is so much money in the rural areas. Recently, there was a note by the Planning Ministry and the Hon. Prime Minister here about the resource crunch. People are expressing doubts whether we will be able to achieve the target of the Eighth Plan. How will be able to achieve ? We do not have the resources. Sometime back—day before yesterday as well as earlier—in the Engineering Association meeting, the Hon. Prime Minister said about the foreign investment : Every country in the world does its best

to invite foreign investment. India is the only country which puts all the possible road-blocks for investment in India.

Even though we are borrowing, we are borrowing to a great extent from all over the world and paying heavy rate of interest. It is better to allow them to invest. Today, in the total capital equity of our country, only about Rs. 2,000 crores—less than two billion dollars—are invested. If our Company Law Department—which is regulating the FERA, non-FERA and the companies—look after the other problems, the political problems of this, I do not know why should the Government be shy of allowing the equity participation. If you allow the equity participation, the people, who are investing the money, will be interested in running the company. They will be giving their know-how. They will continue the offtake of the technology. This will also help us at a later date.

PROF. N. G. RANGA : Up to a particular percentage...

SHRI MURLI DEORA : There is a ceiling of 40 per cent. I am not saying 100 per cent. We have been always worried about our falling balance of payments reserves. I must congratulate Shri Tiwari for giving one single boost, first time, for allowing no tax for export-oriented units. Section 115(J) is applicable to the public limited companies. I do not know whether you announced that also. Now, a public limited company is exporting. They have still to pay that 13 per cent book profit. Have you announced ?

SHRI NARAYAN DATT TIWARI : Just now.

SHRI MURLI DEORA : I am sorry, I was not here.

MR DEPUTY SPEAKER : Finance Minister anticipated all your problems. So, he has already announced.

SHRI MURLI DEORA : We discussed with him earlier. People have been talking

earlier and yesterday Dr. Datta Samant — my friend is not here—also talked about the textiles. The largest organised sector employment is in textiles. Seventeen per cent of the gross employment in our country is in the textiles. The textile policy was announced three years back but nothing was done to really implement the textile policy.

Here again, I would like to compliment the Government for reducing the duties on some of the textiles. It is better that our textile mills in Bombay and Ahmedabad are helped rather than helping Taiwan, South Korea and Hong Kong. There is such a big difference between the international price and the Indian price. There will be smuggling whatever the Government says. The real solution of the textile problem, to help our own textile mills is to reduce the duties. It is better to allow them to manufacture more and then we will be able to get more revenue. The ideal example is cement. We were making 30 to 31 million tonnes of cement. In 1980, the tax collection on cement comes to Rs. 180 crores. Today there is no shortage of cement. We can get whatever quantity of cement we want and we are collecting six times than what we were collecting six or seven years back. The real solution to the country's problem is a liberal licensing policy and a correct fiscal policy. At that time, the price of cement was Rs. 20 and they were not allowed to increase it. And they were all taking in the black market and the extra profits were not going in the books. Thanks to the Government's policy. Now, price of cement goes in the books. They have more money to expand and there is no guidelines that earlier bigger companies or the FERA or the non-FERA or the large house or the MRTP house cannot manufacture. For a one million tonne cement plant, the cost comes to Rs. 130 to Rs. 135 crores. So, you must allow and I request that the Government should more liberal in delicensing as well as making the licensing policy liberal.

SHRI SHANTARAM NAIK (Panaji): I welcome the Finance Bill, 1988 which has been placed for consideration before this House. The Finance Bill involves

amendment of several vital legislations on finance, namely, income-tax, wealth tax, gift tax, expenditure tax and several other taxes. It has an exhaustive effect on various legislations which deals with various financial matters. I would like to make a small observation at the outset. Attached to this Bill, we have only a formal Statement of Objects and Reasons. What has been done here is that—the Statement of Objects and Reasons says: "The object of the Bill is to give effect to the financial proposals of the Central Government for the financial year 1988-89". The Notes and Clauses explain the various provisions contained in the Bill. Now, Notes and Clauses of the Bill are very much essential because it gives an insight into each Clause as to how it is amended. But this is altogether a different aspect. The object of the Bill should be there irrespective of Notes and Clauses because the objects are very laudable and big. You have got a big object and a great reasoning while this Bill has been proposed. It is not simply one Section here and one Section there. Of course, that must be there for understanding but what is the prior object of the Government in introducing this Bill, in introducing the various Clauses of the Bill? These objects must come irrespective of any Notes and Clauses. To summarise or to avoid some sort of repetition, they might have done this but irrespective of this, I say that Statement of Objects and Reasons has to be there. Let us examine other Bills which are introduced in this House. There are no doubt amendments to the various Clauses but as we find, the Statement of Objects and Reasons separately, there would be Notes or there may not be Notes all together. This is my initial submission.

As far as the Budget and the Finance Bill are concerned, this year's Budget, anyone can say that the entire country, the common man, the middle class welcome it. And people say that for many years, they did not get at the Budget. This was the remark of the common man on the road. This was a remark and as for me, I am not an economist but I have studied a bit here and there. What is the criteria that I have applied to know whether the Finance Bill or the Budget is so poor or for the good

of the country? I have applied only one criteria. The moment I see Mr. Palkiwala opposing a Bill, I am confident that this must be poor because it is Mr. Palkiwala, who is supported by the right reactionaries in the country and who holds special meetings in the capital and other places just to tell the people how bad the Budget is. I would request, through you, the Government of India that let us do one experiment. Let us ask Mr Palkiwala to draft a Bill. We will tell him that these are our resources, and these are the revenues of the country. You prepare a draft Bill for the country. After the Government presents the Budget, let the country examine both these bills. This sort of challenges should be made to this man, because we cannot digest men like Mr. Palkiwala every year. No doubt he is an intellectual man. Of course, we agree, but he should use his intellectual capabilities in the interest of the country and not to misguide the commonman.

I would now come to another aspect of planning. The Prime Minister has stated and reiterated that during the Eighth Five Year Plan we are going to lay a greater stress on district planning; district is going to be our basis of planning. In this respect, I would like to make one submission. This policy has been accepted by all of us and is welcomed by all of us. But in the past we have noted another aspect and that is that our districts which are the backbone of our economy and which are going to be the units of our planning in future, they still do not find a place in the Constitution of India. Our Constitution so far does not recognise districts. It recognises States. Though in future by means of an executive order or your financial proposition, we will be allotting funds district-wise but as of today we do not have a place for the districts in the Constitution of India. Therefore, I humbly submit that along with our proposition for the Eighth Five Year Plan, we should also amend our Constitution. A separate charter on districts should be introduced to give a status to the district in the Constitution of India. Its nomenclature and how the district is created, all should be laid down in that part of the Constitution. By doing this we will be

giving a status to the districts under the Constitution.

As of today, how the districts are created? Every State Government has got their own Land Revenue Codes and under those Land Revenue Codes, by notification the State Government describes districts. There is no place for them in the Constitution. Therefore, if in future the planning process is to be effective, and as Prime Minister stated it will be district-wise, then districts must find a place in the Constitution.

Secondly, at State level we should see that to guide the State Finance Commission for the allocation of funds in a district, a Committee just like the Gadgil formula, should be formed. Gadgil has enacted a formula which we are following till now. So, in States also for the distribution of funds, at the State level a Committee should be there which will lay down the criteria for the distribution of funds to various districts. That Committee's guidelines will guide the future State Finance Commission with respect to the distribution of funds.

Now I would like to deal with my State, Goa. We have recently become a State. After becoming a State, our financial burdens have increased. Sir, I would like to propose, as our Government has also suggested, that for a definite period Goa may be included in the list of Special Category States which the Ministry is maintaining so that the funds which Goa has to get as a Union Territory are not changed. We had demanded a statehood in order to get the self-governing powers. In order to get the self-governing powers, we demanded the Statehood and we got it. After giving these powers, it will be most unfair to take away the financial assistance all of a sudden, which we used to get as a Union Territory. On the contrary, it becomes the responsibility of the Government of India to give special assistance to new-born States. In fact, I would say that there must be a provision in the Constitution itself in the financial Articles that a new born State, a State which has attained statehood from that of a Union Territory, should be given some financial assistance for a definite period. That

definite period can be extended by one or two years more, if needed. This guarantee should be there in the Constitution itself.

I also welcome certain measures you have proposed just now. I agree with Shri Murlidhar Deora on one aspect. As far as partnerships are concerned, while we all agree to make the changes, I think, it would be better if the amending Bill with respect to this matter comes up very shortly in this House. As he himself has suggested, why keep the sword hanging?

Secondly, if something is wrong and if it is going to harm a big business community, let us correct it right here itself. Let us not continue with that wrong thing for a considerable period, so that some others may benefit. Also, sometimes wrong advice is given. So, you must look into the bona fides of those persons. Otherwise, when such a proposition comes, the entire country reacts as to how the proposition came into being. All these aspects must be looked into. I say this because sometimes some advices may not be fair and they may not be in the interest of the country at all.

I also welcome another aspect which has been announced just now, that is, the help being extended to Tourism. As far as Goa is concerned, I would most welcome this. You have done a right thing by increasing the subsidy to one to three star hotels. So far the tendency of the Government was to give encouragement for more five star hotels, especially in territories like Goa. If you give this encouragement by increasing the subsidy to one to three star hotels, this type of hotels will be booming in States like Goa. I welcome this step. But at the same time, we must see that the financial help to the tourism industry should be such that out of the income generated in the tourism industry, a substantial sum goes to the coffers of the Government. We see today that people come from foreign countries or from other parts of the country and some business activity is generated in a particular area. But the Government gets nothing out of it, and it remains as an industry just for namesake. Along with generation of business activity in and around a tourist spot, we should see to it that the Government also benefits. As far as foreign

exchange is concerned, when the Central Government stands to get benefited, some substantial share should be given to the State Governments too. Otherwise, the State Governments may not be able to develop tourism industry better. Therefore, as far as the foreign exchange earnings are concerned, State Governments have to be taken into picture.

I would like to stress another aspect, which you also mentioned in your past speeches. Several concessions and benefits have been given under various proposals. If the consumers are not directly benefited, or if the benefit does not pass on to the consumers, you have stated that you would not hesitate to withdraw those concessions. You have stated that very clearly. I would humbly request you to monitor these aspects very carefully right from district level. You must see to it that in the event of the benefit or the concessions not reaching the consumers, not only should the concessions be withdrawn but some action is taken against these industries. Action should be taken under either the Consumer Protection Act, or the MRTP Act or under the Bureau of Indian Standards Act. These are the three legislations that I can think of, under which action can be taken against the industry. If you merely withdraw the concessions and ask them to pay some amount, God alone knows, when they are going to do so. If they know positively that in addition to the withdrawal of concessions, some prosecution also would be launched and action taken against them under the law of this land, then only things will be really effective.

13.00 hrs.

Lastly, I would like to say a little bit about the industrial policy. Since we are financing various industries, I would suggest that along with the Industrial Policy Resolution or along with the national industrial policy, each State Government should be asked to frame their own policy with regard to their regional requirements, within the broad parameters of the national industrial policy, so that the Finance Ministry would know whether an action taken by the State Government of a proposal from the State Government to the Ministry is within the

framework of the policy of the State Government or not and whether it has been approved by the Government or not. This will help the State Governments to have a direction and also the Ministry to give assistance to the States.

MR. DEPUTY SPEAKER : We will now adjourn for lunch and reassemble at 2 PM.

13.01 hrs.

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

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*The Lok Sabha reassembled, after
lunch, at Eight Minutes past
Fourteen of the Clock.*

[MR. DEPUTY SPEAKER *in the Chair*]

FINANCE BILL, 1988—*Con d.*

[*English*]

SHRI P. A. ANTONY (Trichur) : Respected Deputy Speaker, Sir, I support the Finance Bill. This year's budgetary exercises have reached the final stage, with the taking up of the Finance Bill. I take this opportunity to support the Government's strategy in the investment plan in core sectors of the economy, as well as the fiscal measures announced in the Budget. The strategy of investment in the productive sector is sound, and it is an indication of Government's realization that agriculture and core sectors demand greater attention.

With a shortfall of 10 million tonnes of foodgrains this year, it is the urgent task of the Government to make up the shortfall, and increase production, to achieve the 7th Plan target for agriculture. The annual outlay has been raised by as much as 40 per cent. During the current year, 2.03 million hectares more of land will be brought under irrigation, and an Action Plan is under way to increase the production of paddy and other food crops. These steps, I am sure, will boost agricultural production.

India's economy is basically agrarian in character, and the shortfall in agricultural production will surely push up inflation further. During the last 40 years, thanks to planning by Pandit Ji, Indira Ji, and Rajiv Ji, production of foodgrains has greatly increased. In 1950, our population was 36 crores, and the production of foodgrains was only 50 million tonnes. As against this, last year our population was 78 crores, and our production of foodgrains is 155 million tonnes. Whereas the population has doubled, for foodgrains production is more than three times that of 1950, and we are proud of this fact. Naturally, India has become one of the self-sufficient countries in the world, in the matter of foodgrains production. Out of the 27 million tonnes of buffer stock of foodgrains we have met the very difficult situation caused by the drought.

Due to drought and floods, there is a shortage of 10 million tonnes of foodgrains. Anyhow, Government met this problem with very great efficiency.

It is a measure of strength of the agricultural sector that we have been able to successfully meet the challenges of the worst drought in the country.

Similarly, the energy sector has been given very high priority. Without this, the whole strategy about production is bound to fail. This is why the Government has stepped up the allocation for power by 32 per cent from Rs. 793 crores in 1987-88 to Rs. 915 crores for the whole energy sector and from Rs. 2994 crores in 1987-88 to Rs. 3962 crores in 1988-1989 for power alone. The Ministry of Energy has improved its performance as is clear from the additional capacity generation, improvement in the plant load factor etc. The Minister incharge of this vital Ministry deserves our compliments.

Then, there is a 40 per cent step up in the outlay for the surface transport sector, 44 per cent step up in the outlay of communication sector. 20 per cent step up for the railways etc. Thus it will be seen that the strategy of investment is rational and designed to achieve higher production

and performance in these vital sectors of the economy.

The fiscal measures taken by the Government this year to raise the additional resources and generally regarded as non-inflationary. Moreover a whole lot of concessions, have been given on many items of mass consumption and daily use. This year's taxation measures show a deft handling of resource mobilisation. This is a painless way of raising taxes. I congratulate the Finance Minister for this. However, Rs. 7484 crores deficit can cause a little problem. Even if the small tax revenue increases at 1987-88, it is not going to make much difference. It is seen from the budget documents that the actual increase in the tax receipt of the budget estimates of 1987-88 was Rs. 626 crores. Of course this is due to the efficiency and the leadership of the Finance Ministry. Of course this shows the tax collection efforts have been intensified. But a deficit of this order can cause serious problems unless it is covered by intensified tax efforts. We must realise that scope for widening the tax base is extremely limited as there has been a terrible erosion in the purchasing power of the people. Given as it is the growth in tax revenues over a period of 8 years has been substantial; in 1980-81 it was, say, between Rs. 12 and Rs. 13 thousand crores and 1988-89 it will be around Rs. 43 thousand crores. Of these taxes the maximum increase has taken place in excise which affects every citizen in this country. During the eight year period between 1980 and 1988, the increase in excise has been around 300 per cent. Has the income of the people risen to that extent? No. Thus the options with the Government in raising taxes are severely limited. An analysis of the pattern of the annual income and expenditure of the Government shows that when the internal borrowing and external assistance constitute 20 per cent of the receipt, interest payment alone accounts for 17 per cent of the expenditure. Interest payment imposes a major strain on the resources. Therefore control over debt burden is very necessary if we do not want to fall into a debt trap.

Income tax constitutes only 4 per cent of the total tax revenue of the Central Government. There was a suggestion by experts that income tax may be replaced by

expenditure tax. But it has not been considered by the Government. At present income tax exemption limit is Rs. 18,000/- which was fixed two years ago. Inflation has further eroded the income and purchasing power of the fixed income group. Therefore there is a strong case for raising the limit to at least Rs. 25,000/- to be exempted from income tax. The Finance Minister has left it untouched. This step would have given to the tax payers to the middle class and lower middle class people some relief, I am told, that much of the benefits given to the Government employees by the Pay Commission has been taken back as income tax. I do not know whether this is fully correct. When we give relief, it should not be illusory; it should be real. Incidentally, in the last session, there was an amendment to tax charitable institutions—direct or indirect tax. There are so many charitable institutions in India, as you know. Even now there are one-third of the entire people who are below the poverty line. Government cannot do entire welfare to them. So, some voluntary agencies should do some work till the Government can do service to the poor people. There are so many good charitable institutions in India which are running organisations and other things. Now they are taxed. That means the capacity of those voluntary institutions to help the poor people will not be there so much. So, I request the Hon. Finance Minister to amend the law so that institutions which are rendering good social services recognised by Government will be exempted from the tax. I hope the Hon. Minister will consider it.

We have a planned economy and under it the effort should be to use the resources of the country on the basis of fixed priorities and achieve levels of growth within a fixed time. In a planned economy, the production of goods will be so managed that after every plan the prices of essential goods will come down and availability of goods will increase. When prices of goods come down there will be more savings with the people. These savings of the people will be available to Government to further investment. In this manner the economy will gain more strength. But this is not what has happened in our country. We have invested about less than Rs. 40,000 crores in the public

sector. Many of them are doing well; many institutions are not doing their duty to the people. If a good management is monitored, then on the entire investment of Rs. 40,000 crores in public undertakings—if 10 per cent of it you put in a bank, you can imagine how much interest it will earn. It means some device should be there to monitor these public undertakings so that their national income can be distributed as per the Directive Principles of our Indian Constitution and the national income should be given to the poor people who really deserve some help from the Government. I never question the sincerity of the Government or the people who are with us. But there is something wrong. What happened to our public undertakings? Everybody, every political party, every trade union will say, you nationalise them. Once they are nationalised, the leaders of the trade unions, the Managers of these big companies, many of them,—I do not say all—will take full advantage of it. They are taking the full advantage of the economical bargains and also at their own places where they can enjoy. So, really we should examine this. Actually, Parliament and the Ministers have no direct control over these things. I know, there should be some autonomy. But what is happening there? Nobody knows. So, some monitoring under the leadership of our brilliant Finance Minister must come so that it can and it should generate some profits, from that profit more employment can be created for the people and more benefits flow to the people who are below the poverty line. Less than forty thousand crores of rupees has already been spent for the public undertakings. Nobody knows what happens. But in this manner the economy will gain more strength. But it is not what happened in our country. On the one hand, the primary producers, the ordinary farmers do not get a remunerative price for their produce, on the other hand the consumer is looted, who makes the profit? It is the middleman. The middleman is spoiling the entire show. Suppose, an ordinary man, a farmer will get Rs. 10 for a particular agricultural product, it will be when it is in the daily market, or when it gets a price of Rs. 40 or 50, that he gets a profit. So, I suggest that the other man will get that is, the farmer will get more money, the middleman will get less profit and the consumer will be benefited more.

Of course, the cooperative movement is the way we profess for that. But what happened? Actually, the cooperative movement—as Mahatmaji envisaged—is not up to the standard in our country. Many good cooperatives, many leaders of cooperative movement are doing wonderful service but the results are not satisfactory. Actually we have to go much higher. So, we should try to avoid these middlemen. Some machinery should be there. You can reduce your dependence on external assistance and reduce the debt burden. But at present the rate of domestic savings is very small because inflation is eating into the savings of the people. So my humble suggestion is that, a proper monitoring of the public undertakings is necessary so that more profit will be generated. That profit should be utilised for the internal borrowing, at least.

The success of our planned economy very much depends upon the elimination of the middlemen. But the co-operative sector which is expected to eliminate the middleman has not played the role effectively. I hope the Government will take some steps in this direction.

Having said that I come to discuss some problems of my State, Kerala. The base of Kerala's economy is cash crops. In Kerala we are rice eaters. But we actually produce less than 45 per cent of the rice which is necessary and more than 50 per cent of our agricultural goods are cash crops. They give great earnings to the country. Cash crops fetch foreign exchange. These cash crops of Kerala earn a huge amount of money, crores—not hundreds or thousands—of foreign exchange, to our country. These cash crops, such as rubber, coconut, pepper, cardamom etc., earn us valuable foreign exchange. But I am sorry to point out that the economy of Kerala is going to suffer grievously because of the recent import policy of the Government. Under the new import policy, import of tyres, coconut, rubber, spices like nutmeg, cloves, etc. have been put under OGL. So, any man can import anything as he likes for his own profit. If it is an S.T.C. there will be some statistics to import the real demand of the country. But now, everybody can make money as

he likes, if they are permitted to import freely. I need hardly say that this policy will lead to a crisis in the economy of Kerala. I want to say that the producers of the crops are small and marginal farmers. Their livelihood depends on income from these crops. Already they have suffered on account of the drought. Added to this, impact of this policy is going to be felt, the unrestricted import of these commodities will lead to decline in prices. There is considerable opposition to this policy in Kerala. Since it will affect the vital interest of the State, I would request the Government immediately to review this policy and save the farmers of Kerala. Today, the Kerala Congress-I MPs met our beloved Prime Minister this morning and explained the difficulties. The Prime Minister assured that he will look into the matter.

Another point I wanted to make is about the industrial development of Kerala, Kerala is a State where the per capita central investment is below the national average. According to some statistics, the percentage of central investment in Kerala has come down. You must remember that Kerala has 30 lakhs of educated boys and girls on live register of Employment Exchange.

AN HON. MEMBER : Fifty lakhs.

SHRI P. A. ANTONY : I meant educated—those who are graduated and technically qualified. You included uneducated also.

Then, unemployment problem has increased because of lack of industrial development. The modernisation of FACT copro lactum plant, ammonia unit, development of Cochin Shipyard, expansion of ITI etc. are some of the proposals sent to the Central Government for approval and decision has not so far been taken on any of these proposals. Setting up of railway coach factory, ordnance factory, etc, are some of the longstanding demands. I request the Government to speedily clear some of the important proposals which can provide employment to our young men and women.

Another point I wanted to make is about the gulf workers. My district, Trichur, is considered as the highest in literacy in India, according to 1981 census; 92.8 per cent people in my small town know how to read and write. At least two or three lakhs of poor people have gone to gulf countries. Educated, uneducated, skilled unskilled and even the poor porters have gone there. They are somehow doing their work. Now, due to economic recession in the gulf countries and also slowing down of the development work, many of our workers are returning home. They will be adding the number of unemployed in the State. This gulf returned people, though they were poor some five, ten or fifteen years before, have got a very good income and their life became very sophisticated. Then, when they return without work and money, they find it very difficult to adjust themselves psychologically to do the work which they have done some ten or fifteen or twenty years before. They have earned a lot of foreign exchange. After all, they have contributed much to our foreign exchange. Therefore, we have a duty to help them. I would request the Government to set up a fund for their rehabilitation.

Another point is about the exclusion of Kerala State from the Action Plan for increasing the food production. Kerala is not included in the Task Force of paddy production which is the food of Kerala people. 14 States have been included in this programme. Our neighbouring States like Tamil Nadu, Karnataka are there in the list. Kerala is also a producer of paddy. Although the production has come down for the past one decade, still there is a cope for increasing paddy production in the State. I would request the Government to reconsider its decision in this respect and include Kerala also in the list of States under this Action Plan.

With these words, I support the Finance Bill, 1988.

[Translation]

SHRI BAPULAL MALVIYA (Shajapur) : Mr. Speaker, Sir, I rise to support the Finance Bill which has been moved in the House. It is a very important Bill without which the Budget remains incomplete. While levying direct and indirect taxes, it

should be kept in mind that these taxes do not undergo frequent changes.

After imposing first point tax, changes are made thereafter. It is, therefore, necessary that the Government should make a thorough scrutiny and levy taxes after arriving at a proper decision. The policies should not be changed at frequent intervals and taxes should be imposed after assessing their results.

The farmers are very grateful to the Government since they have been exempted from payment of income tax. This is really gratifying. Not only that the agricultural inputs e.g. fertiliser, seed etc. have also been exempted from tax. There is no doubt that it will boost agriculture production. But the fact remains that the big industrialists and factory owners acquire land and invest their money there in the name of land. In fact, they do not cultivate any land. This matter should be investigated whether big industrialists and businessmen, who have acquired land, actually cultivate the land or not. These people show their unaccounted money in agriculture and thus cause heavy losses to the Government. This aspect should be examined and ensure that the Government does not suffer any loss.

It is noticed that the Government imports edible oil and pulses. This policy should be changed. In this connection, I would like to point out that there are three things—necessity, luxury and comfort. The Government should not import commodities of luxury and comfort. It should import only such commodities which are necessities like pulses and edible oil, the prices of which have gone very high and the poor people cannot afford to purchase them. We may import edible oil on higher rates but what about our mills of pulses. There are about 90 thousand or 1 lakh pulses mills in our country. What is the reason that these mills are lying idle. It is because we import ready pulses. It will be more helpful if pulses seeds are imported instead of pulses as such. This will help run the

mills and also the pulses will be available at cheap rates.

I am of the view that 'the problem of the scheduled castes and the scheduled tribes is a major issues before us. The Central Government has fixed a limit of income of Rs. 12,000 in their case. This includes incomes of all members of the family i.e. children, father, mother and guardian. It can be well imagined as to how small the money received in scholarship is when the total income is fixed at Rs. 12,000. The Government has also increased the daily wages of the labourers. In view of all these things, this amount of Rs. 12,000 is very meagre. I would like to suggest that the income limit should be fixed, at least at Rs. 25,000 instead of Rs. 12,000.

The Government gives scholarship to the children belonging to scheduled castes and scheduled tribes. I am of the view that the scholarship should be given on caste basis. The practice of producing income certificate for this purpose should be done a way with. It is matter of great pleasure that some States like Madhya Pradesh have already stopped this practice. They have decided to give scholarship on caste basis upto class XI. But the Central Government has adopted a wrong policy in this regard, as a result of which a number of poor students eligible to get scholarship do not get the same. I, therefore, suggest that scholarship should be given on caste basis.

We have to protect the Adivasi culture also. We do agree that the Adivasis used to earn their livelihood from the hills and forests. But now hills have been cleared and forests denuded. Still we have a feeling that the Adivasi culture must be preserved but the point is that how can their culture be preserved without providing them means of livelihood. In these circumstances, the Government should set up factories in the Adivasi areas where there is no other source of income. But, at present factories are being set up at places where other factories are already there and where people are prosperous and all sources are available. I suggest that factories may

be set up in forests, particularly big factories may be opened in Adivasi areas so that the poor people living nearby could be benefited.

The Government provides 25 per cent capital subsidy to big factories but the capital subsidy is available in cities only. I would suggest that this subsidy should be made available at the tehsil and block levels also so that people can set up factories at these places. Due to this subsidy attraction, big factory owners prefer to set up factories in cities only. The Government may give subsidy as much as it likes, but it should be given in respect of those places where poor people and Adivasis live so that factories could be set up there.

At present crores of rupees are being spent in the name of family planning but what are the results? Our population is increasing while we talk of family planning. If 10 lakh marriages take place now, then 10 lakhs children will take birth next year. Then where is the control?

We find that boys and girls marry at a very tender age. Why do these boys and girls aged 10 to 20 years marry. The Government should look into this problem and dissuade them from marrying at a tender age by providing them financial assistance. There are also some poor people who do not marry. The Government should bear the expenses of their marriage. But there are complaints that family planning measures could be taken effectively, if marriage take place at the age of 20 to 21 years. Lakhs of people are being tied with bridal knots every year and their children start taking birth next year. In fact, we have no control over family planning.

The Government encourages use of allopathic medicines and tablets. Some break through has definitely been achieved by operation. But we should also make use of herbs, which prevent child birth. These herbs are available in villages. We are unnecessarily spending crores of rupees on allopathic medicines and tablets. Instead, we should make use of those herbs which the villagers make use silently and do not disclose to others. This will help us effect

control over family planning. To-day, the situation is such that one has to stand in queue every where whether it is railway booking centre or a bus journey. There are instances where people travel on train roofs as they do not get seats in buses. The population has gone up so much which is a matter of concern for us and we have to see as to how to control its growth. There is no harm if Government money is spent for this cause. But we must check the growth of the population.

The Government makes a lot of efforts and spends a lot on sick industries. It extends loans as well as grant to big mills. But now a days people in villages also put on terrylene and terrycot clothes. We will use cotton? Some cotton mill owners are creating a hue and cry in the name of cotton production. Some voices come from Bombay and some from Calcutta. In fact, these cotton mills should effect some changes diversify their production.

With these words, I express my gratitude for providing me time to express my views.

[English]

SHRI GEORGE JOSEPH MUNDA-CKAL (Muvattupuzha): Mr. Deputy-Speaker, Sir, I support the Finance Bill now under discussion in the House. Sir, the new budget for the current financial year brought forward by the Finance Minister is supporting the farmers cause. I am glad to know that so many concessions have been given to the farmers of our country. They were the neglected and oppressed for so many years. But now there is a new hope for their future because a lot of encouragement has been given to the farmers.

Sir, I come from the extreme Southern corner of the country, that is, from Kerala State. We are far away from the capital city of Delhi. We are neglected in the North. Sir, after independence, the per capita income in Kerala has not increased. The unemployment position is very acute in the State. As my friend, Shri Antony has said earlier, a large number of people are coming back from Middle East countries and Gulf countries because the oil price has crashed

down there. I am afraid there will be another French Revolution in the South. They are struggling to get job and their standard of living has already improved. Now, they find it very difficult to pull on without any normal livelihood. For the last so many years, industries are not developed in Kerala. So, I request the Minister kindly to consider providing more funds and start more industries in the public sector in Kerala. Sir, the percentage of educated people is very high in the State educated are hunting for Jobs. Sir, if the Government consider opening electronic and other allied industries in the State, these educated people can be employed in these industries. Small countries like Taiwan or Hong Kong are more developed than our country in electronic sector. There is a large scope for the development of electronic industries in our country. I would therefore, request the Hon. Minister to consider establishment of electronic industry in Kerala. There is acute power shortage also there. So, starting of new industries is very difficult there because only hydro-electric schemes are there; we are far away from the coal area and not even a single thermal plant is there in our State.

This morning the Minister was replying about the atomic power station. Kindly start an atomic power station or any other form of power station in Kerala. Like this, you give more power to Kerala so that more industries will come and more people will get jobs there.

We are much short of foreign exchange. In the new export-import policy, lot of import concessions are going to be given under OGL. They are all luxury goods for the import of which concessions are going to be given. Nutmeg and cloves are luxury goods, they are used for preparing biryani and fruit salad. Let the Arab Sheikhs and American millionaires spend for these costly items. But here it is a waste to import all these luxury goods into our country. Our farmers will surely produce enough and they are prepared to export their goods if they are getting a fair price and we will be able to earn more foreign exchange also. So, the import of all these luxury goods is unnecessary. So, I request the Minister to stop importing all these things and save our valuable foreign exchange for purchasing essential

medicines and machinery for our industry etc. That will be good for the future also.

We are importing rubber. The international price of rubber has gone up to Rs. 14 per kg this year. The multinational and international companies are getting huge profits at the expense of poor truck owners and taxi drivers. So, you please see that rubber import is restricted so that the farmers can get a good price and get encouragement rubber growing. Rubber is the only agricultural commodity for which the price has not increased for the last six years. The cotton price has gone up, the sugarcane price has gone up and the prices of other agricultural commodities have also gone up. From 1982 to 1988 make a graph and you can see that the rubber price is almost stationary for the last six years. So, the farmer is not getting a fair price. By selling the land and putting the money in a bank the farmers can get at least 10 per cent interest. But if you are maintaining a rubber estate, you cannot get even 5 per cent on that.

Like that, the poor farmers growing elaichi and pepper are in the forest area and they have to fight with wild elephants, malaria and leaches which suck the blood, They are struggling in the South and earning valuable foreign exchange for our country. But they are not getting a fair price. During the last two months the price of pepper crashed to nearly 40 per cent to 50 per cent. So, the farmer is struggling. In view of this, kindly waive the export duty on pepper and coffee and save the marginal farmers of our country. I am coming from a farmer's family and I know the difficulties of farmers. So, request the Minister to waive or reduce the export duty in favour of our farmers.

Funds should be allotted for the development of highways, railways and for electric generation in Kerala. Kindly allot more funds to Kerala State so that they can improve their transport and start more industries and get more employment. As I said, earlier, unemployment is an acute problem of our country. Kindly have a lenient view about this. They are the depressed people of our country. So, kindly start more industries in Kerala so that these people can come to the level of people in other parts of our country.

With these words, I am supporting the Budget. Thank you very much.

[*Translation*]

KUMARI MAMATA BENERJEE : Mr. Deputy Speaker, Sir, I rise to support the Finance Bill. While speaking on the Finance Bill, I welcome the slogans of 'Garibi Hatao' and 'Bekari Hatao' raised by the Hon. Prime Minister at the A.I.C.C. session. I want to submit that in order to implement these slogans at the earliest possible time, both Central and State Governments, will have to prepare policies in this regard, only then they can be materialised successfully. As such there are several programmes in our country, One such programme is that of self-employment. Government has paid attention towards the youth in this programme, but a National Commission and a Joint Parliamentary Committee should be set up in this connection, which will pay attention to the fact as to how to make the 'Bekari Hatao' programme a success. Mere slogan shouting will not help but it is essential to implement them and for which we will have to execute our schemes early. This is so because there are a large number of unemployed youths in our country. We are not able to provide proper employment to them. Such youths can take to drugs and join other unsocial elements. Hence, some thing has to be done for such youths as well. There should be a uniform policy regarding 'Bekari Hatao'. The Central and the State Governments should work jointly to implement it. The Central Government alone cannot do it, so the States will have to join. They have to sit together and prepared a policy, neither to serve any political purpose and nor to oppose Hon. Rajiv Gandhi's slogan. This is a national problem and it has to be tackled through joint efforts. A Joint Parliamentary Committee and a National Commission has to be constituted for this purpose, which will look into this matter but this should be done at the earliest. Late Shrimati Indira Gandhi had raised the slogan of 'Garibi Hatao'. At that time, the then Members of the Opposition used to stage a walk-out everyday. One point which I have noted is that the Opposition walks out everyday. Hon. Shri Basudeb Acharya participated in the discussion on Matters under Rule 377 today. He sat till it was necessary and then walked out. I have marked that the staging

of walk-out is a regular feature. One of the Matters under Rule 377, today was regarding the 'Garibi Hatao' slogan of late Shrimati Indira Gandhi. When she had raised this slogan, the Members of the Opposition had spoken volumes against it. They said that Shrimati Indira Gandhi had raised the slogan 'Garibi Hatao' and not 'Garibi Hatao', whereas she had indeed talked about alleviation of poverty. The 20 Point Programme, I.R.D.P., N.R.E.P., R.L.E.G.P. and other such programmes are all anti-poverty programmes prepared under her leadership. The 'Bekari Hatao' slogan raised by Hon. Shri Rajiv Gandhi is also an instrument for fighting poverty and which is very essential for our country. Unemployment is an acute problem in my State. It is more acute in my State than any other State of the country. There are 79 per cent registered educated unemployed in my State. What I want to say is this that Central Government should take some steps to ensure that at least one member of each family gets employment.

SHRI HARISH RAWAT : Poverty will be alleviated in West Bengal only when the Marxist Government is ousted. If it continues, then poverty will definitely increase.

KUMARI MAMTA BENERJEE : Thank You for the compliment. At least one member of each family should get employment. In our country there is a wide gap between the haves and the havenots. Some people have crores and some are not able to keep their pot boiling. Government has to pay attention in this direction, to ensure that in case a family does not have even a single earning member, arrangements should be made to provide employment to at least one of the members so that family could be saved.

I want to make one point more and it is that the freight equalisation policy is not proper in the eastern region. A uniform policy should be there in this regard. If freight equalisation is not there in the eastern region then how can industries be set up? There are several states in the Eastern region and some of them are quite large. Bihar is a large State. Orissa is a Adivasi dominated State. Besides, there are Nagaland, Mizoram, Arunachal Pradesh, West Bengal etc. If a

uniform freight equalisation policy is formulated then industries can be set up in all these states and industrialisation can take place. Therefore, I will request that a uniform policy should be framed in this regard.

The Hon. Minister belongs to our State. You are aware that Murshidabad is a district of our State. Bagirathi flows in this district. On account of the erosion of this river, thousands of acres of land in Murshidabad have been submerged. Moreover, it is a border district situated on the border with Bangladesh. If erosion continued, Bhagirathi and Ganga will become one and the entire land of a district will be sub-merged, in water. Therefore, it is essential to pay attention towards this. It is a very important issue. At least, one thousand acres of land has already been submerged. I want to request you to send a Central team there. A team comprising members of the Central and State level should be constituted and sent there to observe and review the situation. Whatever is to be done should be done immediately. Otherwise the entire Murshidabad district will be abolished by the erosion of river Bhagirathi. You should send a team there for this purpose.

I also want to congratulate the Hon. Minister for the subsidy granted for Tourism. He is aware that Darjeeling is a good tourist spot. He was the Chairman of the Jhargam Development Board and of the Sundarban Development Board during your tenure as a Cabinet Minister in Shri Siddarth Shankar Ray Ministry in West Bengal. But what has happened now. Those boards have become non-functional and no development is taking place. A movement is going on in Darjeeling. I do not support the G.N.L.F. movement and I have said it clearly that Bengal cannot be divided. I do not support the G.N.L.F. movement. I have clearly stated that Bengal will never be divided. If Bengal remains united, we all will remain united. This has been emphasised by the Hon. Prime Minister and the Minister of Home Affairs but the question is to why had the GNLF movement started. It is because the Hill Development Council was not allowed to function by the State Government. The Jhargam Board and the Sundarbans Board

are also not functioning. I want to submit that a Central monitoring team should be there to monitor the proper utilisation of subsidies and efficiency of the concerned people. A separate policy should be framed to take care of persons who do not work. The Central Government should see to it, Several State Governments are active and I am not speaking against them but it is also true that State Governments indulge in politics more and do little work. If they first do work and then indulge in politics, it does not matter but what happens is that there is more of politics and little of work. The Opposition staged a walk-out but what is their purpose behind it. They never talk of alleviation of poverty or of removal of unemployment. They never talk about matters which may contribute to the progress of the country but only harp on the Bofors issue. Bofors is their only concern, it is their home, their food, their drink and has become their dream as well. Apart from this issue, they are not concerned about anything else. But we people should not do so. Whatever is the truth should be spoken out.

15.00 hrs.

I want to submit a point regarding Calcutta port. The condition of the port is very bad at present. If we do not pay attention to it, it will dry up and no ship will be able to enter it. Therefore, the Hon. Minister should take some action to ensure that the Port functions properly.

The statement of the Chairman of the Calcutta Port, which was given recently, was a wrong statement. Three or four days back, firing took place at the instance of the Chairman of the Calcutta Port Trust and consequently three people were killed. He did not say anything regarding the circumstances of those deaths. Subsequently, a wrong statement was issued in which it was mentioned that if any temple or mosque was constructed in the Port area, it will be demolished. It is all right to demolishes temples and mosques there but the local M.Ps, M.L.As, counsellors, committees should be consulted. If it is done by putting pressure and by muscle power, it will result in communal riots. The Government may direct the Chairman of the Calcutta Port

not to take any such step because if such a step is taken it will lead to communal riots. This should not happen. Three persons were killed there, three of four days back. Many more could have been killed. You consult the Transport Minister and make such arrangements so as to ensure that he does not take any such action.

I want to submit two or three points regarding 20 Point Programme. The 20 Point Programme has been adopted in all States and have shown good results. The I.R.D.P., N.R.E.P. are very good programmes. But the funds allotted for them are not utilised properly. A scheme should be prepared for monitoring the utilisation of funds for these programmes.

I cannot say anything in respect of other states but regarding one State I would like to mention that the funds given by the Central Government are not properly utilised there. The Opposition Government there spends the money given by the Central Government for its party at the time of election and does nothing for the poor. You are aware that some time back a rally of the C.P.M. and C.P.I. was held here. A number of people were brought from outside and a huge amount of money was spent for this purpose. Thus the funds of the twenty-point programme instead of spending for the cause of the poor, were spent on party meetings. You should pay attention to the fact as to how that fund is misutilised by them in the elections.

I want to say something about Tripura too, since there is no Member of Congress party from that state in this House. The Members of C.P.M. present here will not speak because Congress Party is in power there. I would like to congratulate my own party for having won in the by-election of eight thousand votes. But the C.P.M. Member resorted to walk-out during the elections because they were aware that they will not win. While in power, they indulge in manipulations in the elections, but when out of power, they leave the field of elections. They do not agree with the mandate of the people of Tripura. We condemn such an attitude of these people.

Regarding Tripura I would like to submit that communication facilities are not good in that State. There is not even a single train line in Tripura. The Hon. Prime Minister has promised to provide a train line there. Tripura is a backward area and there is a need to pay particular attention to it by making special provisions in consultation with the State Government.

Similarly there is a need to pay particular attention towards women as well. The job opportunities for women are quite in sufficient. Smt. Indira Gandhi had brought in Equal Rights of Wages for Women by passing the I.L.O Convention 188. But we do not have equal opportunities of jobs for the women yet. There is a need to provide equal opportunities to women.

I would like to say a word about Peerless. It has huge deposits of public money which is diverted and spent on other things. What provisions do you have to protect this public money? There are many such private financial institutes which have large deposits of public money. Such institutions cheat the public by not repaying them their money. There is a need to impose strict restrictions on them. The Government must pay attention in this direction.

The Government should also pay attention towards the rising prices today. The Consumer Protection Act is there and many other things are being done by the Government but the public is not being benefited in any way. Once the price of a commodity rises, it never comes down. If the price of a commodity rises from Rs. 1 to Rs. 2, then it continues to be so and never comes down to Re. 1. Government should think over this problem as people are facing a lot of problems. There is a need to monitor the functioning of the Fair Price Shops too. The prices vary from shop to shop there. It should be made compulsory for them to display the rate list so that these people may not exploit the public.

The political parties should also be brought under surveillance. Some parties have accumulated huge wealth. The C.P.I. used to have a small office ten years ago, but today they have Rs. 100 crores. Where

does this money come from? Does it fall from the sky or do they get it from a jack pot? The Central Government should see as to how this money is accumulated. You should see whether there is a clearance of money or not. If a proper surveillance is not kept on it then the poor person will continue to remain poor and the political parties will accumulate huge amounts. This will result in exploitation of the people for political purposes the help of the same money. This matter should be looked into.

With these words I conclude and thank you for giving me time to speak.

[English]

SHRI DIGVIJAY SINH (Surendranagar) : Mr. Deputy-Speaker, Sir I rise to support the Finance Bill and wish to make a few constructive suggestions.

15.10 hrs.

[SHRI N. VENKAT RATNAM *in the chair*]

The first and the foremost is one that I feel very strongly about and I would like to have the indulgence of the Members here to be supportive; and that is, in the field of family planning. I have said over and over again, and I hope to do so again, probably in the course of the next week when we discuss family planning under Rule 184 or 193, about giving further incentives and disincentives. No extra provision has been made in any Finance Bill ever since 1980 for any incentive or disincentive. Every one here talks about unemployment, poverty and the plight of the poor, but very few of us have that commitment to say that we cannot solve the problem without bringing down our birth rate. Our target is to arrive at a net reproduction rate of one which means one woman producing one fertile daughter, and the goal was to achieve that by the year 2000. Now we have been told that it cannot be achieved for another 15 more years; they say that it will be achieved, if at all, by the year 2015, which means that the addition to our population will be more than what was anticipated. Therefore, something should have been done to give more incentives for this programme.

The second is something which concerns Gujarat from which I come, and I see no difference between the situation in Gujarat and the situation in Rajasthan. We have the two driest parts in the country suffering from three or four years of acute drought condition. A specific proposal has been made for providing drinking water through pipelines from the Narmada Dam at Navagan across the Gulf of Cambay and a network made whereby water could be provided to the larger towns and larger villages of Saurashtra which is the most isolated and a semi-desert area. The proposal now lies with the Ministry of Finance, Department of Economic Affairs, and we have to see that this is implemented. And it has been worked out whereby the repayment of the investment made in this project could be recovered from a bridge that is to be built through and over the Gulf of Cambay; the toll tax received from this bridge would give the return on the investment made in this project.

I made a couple of proposals when I spoke on the main Budget and I made a suggestion for giving certain incentives to farmers and agriculturists who make capital investment in their farming. As incentive could be that, if any farmer made an investment in his own farm, the expenditure that he incurs may be adjusted against his income if he has any, to a certain extent, say, upto Rs. 50,000 which is the cost involved for a new tubewell. That vests with the Ministry of Finance, and as you are giving various concessions in these new proposals under the Finance Bill, I strongly recommend that that should be added.

Last of all, since there is not much time, I would like to compliment the Hon. Minister for Finance he is not here now—for the excellent and very supportive concessions that he has given to the tourism industry. He made, in his morning's speech, a specific reference to the importance of this industry the tourism industry, not only in the field of employment potential but also as a great foreign exchange earning industry. And the various concessions that are given—basically four of them are very apt, appropriate and meaningful will certainly give a fillip to this tourism industry. Whilst we are on the subject, I would like to make maybe a couple

of more suggestions to further giving incentives to the tourism industry. One of them is that I had appreciated the fact that a provision has been made for giving further interest subsidy to those who raise loans for setting up small hotels—one star, two star and three star. We are not talking of four star and five star hotels. Interest subsidy loans which exist to the extent of one per cent, he has announced that that would be raised to three per cent. But as a whole, the tourism infrastructure depends on the proliferation of these smaller hotels in the mofussil areas where they are needed and there further incentives will have to be given. I would like the Hon. Minister for Finance to make a note of this that instead of three per cent, why not enhance it to either five per cent or fifty per cent of the interest rate fixed by the Reserve Bank of India, whichever is more. This is a specific suggestion.

Secondly, we have to pay tax on that. Tourism very much depends on the arrival of foreign tourists. It is they who bring us foreign exchange. So, to facilitate their going around in this country, let us give some tax benefit, the import duty benefit that has been given to hotels who import equipment for their functioning. The same incentives may be given to the Transport Division which means motor cars, automobiles, especially those which use diesel engine. If they import air-conditioning equipment for the running of these diesel buses and diesel cars, then let us give them the same forty per cent import duty benefit.

With these few suggestions, I commend the Finance Minister for the amended Bill.

[Translation]

SHRI AZIZ QURESHI (Satna): Mr. Chairman, Sir, I rise to support the Finance Bill. While doing so, I can hear the echo which was heard four days ago in the All India Congress (I) Session, in which the resolution, which envisages removal of poverty was passed. We remember that some 17 years back Shrimati Gandhi the sole leader of not only this country but of the entire grieved and oppressed humanity raised the voice to remove poverty. She gave this slogan, a programme, to the nation. Some selfish elements and their friends raised the

voice that Shrimati Gandhi should be removed, Shrimati Gandhi left the decision to the people whether they choose to remove poverty or her. At that time Shrimati Gandhi received tremendous support in the country and the selfish elements lost the ground. Today again a similar situation prevails. Certain opportunists communalists and seditious elements exist who once supported Shri Rajiv Gandhi but now trying to remove him when he was given a new programme to the public for removing unemployment along with poverty. But I am sure that history will repeat itself and the people of this country will once again give their decision that they prefer to remove poverty instead of Shri Rajiv Gandhi. Thereafter the place of such elements will be once again the same which was some 17 years back in the dustbins. They will lose their ground.

Mr. Chairman, Sir, while supporting the Finance Bill I would like to draw your attention to the backward States which includes Madhya Pradesh. The Central Government have not given enough assistance for the development of such states; nor have they established industries in the public sector there. The number of tribal and backward people is very large. At present poverty, unemployment and starvation prevails there and special attention should be paid towards such areas I would also like to mention about my Parliamentary constituency, Satna, where the people have remained prey to injustice, inequality, poverty and feudalism for centuries. The Central Government have not established any big industry in the area. Lakhs of people are unemployed there even today. They are still groping in the dark since they have not been able to get the benefits in the post independence era. I would like that the Government should pay attention on this and formulate a policy to establish a big industry there so that the poverty of those people may be removed.

Chitrakut and Maiyar also fall in my constituency where, thousands of tourists come from abroad every year. It is very unfortunate that in places like Chitrakut and Maiyar, inspite of my repeated requests, no pilot project has been started, nor there has been any tourism industry. These places are closely related with civi- lization, culture and

religion and have an ancient history lakhs of people visit these places with deep reverence every year. Even the modern amenities have not been provided in these areas, due to which the tourists visiting these places have to face great hardships. Through you, Sir, I once again demand that the Government should pay immediate attention to these places and prepare pilot projects or tourist projects.

Mr. Chairman, Sir, I have been continuously demanding for the past three years that a T. V. relay station should be established in Satna. Our Hon. Minister sitting here, while holding the portfolio of this department had given an assurance to this effect and, thereafter every year it was stated here that attempts to establish a T. V. relay centre will surely be made in the current year but it is unfortunate that this promise has remained unfulfilled till today. I submit that a T. V. relay centre must be established in Satna this year, otherwise the anger, unrest and disturbance prevailing among the people there will go out of control.

There are a number of cement factories owned by Tata and Birla in our area. The Central Government have given a variety of concessions to the cement factories but it is our misfortune that inspite of our repeated requests nobody has ever tried to see how the employees are exploited by the management of the cement factories. Nobody has ever tried to take steps in this direction to check pollution caused by the cement factories in this area. If you visit Satna, Maiyar and Camore, you will see its effect upto 20 miles. Crops are destroyed every year in the nearby areas due to the polluted environments. The cattle, men, the whole atmosphere has been badly affected as a result of pollution. No attempt has been made to check the smoke, dust emitting from the factories and pollution caused by it. I submit that Government should take stern action against these cement factories and force them to adopt anti-pollution measures so that this area may be saved from the damage being caused by pollution.

Mr. Chairman Sir, today, as we support the Finance Bill, the country's borders are fraught with many dangers. The conflicts in Pakistan, China and Gulf countries and the situation in the Indian Ocean are all a cause

of concern to us. I want the Government to give special attention in this direction. A lot of concessions have been given and adequate funds have been sanctioned to the Defence Ministry in keeping with the country's policy in these matters. But a lot is being said about the Defence laboratories and Defence departments in our country. Phrases like 'Buying Technology and Induction at the Laboratory Level' are being heard frequently. It is said that India is going to import the latest technology from the U.S.A. Nowhere else in the world is such technology available. I request the Government to kindly keep our Defence laboratories free of this American 'influence'. If this is allowed to happen, the country will become wholly dependent on America and incapable of doing anything else. This year the country sought a variety of technology from America. Unfortunately nothing has been received so far. For example with regard to the 'Manufacture of Composite Material' the country's demand for Super Tough and Super Light Alloys and Steel which is used for the manufacture of Light Combat Aircraft was flatly refused by America. Even after that we have kept on asking them for technology. I want to ask the Government whether the latest technology being demand from America can be used in the manufacture of Light Combat Aircraft? This aspect should be thoroughly looked into. Similar GTX Engines are being manufactured by the G.T.X Turbine Research Establishment in Bangalore. Their object was to reduce the weight of the Engine by at least 200 kilograms. Only after that the Engine can be of any use. The Engine's thrust-to-weight ratio calls for a reduction of 200 kilograms in weight. Otherwise the Engine will be redundant in these modern times.

What has been the progress of work done in this direction and how far has the Government gone in its objective of reducing the weight by 200 kilograms? Another point I want to mention relates to the discussion being held with America for the purchase of F-20 Tiger Shark Aircraft. America wants to sell us this aircraft but what about their own allies in the NATO who have refused to buy them. What will be the utility of this aircraft for India? The Government should look into this matter de-movo.

We all have heard Dr. Arunachalam, our Defence Adviser. He says that the labo-

ratories of the Defence Ministry should adopt the 'Leap-Frog' technology. This means that we should grasp technology used in other countries quickly and adopt the same in the context of Indian conditions and use in the indigenous manufacture of Defence items. On one hand we hear of this 'Leap-Frog' technology while on the other import of latest technology is talked about.

Talking of 'Induction of Foreign Technology at the Laboratory level', may I know how much achievement has been made in the 'Leap-Frog' technology mentioned by Dr. Arunachalam who is a very respected scientist officer of the Defence Ministry? Are there any factors impeding the efforts to adopt the same?

Everyone is proud of the fact that our Ordnance factories and the Defence Research Wing have done very important work. What is the reason for our Ordnance factories using up only Rs 254 crores out of the Rs.680 crores sanctioned to them last year? The Government should look into this matter.

Similarly the Defence Research Wing has not spent 25 per cent of the amount sanctioned to it. The amount has been lapsed. This is a matter of concern and should be looked into. The House should be apprised of the reasons behind it.

India has purchased T-72 tanks from the Soviet Union. The Government had announced that 50 per cent of the equipment for these tanks will be manufactured by the private sector in India. This 50 per cent equipment will fulfil the needs of this tank. As far as their indigenous manufacture is concerned, I have no objection. What I am worried about is the presence of anti-Soviet elements in India who could sabotage the manufacture of these tanks. This could affect the quality of the tank and ultimately its performance. So the Government should take the fullest precautions while the manufacturing process is on. This becomes all the more important because we are dealing with Russian tanks. Many people in India dislike Russia and they could express resentments by sabotaging the manufacturing of these tanks. So the utmost caution is needed in this matter.

There are plans for the supply communication systems to civilians by the Defence Research and Development Wing. I wholeheartedly support this proposal. The Government should give greater attention to the supply of quality equipment to the civilian population by the Defence Research and Development Wing.

The plight of the poor is discussed every now and then in this country, be it the development of Indian fisheries or marine fisheries. Some years ago a State Fisheries Development Corporation was set up in every State. I shall give the example of Madhya Pradesh. I had been the Chairman of the Madhya Pradesh Fisheries Development Corporation. During my tenure as Chairman, private contractors and middlemen had been totally eliminated from the scene. Nothing came between the fishermen and the market. Presently the offices of Secretary and Managing Director in this Department are manned by I.A.S. officers. Unfortunately in the recent past, these officials have made a mess of this Corporation because of their selfish interests. The entire Corporation has virtually been handed over to businessmen. Private contractors have once again been brought on to the scene. It is beyond comprehension why the Government is a silent spectator in this episode. Why is the Government hesitant in taking action against bureaucrats indulging in such shameless practices to further their own interests?

The Government should give this matter serious thought. With these words I thank you and once again support the Finance Bill. There are some elements in India who are bent upon misguiding and deceiving the people. I hope the passing of this Bill will thwart the evil designs of these elements. This Finance Bill is like a rising sun, the emergence of which will kill the darkness of poverty and unemployment. Its emergence will signify the dawn of a new era where the hopes and aspirations of the masses can be realised.

SHRI HARISH RAWAT (Almora):
Mr. Chairman Sir, the Finance Bill is a very important Bill. I understand that during the debate on this Bill, Hon. Members of this House get an opportunity to analyse,

evaluate and criticise the Government's policies, specially those which were announced during presentation of the Budget. Hon. Members of the ruling party are present but, it is regretted that Hon. Members, for whom this was a golden opportunity, have walked out of the House. Walking out of the House might afford them some self-satisfaction but they have failed in their responsibility towards the common man. Their responsibility to seek explanations, to give serious thought to a subject. I do not think this kind of behaviour will find favour with anybody. Mr. Chairman Sir, even you will not approve it from the core of your heart.

Mr. Chairman Sir, a democratic system exists in our country. This system gives prime importance to tolerance. Tolerance is not expected from the ruling party alone but also from the Opposition. Only when both sides observe a tolerant attitude can the democratic process and the proceedings of the House run smoothly. The point on which the opposition behaved like this was an ordinary one. It was practically a non-issue, more in the nature of a comic interlude. The Hon'ble Prime Minister sought to give a comic touch to an ordinary matter. Instead of taking it in that spirit the Opposition behaved in a manner most unbecoming of them. The common man will never forgive them for displaying an attitude worthy of the deepest condemnation.

Sir, now we have the opportunity to analyse the economic situation in the country which has come up after presentation of the Budget. Today, we have the opportunity to analyse what the economic conditions of our country were at the time of the presentation of Budget and what direction we have been able to give so far. Mr. Chairman, Sir, I would like to congratulate and thank the Hon. Minister of Finance for giving special importance to the agriculture and the rural economy through this Budget. Some of our colleagues belonging to the opposition parties and even some of the Congressmen have expressed the apprehensions inside and outside the House that the benefits of the rebates given in the prices of fertilizer will not reach the small farmers, but the Hon. Minister of Finance had assured at that time that nothing of

this type would be allowed to happen and now I feel very much proud to say that: the Hon. Minister has fulfilled assurance and the small farmers are getting the benefits of these rebates. But as far as the prices of essential commodities are concerned, there have been some lacunae. If we evaluate the prices of the essential commodities after the presentation of Budget, then, we will find that there has been 10 to 15 per cent price hike in some of the items. The price rise of some of the items cannot be justified in any way. The Government gave some concession in the excise duty of coffee, but even then the prices of coffee have increased. The manufacturers of cold drinks have also increased the prices of their products. The D.M S. Ghee, which was previously sold in the Parliament at the rate of 52 rupees per k.g. is now being sold at the rate of 60 rupees per k g. There has been a direct increase of 8 rupees per k g. There are several other items also where the price rise has been between 15 to 20 per cent. In this way, the general public loses faith in the Government and feels that Government says something else and does something else. A tradition has developed in India that after the presentation of every Budget the prices must increase between 15 to 20 per cent. Keeping the tradition in view, all manufacturers in general and the manufacturers manufacturing consumers items in particular have taken it for granted that they have the right to increase the prices between 15 to 20 per cent. Therefore, through you, I would like to urge the Hon. Minister to develop such a mechanism by which this tradition may be brought to an end. I am to say that if taxes are increased, then there will be no harm in increasing the prices. The consumer will tolerate that price rise because he understands that that would be in the interest of the country. But when without levying new taxes or increasing the prices by the Government, the prices are increased by the manufacturers on their own, then, the consumer feels that he has been cheated. Now, this is the responsibility of the Government and all of us to see that the general consumer may not feel that he is cheated by the manufacturers. Here, I would like to urge the Ministry of Finance to take effective steps to control the present day situation of the market and the price rise.

Recently, we have become inclined towards certain items which are called as consumer items but in fact these are the luxurious items. These are not the food-grains, eatable or coarse cloth but are the luxurious things. Today, we are giving the same concessions to these so called consumer items which we previously used to give to the priority sector. This is not proper. As far as the field of automobiles is concerned, every one would welcome a revolution or a change in this industry, especially when there is overall change in the whole world. It can be seen that apart from the cars, India is flooded with different types of Motorcycles and scooters. Different names of motorcycles and scooters are heard every day and each company claims that their product is unique in the world. While seeing the advertisement in television the question arises whether we are seeing the Indian Television or the American or Japanese Television. After seeing the advertisement of these items in Television the people belonging to the middle class society also desire to have those things and when they find these things beyond their reach, then they feel frustrated which effects our system. On the other side, the Government have given crores of rupees to the automobile sector in the name of importing technology from foreign countries. There is not a single manufacturer who has not collected crores of rupees from the general public in the form of deposits. In this way they have collected such a huge amount that they can bring up their future generations merely from the interest likely to be accrued on the amount of deposits. The people, whose money is deposited there are being cheated by these manufacturers. The delivery of vehicles is not made to them in time and many bad trade practices are being followed by them. I would, therefore, like to request you that enough has happened and now Government should check all these practices and if not then, the feeling of competition may crop up in other fields also. If this happens, then there will be no end to this problem. As one of my Hon friends was saying that there is also the possibility of our defence laboratories becoming corrupt because we are taking now techniques from America and other countries. This is not an apprehension only but it may also become a reality. This situation is not in that sector only but it is in other sector also. There is need to

impose some control on the tough competition going in the industries in the name of import of new technology. I am sure that the Hon. Minister of Finance would definitely pay his attention towards this. At present the position is that we have not been able to completely Indianise the Maruti Car. The economy of Japan is flourishing. We are sending them money. We are getting finished goods from them, which are assembled in India and are presented in the market in our own name. If no check is imposed upon this practice then our country would just become an assembling workshop of Japan.

The Government have announced some new and old schemes which are meant for eradication of poverty. The Government have also increased the financial resources for these schemes. I would like to thank the Hon. Minister for this. But I would like to urge that there are some areas which require the attention of the Government, specially where we have made investments. The targets of the NREP, RLEGP, Indira Awas Yojna and Special Component Plan is almost the same viz. to help the poor people living in the rural areas, to provide them employment and shelter. I want to request that instead of allocating funds for different items, we should prepare a single programme for this purpose. If the entire money which is being provided for the NREP, RLEGP and Indira Awas Yojana under these programme is clubbed together and if banks and financial institutions are also asked to help in this matter then shelterless people can definitely be helped and they can be provided with houses.

The Hon. Finance Minister has announced Jaldhara Yojna and Kuteer Jyoti Yojna. A commitment to provide drinking water to every village under the 'Jaldhara' programme by 1990 has also been made. But the allocation made in this field is quite inadequate. Under the present allocations made in this Budget it is not possible to provide drinking water to every village of Uttar Pradesh even upto 1995. This is not the case with Uttar Pradesh only, the same is the case with other States also, I, therefore, would like to request you that to fulfill the assurance of providing drinking water to every village of India by 1990,

more financial resources should be provided for this programme. Nothing would be better than providing drinking water to every village of this country by 1990.

Under the programme of 'Kutir Jyoti', the funds allocated to the State Electricity Boards through the Rural Electrification Corporation for the rural electrification programme but instead of utilising funds for the rural electrification, it is being used for paying salaries etc. There is need to check this tendency otherwise the target fixed under the programme would not be achieved.

I am thankful to the Hon. Prime Minister for giving a new slogan of "Gareebi Hatao, Berojgari Hatao" (Eradication of poverty and unemployment). Actually, this is not merely a slogan but it is a basic formula which have raised hopes and aspirations in the minds of the people. The responsibility of implementing the slogan given in Madras by the Hon. Prime Minister is that of the Ministry of Finance and other Ministries. Because at present the Ministry of Finance is lead by a team of very talented and mature Ministers. Shri N. D. Tiwari and his colleagues, Shri Aji Panja, Shri Eduardo Faleiro and Shri Gadgvi. I, therefore, hope and firmly believe that this slogan will be fully implemented and given practical shape by this team in coordination with other Ministries. After this slogan a new hope has risen in the minds of the unemployed youths that the Government is doing something for them. But if this slogan is not implemented in its right earnest then it will be a great injustice to the people of this country. The Financial Institutions and the Banks will have to play an important role for achieving this end. The bank, will have to come forward to help the educated unemployed youths in particular. But, it has been observed that the banks are not playing their role in the manner in which they ought to be, whether in the field of Self Employment Guarantee Scheme or the programmes such as I.R.D.P. etc. If you go and ask any rural youth that have the banks played their role properly for implementing these programmes, his straight forward reply would be that Banks have not played their role in the manner in which they ought to be. Mostly the banks have been creating hurdles instead

of providing help in these programmes. I would like to request the Hon. Minister that a discussion should be held with all the banks through the Reserve Bank of India and they should be told that it is their national duty to support the unemployed, to fulfil the aspirations of Shrimati Gandhi and Shri Rajiv Gandhi and the banks and the financial institutions should help them, whenever needed.

Just now, I was mentioning about the politics of tolerance. In this regard, we may level as many as charges on the opposition as we may like but in certain cases regional imbalance is the cause of intolerance and there also exists the disparity among the individual income which is also responsible for it, but apart from this, regional economic imbalance is also responsible for it. There is the problem of Punjab, where due to over-development, some elements have started thinking in the wrong direction. Same is the case of Gorkhaland, the West Bengal Government has not paid proper attention to the Gorkhaland agitation. They have been neglected and the State Government did not care for its responsibility of the economic development of that region. During the last seven-eight years, they are basically responsible for the situation. Otherwise this problem of Gorkhaland may not have arisen. Those Gorkhas who fought for this country would have never chosen the path of violence. The West Bengal Government is wholly responsible for creating this situation. The way they have handled the situation is deplorable, but there is no use of only blaming the West Bengal Government because when I look towards my own hill areas, I find the same situation prevailing there. As a Member of Parliament from Uttar Pradesh, I also associate myself with their pain and suffering. The Government of India has not done enough for the development of Uttar Pradesh. We constitute 70 per cent of the total population of the country. The total investment made on our economic activities in industrial sector is only 3 per cent, whether the investment has been made by the private sector or public sector or the financial institutions of the Government of India. The Gadgil formula or Revised Gadgil Formula is only helping those States which are already sufficiently developed. I have no grudge

against Maharashtra or Karnataka, but this formula is only helping the already economically-developed States. If you study the statistics, you will find that even today the investments made in public sector by financial institutions or the banks in Uttar Pradesh is not more than three per cent. Last year also maximum investment was 3 per cent only. The Government must change this situation otherwise a big state like Uttar Pradesh will remain dormant and will not be able to keep pace with the progress of the country. The Eastern Uttar Pradesh, which has the largest density of population in India, is still in a very backward form. What investments have been made in the field of irrigation in Uttar Pradesh which has the capacity to produce rice for whole of the country. I want to know as to whether Government of India have taken any step for exploitation of the mineral wealth in Bundelkhand district? What has been done for the hill areas of Uttar Pradesh? We have so much capacity of hydel power that we can produce electricity for whole of the Northern India, but no funds have been allocated for using this capacity.

[English]

PROF. N. G. RANGA (Guntur): What about your State Government itself?

[Translation]

SHRI HARISH RAWAT: Our State Government has pleaded several times, but whenever the question of national interest comes, Uttar Pradesh retreats and gives preference to the national interest. But today, the circumstances are changing and the people of Uttar Pradesh are getting step motherly treatment. You should pay attention to it. I am not only talking of Uttar Pradesh, but also of other States as Bihar and others where there is an imbalance in so far as financial investments made for the development is concerned. This imbalance should be assessed and steps should be taken to invest more money for development purposes.

On behalf of the employees, I would like to submit one thing. We are grateful

to the Hon. Prime Minister and the Hon. Minister of Finance for making provision of funds in this Budget for payment of dearness allowance to the Central Government employees. But when a D.A. instalment is due, it should be paid to the employees in the month of March, but instead of paying the instalment, we are just putting off the matter by carrying out negotiations with J.C.M. Many of the J.C.M. representatives are colleagues of our communist friends and they have their own political interests. They want the matter to be dragged so that discontent arises among the employees and making use of that discontent, the communist party can malign the Government. Our bureaucracy is getting trapped in their nets. When the Supreme Court and Forth Pay Commission have regarded the dearness allowance a universal right of employees and it should be paid to them on the fixed date and a provision has also been made in the Budget in this regard, then why the payments are not made in time. I would like to urge that whenever you give your reply, you should state that instalment of dearness allowance, which has become overdue, has been paid.

After Fourth Pay Commission's report, there has been such a massive jump in the pay-scales that even the class IV employee working in defence, in I.I.C. or elsewhere has come in the range of income tax. The Government will not get adequate returns from him because he will invest it elsewhere and whatever the Government will get, will not be commensurate to the expenditure, likely to be incurred in that connection but the poor common man, who is a class III and class IV employee will also come in the purview of income tax. Not only on behalf of them, but on behalf of the entire middle class. I would like to urge that the income tax exemption limit should be raised by the Government. Though the matter has been considered by the Government, but the limit has not been raised. This limit should be raised to Rs. 25 thousand, because the common man, who is supporting the Government and Shri Rajiv Gandhi, has a feeling that the Government is not feeling the hardships faced by them.

With these words, I welcome the Finance Bill. I feel pity on the intelligence of our opposition members. Our Prof.

Ranga is a freedom fighter and has a vast experience in politics. He has witnessed the politics of both the ruling party and opposition. He must be feeling sorry for the irresponsible behaviour of the opposition today. We should condemn their behaviour in the strongest terms.

With these words. I support this Bill.

DR. G. S. RAJHANS (Jhanjharpur) :
Mr. Chairman, Sir, I support the Finance Bill. First of all, I will say something about the direct taxes.

As our friend, Shri Rawat said that before Budget was presented it was hoped that the income tax exemption limit will be raised from Rs. 18 thousand to Rs. 25 thousand, but nothing happened. In view of the price-rise today, an income of Rs. 25 thousand is of no value. Those persons who have somewhat knowledge of economics and tax administration, realise that the tax administration should be such that for collecting taxes, the administration may not have to spend much. Those places should be given more attention where there is the potentiality of collecting more taxes. You can mobilise more resources from there.

The Government has to give exemption upto certain standard to the fixed income groups. In organised sector, an ordinary worker has an annual income of more than Rs. 25 thousand. I don't know whether the Government is aware of this fact or not. I have been the manager of many big companies, so I am saying that in organised sector, a matric passed unskilled worker gets not less than Rs. 3000 per month. So they have to pay the income tax. But on the other side, there are lakhs of such people whose monthly income is not less than rupees ten lakhs, but they do not pay a single paise as income tax. I am saying this with full responsibility. What to say of the country, but in Delhi itself, there are lakhs of people who have a monthly income of lakhs of rupees, but they do not give any tax.

One may study the report on tax reform of any of the commissions. Everyone has said that put your hands in that pond which is full of fish and you will convey

niently get them. What is the use of putting your hand in an empty well, because you know that your efforts will not be fruitful. Some four-five days ago, I want to attend a marriage in South-Delhi. According to my guess, he is an ordinary businessman. But after looking at the outer decorations, eatables and many other things, leaving other transactions, it appeared to me that not less than Rs. 60-70 lakhs have been spent on this marriage. Looking at those decorations, we cannot think of such ostentations living even in heaven. By observing such vulgar display of wealth, it came to my mind that everything will go in the same way forever. We will go on discussing the blackmoney inside and outside the Parliament, but those who are earning blackmoney will continue to earn the same. In this way some people will continue to indulge in vulgar display of wealth and others will continue to be exploited. If you want to have a Welfare State in the real sense of the term then ostentatious living and vulgar display of wealth has to be done away with. You should assure us in this regard as only then the people will have faith in us, otherwise, as our Hon. colleagues have stated that people think that the Government says one thing and does another. If we make up our mind to control blackmoney, why cannot we do it! If we are able to check blackmoney even by 10 per cent, you will see how the prices fall in the country. During the emergency rule, prices had fallen while the party in power were the same as present. At that time, the officers were scared about the fact that if they supported the blackmarketer they would be sacked and the matter would not go to the court. The traders were afraid that if they were caught with blackmoney, they would be put behind the bars and they would not be able to appeal to the court in this regard. I am not telling you to impose emergency, but an atmosphere should be created where people could believe that the honest will be respected and the dishonest will be put behind the bars. I want to emphasise that until you do so, you may bring any number of bills or give any number of speeches, it will all be of no use. You will not be able to curb price rise and the rich will grow richer and the poor poorer.

As regards Direct taxes, I want to point out that last year there was a hullabaloo about the Expenditure tax being imposed. Several committees were constituted, a consultative committee group was one of them, many articles were published in the Press about this matter and Government also proposed that Expenditure tax will be imposed but it was "all sound and fury signifying nothing." You imposed Expenditure tax only on hotel expenses. That also where the rent would be more than Rs. 400 and even here, people have found loopholes but that is another matter. You should impose expenditure tax in other areas as well and then see as to how ostentatious living is checked. It should be imposed on air tickets, the cost of which exceeds Rs. 500. You spend that money on development work. Similarly tax can be imposed on passengers travelling by air conditioned coaches. That amount can also be utilised for development work. In a similar way, people buying flats which are priced above Rs. 2 lakhs should also pay expenditure tax. Thus, a practical shape has to be provided to this concept and then you will see as to how people admire you. Once the poor people are convinced that Government is committed to their welfare, then they will have a good opinion about you.

Mr. Speaker, Sir, Estate Duty was done away with two years ago but it has been reintroduced in this Budget. You may be right and perhaps I may be wrong in what I am thinking. You say that it will be imposed on only those who will be paying wealth tax. Perhaps it is right, I accept it. But when you do not have the required personnel then why have you reintroduced it without any rhyme or reason? What you had withdrawn this burden from the point of view of tax administration, why has it been introduced afresh? I will request that Estate Duty should not be reimposed because it creates difficulties for the people and they feel harassed. I have seen that a man buy, a small flat with the earnings of his whole life or saves Rs. 50,000 in the bank. The man dies all of a sudden. His widow has not only to suffer the pain of his death but has also to pay taxes on the amount saved in the bank. I want to request you to do away with Estate Duty altogether and impose some other kind of tax instead. The

procedure of Direct taxes should be simplified so that people are not scared of the very term of Income Tax and are not afraid of going to the income-tax office. An honest citizen should be proud of the fact that if he pays his taxes, no one will harass him. One provision which you have inserted in this Bill is that in case of late payment of Income-tax, penalty and interest will have to be paid. There are different kinds of people with different kinds of problems. People are not able to file the returns in stipulated time. It has to be seen whether each tax payer is paying his taxes or not. If he submits the returns after 3 months, it makes little difference. Such cases have come to me where I.T.Os have been harassing the tax payers who have not filed their returns in time to pay interest and penalty as well. Those who do not pay their taxes should be penalised but for those who pay the taxes, interest and penalty should be waived ... (*Interruptions*) The procedure should be such which does not cause any harassment to the tax-payers. You give advertisements in the newspapers that the tax-evaders will not be spared. It seems as if something unprecedented is going to take place. People keep on waiting but nothing happens. The persons making black money keep on making it. When you publicise that you are going to conduct raids, then you should also publicise as to how many raids have you conducted in a month? Bring out a list of the names of person whose premises have been raided during the last 3 months. What is the harm in bringing out such a list? It is another matter that these people may be acquitted subsequently, but at least the people will come to know the names of those who indulge in such activities. The reality of those will be revealed who become rich by dishonest means. If a person while stealing goods worth Rs. 100 at night, is caught by chance, he is put behind bars. But the people who accumulate crores of rupees during day time are welcomed and respected. Can such a system go on? About Direct taxes, I want to urge the Hon. Minister to take some steps which would benefit the poor and as it is said about justice :

[*English*]

Justice is not only done, but it should also appear to have been done,

[Translation]

It should be evident that you have taken some action for the benefit of the poor and put the tax evaders behind bars. Only then the people will be benefited. You have granted considerable relief in the Excise duty, you had given it before as well but my experience is that whatever relief is given does not reach the consumers. The Hon. Member who spoke before me said that prices are sky rocketing. The Hon. Minister should accompany me once to the market to observe the condition of the people. The middle class is no more, only two classes are left, that of the rich and the poor. The middle class has been crushed. What to say of the poor? At present there are only two categories of people viz. rich or poor. You should put aside every other task and take measures to contain price-rise and then you will see as to how the country makes progress. The neighbouring countries have contained it. If you increase production, prices will automatically fall. If you acquire all the black money, prices will come down. If you are not able to curb price rise, then, I regret to say, that a new class is coming up. I can see it with my own eyes. You go to Bihar where you will observe that the situation is worse than what is in Punjab for there are about 100 to 200 educated unemployed youth in every village. They are not finding employment and as a result of which they are taking recourse to violence. You may call it Naxalite movement or Extremism. But their is a saying 'a desperate man leaves nothing to chance.' He was not getting a morsel to eat so he took up arms. Steps should be taken to ensure that extremism and naxalism does not spread any more. Measures should be taken to provide means of livelihood to the people. First of all, you should bring education under Central list and take action to stop the opening of any more colleges. Graduates are roaming about without any work in every village. A graduate boy has to bear the sarcas of his family members for not getting a job and also of the society. If he is forced to enter a wedlock he is ridiculed in his inlaws and in this way he gets frustrated and takes up arms. If he has taken up arms, then, people like us are responsible for it because we could not give him proper

guidance. I can see writings on the wall. What is happening in Bihar will happen in other States as well. Something should be done in this regard. The Hon. Prime Minister gave the right slogan 'Bekari Hatao' in Madras. But Government will have to make efforts to give a concrete shape to it. Mere slogan will not help and I want to submit that those who are committed to the progress of this country should seriously think about according maximum significance to family planning. Some measures like double or triple promotions have been provided as incentives in foreign countries to couples having only one child. And if on the other hand, the couple has more than one child the promotions will be withdrawn even demotions will take place. If the Family Planning Programme is linked with economic welfare, it will certainly help in controlling population. If a person submits a certificate of his having undergone vasectomy, you should grant him a double or a triple promotion without any hesitations.

Substantial help should be given to them so that they feel assured of leading a comfortable life. Regrettably, our present day society is ridden with a number of wrong beliefs. For people in India, a female offspring denotes a dismal future. I suggest that after a female-child is born if either of the parents gets himself/herself sterilised the State should make out a fixed-deposit of Rs. 15,000-20,000 in the name of the family. This money will multiply into lakhs and come in handy by the time the girl reaches marriageable age. The head of the family will then breathe in peace. This proposal needs practical thinking. There are two opinions that economic development, however much, will come to nought if the family planning programme is not effectually implemented.

For the past one year I have been hearing that our country is affected by drought. This problem has been discussed in the House also. But when I visit my constituency of North Bihar, I have to shamefacedly listen to my people accusing the centre of turning a deaf ear to their woes. People over there say that this is the first time in 150 years that floods of such magnitude have ravaged North Bihar. But there is no public document on these floods,

Whenever we talk of agriculture or floods we say that crops were destroyed due to drought. But it should be remembered that North Bihar has contributed a lot in terms of foodgrains. This year lakhs of rupees worth of crops have been destroyed by floods. The extent of damage cannot be described in words. I agree that drought also creates havoc. Even so, has drought ever seen house collapses and clothes and utensils of people being swept away? People have no idea where their belongings have gone. Where a hut stood once there is nothing but flood water. A surcharge on income-tax has been imposed to tide over the problem of drought. I demand that this surcharge should not be confined to drought alone but made applicable to floods also. In matters of providing assistance, flood-affected people should be treated at par with those affected by drought. If bank loans in drought affected areas have been waived, the same should be done in areas affected by floods. Besides this, the Government should take steps to control floods which occur in Bihar every year. This is the responsibility of the Central Government. Talks should be held with the Nepalese Government to find a solution to this problem. Why is that the people of Bihar have to suffer year after year? Today the situation is such that the people who once owned 500 acres of land and were members of prosperous families are eking out a livelihood as labourers in Delhi's Chandni Chowk. Tolerance has reached its limits. Where is the justification in the people of Bihar being subjected to an annual dose of suffering? The Central Government should seriously think about taking steps to tackle this menace of floods. The situation has now become beyond our tolerance. Is there any justification that we should go on facing flood every year. If the people of Bihar are tolerant it does not mean that they should go on suffering. Flood is no ordinary problem. The Government should give serious thought to this problem.

Today a strange practice is being followed in the country wherein all funds under the 20 Point Programme are handed over to the Collector. Collectors of today have become mini-Mughals. The opinion of an M.L.A. or an M.P. cuts no ice with them.

They do not give any importance to the public representatives. I want to emphasise that most of the Collectors are dishonest. I say this with a great sense of responsibility and I am willing to prove my point. At least I have information about the Collectors posted in Bihar. Some time back the premises of a Deputy Commissioner were raided and Rs. 60 lakhs were found. How is the Government going to justify this? Another thing is that anybody goes and gets a stay-order from the Court. How could Dollars possibly reach a Deputy Commissioner posted in the interior of the State? Perhaps there is a justification for this. Perhaps the Deputy Commissioner helped himself out of the funds earmarked for some developmental work. The Government relaxes after sanctioning funds for developmental work. Has it ever tried to find whether these funds ultimately benefit the poor and if they do, to what extent? We politicians are unnecessarily blamed when a new bureaucratic class to which the Collectors belong, has joined ranks of the corrupt. So the Government should decentralise the implementation of the 20 Point Programme. I have visited China and seen for myself how people have constructed big dams and accomplished big tasks by contributing their own labour. I feel this is the best way to go about it. The same thing was done while constructing the Kosi project in Bihar. If the Government wants to lay an unmetalled road in a village and the amount required is Rs. 2 lakhs, the villagers could be asked to put in their labour so that half of the amount is covered. Let the Government pay only Rs. 1 lakh and then see where corruption takes place. There should be a system to check malpractices. Otherwise all money sanctioned by the Government will go down the drain or more appropriately down the throat of the hungry bureaucratic class.

Crores of rupees have been spent during the last 4-5 years in the name of forestry. Every Forest Officer has grown 100 times richer than he was before. This matter needs looking into. Trees are not being planted while the bank balances of officers keep on increasing. After all this money belongs to the poor then how and from where do these officers lay their hands on it? A time has come when it is hard to pinpoint exactly

where things go wrong. If there is a theft somewhere the public will claim that we too had a hand in it. So I suggest that all efforts be made to ensure that developmental funds are entrusted to the right sort of people.

In the end I shall say that when the concept of public-sector enterprises was introduced in the country a lot of hopes were raised. It seemed as if drastic changes would follow. Pandit Jawahar Lal Nehru truly had big dreams of the public sector. He used to say that this is a modern-day temple. How true his words have proved to be! If an infrastructure for steel and heavy engineering had not been set up by Pandit Nehru, India would have remained economically dependent on foreign countries. I bow my head to that great soul. He deserves the highest praise for his far-sightedness. When the concept of public sector was sought to be introduced in other areas, officers who were appointed as Managing Directors or Chairmen gave the Government a bad name. The outcome of raids conducted on each Chairman or Managing Director is well known. The Government should secretly investigate if any public sector undertaking, whether big or small, is running into losses. And whether its Managing Director is taking advantage of the situation to fill his own offers. How long will these officers continue eating into public money to further their selfish motives?

Let me contradict my own point. Today a new wave is sweeping across the globe. The Soviet Union has adopted a policy of 'Glasnost.' In China people are shedding orthodox attitudes towards work, turning to newer methods. Why not give a fresh thought to the public-sector undertakings running into losses? I am totally against privatisation. Even then, if a co-operative of professional managers is formed, small-scale public-sector units could be handed over to them on an experimental basis. This could be done for a period of 5 years with the condition that all losses would be borne by them and profits would be shared in an equal ratio. Is there any harm in experimenting? Russia, the messiah of socialism, is doing it and even China is doing it. So why cannot India indulge in a bit of experimentation? Can the public exchequer afford to

comply with the public-sector units' frequent demands for money? We have to draw a line somewhere.

A very good point has been mentioned in the Finance Bill. It says that income earned by export-oriented units through exports will not be taxed. In view of India's foreign exchange position, the state of world trade and press reports on the American ban on Indian textiles, this facility gains added importance. This is certainly a welcome step and exporters should be given more such facilities. These could range from providing subsidy on raw materials to assistance in marketing of their products. Exports are a valuable source of sustenance.

The Government may be aware that imported goods have flooded Delhi's Palika Bazaar. Textiles and other items from Japan, Korea and Taiwan can be found there. Locally manufactured goods cannot compete with these imported goods. India cannot hope to compete in the international market if the prices of her export items are not made reasonable.

In the end, I want to say that let us unitedly give a practical shape to the slogan given by the Hon. Prime Minister about eradication of unemployment and show the world that we can remove unemployment from this counting in an effective manner.

SHRI PRATAP BHANU SHARMA (Vidisha): Mr. Chairman, Sir, while supporting the Finance Bill 1988, I want to make some submissions before the House. All of my Hon. colleagues have said that this Budget is commendable and the Hon. Finance Minister has paid special attention towards the economic policies of this country and has emphasised that the economic policy should be implemented in the right direction more effectively. He has tried to accord priorities in this Budget in today's context and has increased the allocations accordingly. It will not be an exaggeration to say that the Budget of this year has been welcomed throughout the country as an agriculture oriented Budget. Even after facing the severest drought and flood for the last 3 years, the economy of the country has not

staggered. The people have not suffer during this critical period due to the right policies of the Government. Top priority has been given in this Budget to the programmes concerning with the Agriculture industry, rural development, twenty point programme and the programmes meant for the development of youths. The provision for allocation of more funds has been made in this Budget so that we may tide over the situation created by the drought conditions during the last three years.

Keeping these facts in mind the concrete steps taken by the Government under the guidance and inspiration of our young Prime Minister, Shri Rajiv Gandhi, are highly commendable. The rate of interest on the loan given to the farmers against their crops has been decreased by one per cent to two and a half per cent. This is an historic and commensable step. Similarly, a sum of Rs. 1295 crores has been allocated for Irrigation and Agriculture which is 40 per cent more than that of last year's.

As far as the programmes of rural development are concerned, a sum of Rs. 2200 crore has been allocated for I.R.D.P., N.R.E.P., R.L.E.G.P. and other rural development programmes this year. It proves that our Government is vigilant about the complications of employment in villages and about creation of assets for the development of villages. The Government have given a top priority to these programmes in this Budget.

16.30 hrs.

[SHRI VAKKOM PURUSHOTHAMAN
in the chair]

Along with this, a provision has also been made to give pumps for irrigation to the small and marginal farmers, Harijans, Adivasis and the landless families under the "Jaldhara" scheme. These pumps would be made available through the Government. Besides 10 lakh wells would be dug and made available under the R.L.E.G.P. and N.R.E.P. programmes to those small, marginal, harijan and adivasi farmers who do have the agricultural land but do not have the means of irrigation. This in itself is a revolutionary decision. By these programmes

those families and farmers will be helped who are actually in dire need of the help of Government. I would like to praise these attempts whole heartedly.

The Government have taken steps in this Budget to decrease the prices of insecticides from 7-1/2 per cent to 10 per cent. Farmers will be directly benefitted by this and it will give fruitful results in the course of time. Due to the severest drought faced by several States, the production of foodgrains decreased and the people, faced a lot of difficulties in getting foodgrains for their day to day requirements. But, our Government by using its reserve stock of foodgrains distributed the foodgrains in the affected areas through fair price shops. Along with this, under the programmes like N.R.E.P. and R.L.E.G.P. foodgrains, were also given to the workers under the food for programme. This helped us to offset the adverse effect of the severe drought upon the rural people. In spite of facing all these problems in these 3 years, our economic policy did not stagger and the industrial production growth rate went on increasing. The industrial growth rate which decreased to 1.7 per cent during the Janata Party rule has once again reached 9.7 per cent. After 1980, our late Prime Minister Shrimati Indira Gandhi has taken several steps to make our country self-reliant in every field that may be the field of defence production, petroleum production, foodgrain production, the small and medium industries or industries in the public sector. After independence, under the leadership of Pandit Jawahar Lal Nehru our Government decided to develop the country in a planned manner through Five Year Plans. Pandit Jawahar Lal Nehru had set up the industrial and economic structure of India in a right direction. He had also made plans for increasing agriculture production. Later on, Shrimati Indira Gandhi made solid efforts to make the country self-reliant. Due to these policies and plannings, the present Government, under the leadership of our young Prime Minister, Shri Rajiv Gandhi is doing its work successfully. The present Government is successfully implementing all those policies which were determined by the nation builders. The Government have also solved the crisis of drinking water in rural areas by making efforts on war footing. The Govern-

ment have promised to supply drinking water to nearly one lakh sixty two thousand villages during the Seventh Five Year Plan. By the end of the financial year 1987-88 the crisis of drinking water of nearly 1 lakh villages has been solved. A provision of nearly 430 crore rupees has been made in this Budget of this year for the cleanliness programme and supply of drinking water in the rural areas. This shows how much the Government and the officials of the concerned departments are worried about making arrangement for drinking water in the remote areas and that is why top priority has been given to this programme in the Central Government's Budget.

While speaking at the time of presentation of this year's Budget, the Hon. Minister of Finance has announced some special concessions, relief in taxes and some other incentives for 5 years to the small and export oriented industries. I think that such concessions to our entrepreneurs and simplification of rules will have good effect on the economy and industrial production of the country and we will be able to present our products in the international market at proper time and at proper prices. This will also increase our employment potential in our country and we would be able to invest the capital of our country in the productive field instead of investing it in unproductive fields. By this we would be able to achieve higher productivity. The Hon. Minister of Finance has given top priority to the small and export-oriented industries in this Budget. He has kept in view the problems of these industries and has declared more concessions for the next five years.

As far as the slogan of eradication of poverty and unemployment given by our Hon. Prime Minister in the Madras session of the All India Congress Committee is concerned, I would like to say that our Hon. leader Shri Rajiv Gandhi has paid attention towards the biggest problem of the present India. He has presented it before the people not only in the form of a slogan but as a resolution. Now, this is the duty of all Ministries concerning Finance, Rural Development Industries, Khadi Gramodyog and labour to prepare jointly an integrated plan to give practical shape to this resolution. Because today the number of educated employed in our country is more than 1 crore 20 lakhs. The Government has made

many schemes as I.R.D.P., N.R.E.P., R.L.E.G.P., T.R.Y.S.E.M., self-employment scheme and Khadi Gramodyog scheme but there is no provision of conducting all these schemes from one window. If the educated unemployed in urban or rural areas can get all the facilities of these self-employment schemes from one window and also proper training whether through I.I.T. or under T.R.Y.S.E.M. or through different training programmes, then certainly we will be able to provide employment to at least 10 lakh unemployed youths every year under these programmes. This much scope can be seen in the provision made in the Finance Bill. I would like to invite your and the Hon. Finance Minister's attention to the fact that under the I.R.D.P. we have conducted a survey of the people living below the poverty line in every village. Through nationalised banks, they are given loans on a very low rate of interest so that they can have irrigation facilities, purchase bullock-carts and cattle or set up a cottage or a small scale industry in the village. But corruption is the biggest problem. It is seen that there is much bungling so far as subsidy is concerned. In this connection the beneficiary has to face a lot of difficulty. My suggestion is that instead of giving the component of subsidy, if interest free loan is given to the people living below the poverty line, then it will end corruption and also the process of taking rounds to the banks and offices by the beneficiaries, who get loan after having 20-25 rounds. The total expenditure works out to be the same. If a loan of Rs. 3000 is granted to anyone, then its one third, that is Rs. 1000 are given to him as a grant and that after 6 months or one year while he has to return the amount of Rs. 3000 in 5 years. The rate of interest has been fixed as 9 to 10 per cent in such a way that he has to return Rs. 3000 within 5 years. So if we give him Rs. 3000 as interest free loan then it will be the same thing, but corruption, mis-utilisation of component of subsidy and other problems as not getting loans in time will be checked. The beneficiary will get direct loan from the nationalised banks.

Mr. Chairman, Sir, I would like to submit that if the provision of 2,200 crores made in this year's Budget under programmes like I.R.D.P., N.R.E.P., R.L.E.G.P. etc. started by the Government for rural development is utilised properly and provided to the needy in time, then on the one hand the

Government's credibility will increase and on the other more opportunities for employment will be available. The promise given by our Hon. leader Shri Rajiv Gandhi to the poor of this country is not merely a slogan but a resolution of our leader which is being given a practical shape in the rural areas. I would like to say something about the nationalised banks. The Hon. Minister of Finance has left the House, but my views should be conveyed to him and through these proceedings he will pay attention to it. It has been observed by all and there are no two opinions that the efficiency in the working of Banks have gone down during the last few years. Good efforts are however, being made by nationalised banks in villages and it has helped in strengthening the rural economy, but it is yet to be ensured that the farmer and the needy person get its benefit in time. A monitoring committee should be formed at district level to exercise control over the working of the branches of the nationalised banks, regional rural banks and cooperative banks in the villages. A monitoring committee is a district level co-ordination committee. But there are no representatives of the people like M.Ps and M.L.As. in the Committee. Branch Managers and Collectors are their Chairmen. I suggest that the DLCC Committee should consist of representatives of the people like M.Ps. and M.L.As. and also the Chairman of the Co-operative Bank who should chalk out the action plan setting out aims therein. Although this bank becomes a lead bank in its district and makes our action plan for three years. In the action plan, the bank officials themselves fix the targets and priorities in the absence of any representative of the farmers or of the people. When an action plan is prepared for a particular district, then why the representatives of the farmers and people and the members of the elected bodies are not associated with this work. Nothing will be achieved, till the planning is not decentralised. Our Hon. leader Shri Rajiv Gandhi has also said that all the plans should be formulated at district level. My suggestion is that so far as working in banks is concerned, the action plan should get priority.

With these words that our Hon. Minister of Finance will pay attention towards making improvements in the working of the nationalised banks and make them more efficient; I conclude.

SHRI KEYUR BHUSHAN (Raipur) :
Mr. Chairman, Sir, I rise to support the Finance Bill. This Bill is very important to achieve the aims of this Budget. I understand that so far as mobilisation of funds and their utilisation or misutilisation is concerned, we have not been able to deliver the goods. It appears that we are not depending on the right person. I am quite sure that the farmer of our country is that person. We can learn from the farmer how funds can be raised and utilised. I would like to congratulate you for the attention you have paid to the farmers and I also would like to congratulate our leaders who have made another Gandhi after Gandhiji, who has paid attention to the farmers. Our whole system is working to achieve that end. You have made allocations, but have not chosen the farmer as a medium. You must choose the farmer as the medium. Just now as it was said that we reach the farmers through banks. Now this bank has to be decentralised. I would like to submit that this duty should directly be entrusted to Gram Panchayat which is capable of doing it. Have full confidence in the Gram Panchayat who can do banking for its village. A farmer living in a village knows that how a farmer will use the loan and how he will return it. So the farmers should be involved in this work. Today, the reverse is being done. The farmer who is in the need of money and for whom we are disbursing it, has no part to play in the whole system. They must be involved in this work.

We are happy that you are doing something to ensure industrial growth. Since the aim of the industrial growth is to benefit the farmer, then it should be agro-based. Otherwise, the farmer, will not get any benefit of it. Industries are being set up to increase the capital of the country and to remove unemployment in the rural areas where 80 per cent people live. In spite of the fact that many schemes have been made to remove unemployment in the villages, many unemployed persons including educated, poor and unskilled workers of villages are migrating to cities. So efforts should be made to provide them employment there in the villages. Industries should be set up there so that the unemployed persons can get employment there and the production is also increased.

Just now, you have announced that we would remove unemployment. You can certainly do that if it is resolved, then we would develop villages, provide employment there and promote their products. What do the villagers get, if the industries are set up in the cities. Raw material which is being produced in the village should be allowed to be utilised there itself. If cotton is produced in any area then a factory should be set up in that very area to utilise the cotton and the farmer should be made a partner in it. Then you would not find any farmer disputing over the prices of cotton. The farmer's own son would fix the prices of cotton and also do the labour in the factory. It will enable us to remove unemployment in rural areas and improve the condition of the farmers. Let the farmer himself fix the price of his commodity. The trader and the textile industry themselves fix prices for their commodities. Even the sales tax charged on soap has to be paid by the customer and not by the trader. Let the farmer's son do the same. Record shows that the farmer has never been dishonest. If he executes this duty, there will be no tax evasion and the Tax Department will have to be closed. It should be done in the interest of the farmer. He should be given an opportunity to bring about a change. Allow them to convert their sugar-cane into sugar. Besides, let all types of drinks be prepared within the country instead of contacting foreign firms for the same purpose. These should be prepared here for the raw material is available. The farmers should be given an opportunity of bottling of orange juice. Let them prepare tomato soup.

17.00 hrs.

The industrialists purchase paddy from the areas where it is produced. The industrialist run rice mills and oil which is extracted from the rice bran, is sold in the market. But the farmer is deprived of this benefit. If the farmer gets an opportunity to extract oils. He can extract all kinds of oils.

I am ready to say to the extent that everything can be prepared in the country. There will be no need to import anything. The people will even forget importing things from abroad. The Indian farmer knows very well how to grow roses. Let him do the same. For this, the Government will have to make a determination. It is being

said that it is an agriculture oriented budget but let the farmer also get an opportunity to make progress.

Today, the Government tends to set up industries through industrialists. If the developmental work is entrusted to the farmers, you would not find any farmer indulging in corruption. Today, the farmer himself is a victim of corruption. If he is given representation in industries and made a partner he would not allow people to indulge in malpractices. The farmer is being deprived of his traditional rights. If the responsibility of protecting the rain water is given to the farmer, he would not let even a drop to go waste. We dig ponds. Farmers in every village are ready to dig ponds and if this right is given to them, innumerable ponds will be dug in every village and not a single drop of rain water would go waste. It would be helpful to prevent floods and drought.

Tree plantation used to be considered a holy task. The people used to grow gardens. Even today gardens are quite essential. Let this task also be done by a farmer's son. He will bring green revolution in rural areas. Funds allocated for tree-plantation programme should be spent through the farmer. An inhabitant of a forest is a protector of the forest. He does not cut forests. Necessary assistance should be extended to him in afforestation. If he is told that he is the owner of the tree, he wouldn't allow any person to cut it. If a resident of a forest knows that he is the owner of this forest he will not allow any one to cut even a shrub from the forest.

The trees which are grown on the sides of the roads, do not provide any shade. Scientists believe that they are not even helpful in bringing rains. Fruit bearing trees should be planted in their place. Scientists say that fruit bearing trees can be grown even in the forest. When the inhabitant of a forest knows that he has a right over those trees and he can get the profit of those trees, then he would take more interest to protect them. The inhabitants of the forest should be relied upon and made to march forward in consultation with the scientists.

Big industries are being encouraged and big industrialists are being selected for them.

A cement factory costing Rs. 200 crores has been set up in my constituency with the result that reputed scientists have been appointed there. It has been stated that only 300 persons have been employed there. What is its use? For what purpose such industries are being set up? Is it not our aim to provide employment to the unemployed people? Is it our aim to increase the capital of the capitalists? If these big industries are incapable of providing employment to the local people, then we will have to set up small scale industries so that the local people are able to get employment there. While setting up cement factories, we will have to be cautious that crops of the farmers in the adjacent areas are not destroyed. The Government has to be careful about the feelings of the farmers also.

In the end, I would like to say that if the Government want to benefit the farmers earnestly it should be seen the water in canals and channels reaches fields of the farmer and not go any where else. In order to see that farmers make progress, irrigation facilities should be provided to them on priority basis. We will have to rely on them and ensure their participation in every field.

SHRI BALASAHEB VIKHE PATIL (Kopergaon) : I am grateful to you for giving me an opportunity to express my views on the Finance Bill. Mr. Chairman, Sir, I rise to support this Finance Bill through which the Hon. Finance Minister has tried to give a new direction to our efforts. This has always been our economic policy as has been stated by the Minister that we have to further strengthen socialism and set up a society free from exploitation in the country. For setting up a society free of exploitation, the Hon. Prime Minister gave the slogan of "Bekari Hatao" in his recent address in Madras. If unemployment is eradicated, we would be no more helpless. It would enable us to provide economic resources to the people enough for leading a good life. Some of our colleagues have urged to pay more attention towards the farmers. I would also like to say something and offer some suggestions in this regard. If we want to eradicate unemployment in rural areas, then we will have to do so keeping in view the entire population. Factories are set up around cities in the so called backward industrial areas. In these circumstances, the indus-

trialists manage to grab all the facilities from the Government while the people of rural areas remain deprived of getting even employment. So it is essential to improve the education system immediately. The Prime Minister's statement that degree is not essential for a job, has given a new direction to the youth and they have realised that instead of getting a degree, technical training in certain fields is highly beneficial in getting employment. So vocational training is linked with employment. The condition in the country at present is such that for certain jobs persons are not available, though there is a wide-spread unemployment. So unless technical manpower and integrated approach for technical manpower is not there, the problem will go on becoming rather more complicated. I have always emphasised and again repeat that if agriculture based industry is to be set up, then co-operation of both the farmers and the workers working there will have to be sought. Our policy in this respect is quite clear but the State Governments are not taking that much interest in this regard. So the Central Government must urge upon the State Government to take adequate interest in this field. If an industry costing Rs. 20 crore is to be set up in a rural area, the farmer who is not a professional, is not aware of its intricacies. He knows only how to cultivate. So if assistance of professional management is provided to him, he will be able to do the work. This would help in eradication of unemployment and the people will not have to migrate to cities and create slum areas and the cities would be free from such problems. The issues concerning cities are raised in the Parliament and Assembly and thus facilities are provided there. But there is no media man in villages who may be got injured or a big person because of whom the problems may be solved. Even today the opposition walked-out. Their walk-out is not going to help the country in any way. They are unable to understand the problems faced by the country. If they do, they should come forward with meaningful suggestions. Their only motive is to slender the name of the Prime Minister. They remain aloof from the development stream of the country by raising the bogey of corruption, etc. It is a matter of great regret that instead of expressing their views on the Finance Bill, they preferred to go out. We want India to make progress and eradicate unemployment com-

pletely. For instance, if a farmer is to set up an industry costing Rs. 20 crores in the cooperative sector, I think he has to arrange Rs. 1 crore at the most and out of the rest, 15% is provided by the State Government, 15 per cent by the NCDC and 60 per cent by Central Financing Institutions and banks. The Central Government has such schemes towards which the State Government should pay more and more attention. Majority of leaders have involved themselves in politics and many in disputes. Personal grievances and politics at every place in the rural areas is causing hindrance in progress. The gap between the rich and the poor is increasing. We are only interested in raising disputes. Who is to ensure development in the country? It is quite essential to provide help to the representatives contesting elections as well as good persons working in villages. Expansion of industry in rural areas will expand infrastructure. Unless the infrastructure is expanded and the industry is set up in rural areas unemployment cannot be eradicated. It is good that expansion in cities is being banned. Because with the expansion of cities slums will also increase. The matter of regional imbalance should also be looked into. We are talking about Jharkhand and Bundelkhand these days, I would like to suggest that in order to reduce the regional imbalances, a commission should be formed who can study and offer suggestions for the development of hilly areas and plains. We all demand that a Central industry should be set up in our constituency, our State and our backward areas. It is stated that more industries cannot be set up. The State Government should also take some initiative in this respect. Unless the State Government comes forward, the backward areas cannot develop. Labourers from Bihar go to work in Punjab. But the land in Bihar is quite fertile why more production is not there; why more industries are not set up there and why more work is not done there? There are many backward areas in our State. A member from Madhya Pradesh has rightly pointed out just now that it appears as if we have no duty and we want that outsiders should come to remove the backwardness of our area. It appears that we have no responsibility. The Centre and the State Government ought to formulate a scheme for which allocations may be made besides loans from Banks and other concessions which may be provided to farmers to implement that

scheme. The farmer is not a professional. Consultancy service is provided by the IDVI and other banks. I think money should be invested only when the project is ready for implementation. Unless this is done nothing will come out of all these discussions. All of us say that America, Russia and China have made development. Who has helped them in this task? Has anybody gone there from India? Many talented people from our country go there, because of the high salaries offered by these nations. But for development the initiative of the citizens is essential. Second, we raid the houses of those who indulge in black-marketing, smuggling, etc. With regret I say that persons whose houses are raided for FERA violations are appointed as Chairmen of Companies and Chiefs of Corporations. This is totally wrong. This creates suspicion in the minds of the poor people. This practice needs to be amended and stringent action should be taken against economic offenders. Though relief in excise and custom duties has been given by the Government to the PVC industry, yet the prices of PVC have gone up and its benefit has not percolated down to the farmers. This is my personal experience. Similarly a relief of Rs 20 per tonne on cement has been provided but its price has gone up. Thus farmers have not been benefited thereby. Concessions have been given to the builders and the Government must also look into the housing schemes with a view to make them more useful. The Government has stated that it is giving subsidy of Rs. 1,000 on fertilisers. My suggestion is, withdraw this subsidy and instead give this money for providing irrigation facilities. The rise in subsidy competent day after day is both inhibiting the development of the country and is also weakening us morally. So instead of subsidy Government should give interest free loans and should also pay greater attention towards increasing irrigation potential. The Government has given relief in excise of Rs. 300 per tonne in respect of paper plants. I request the Government to give special concessions to the bagasse-based paper plants so that such paper can compete in the market. Despite 100 per cent excise relief all such paper plants are lying closed in Maharashtra. Not a single plant is functioning as a result of which in Maharashtra unemployment is on the rise though we are making some efforts to raise employment

potential. The Government should do something so that bagasse-based paper plants get a boost through the cooperative movement. The custom relief is welcome but the amount of concession to the bagasse-based and other type of paper plants should be different otherwise price competition between them will fade out. We have been asking for non-conventional raw-materials for the paper industry and in my view till this facility is not made available the industry will continue to face a difficulty. As far as the question of export trade deficit is concerned, what is the longterm policy of the Government for the farmers who grow fruit for exporting? In reply to a question in the House as to what is the annual production target of fruit and vegetables, the Hon. Minister stated that the Government never fix production targets. In the absence of any production targets how there will be a long term policy and if long term policy is not there how buyers will come forward. This will push up the prices. In India demand always overshoots supply whatever may be the production but in foreign countries....

[English]

Exports require to be properly organised and there should be a sufficient research and development.

[Translation]

By formulating a long term policy much can be done in this direction. It is correct when we claim that we have brought people above the poverty line. But why our per capita food consumption has declined in the country? We agree that there has been development in the country, however we must seriously think over the mistakes we are committing in the process and how to improve upon them for faster development of the nation. The people are demanding that wasteful expenditure should be checked. We also do agree. Newspapers have reported that within three years' time the Government of India is going to adopt a Zerobased Budgeting System in a phased manner. I would like to know from the Hon. Minister whether the Government in fact has adopted the concept of Zerobased Budgeting System or not and by what time it is going to be adopted on preliminary basis? Has the Government decided to introduce the system

of Zerobased Budgeting in all Public Undertakings and Government Organisations and whether the work on it is in progress or not? I request the Hon. Minister to state the clear position in this regard and adopt it, if it will help in curbing wasteful expenditure, but as a result of the system unemployment should not go up. We should also keep in mind that ours is a welfare State under which priority is to be given to the public amenities. The Government should not adopt a commercial point of view in regard to every thing. If the Government starts working on commercial lines then nobody will extend support to it. Therefore the Hon. Minister is requested to clearly State that if we adopt this system, what would be its implications, how it would strengthen our economic position, the relief it would provide to the people and how far it would be conducive for development.

N C D.C. charges 11 per cent interest from the State Governments on the loans which are advanced to the cooperatives by it. Last year the Government invested Rs. 100 crores in private companies to bring stability in the share market by buying their shares. The yield from the investment is mere $2\frac{1}{4}$ per cent so I request the Government to also given loans to the farmers at such a lower rate of interest. But the Government is not prepared for this though it invested Rs. 2,000 crores to stabilise the share market form which yield is mere $2\frac{1}{4}$ per cent. So I request the Government that before taking any steps, we should think over it as to how far we are right to adopt such a course and who are going to be benefited by the facilities we are going to provide. As the Hon. Minister of Finance has stated about concessions in custom duty on insecticides and pesticides, as a lay man my only suggestion is that the farmers would be more benefited if 100 per cent exemption is given in custom duty. Because the concession of 2 to 5 per cent in custom and excise duties neither benefits the farmers nor consumers. This only raises the prices of goods instead of making them cheaper. So my suggestion is that instead of giving concession on 10 items, if 100 per cent exemption is given on 5 items then the impact will be clearly felt. Both the farmer as well as the consumer will feel that the Government is giving relief

to them. Because less concessions do not make any impact on prices.

I earlier also raised the issue of promise made by the Government to the farmers about rescheduling of drought relief. However now I want to bring to the notice of the Hon. Minister that after the appointment of the Debt Committee by the R.B.I. sometime back, rescheduling has been done three-four times since then in the drought prone areas. But this rescheduling has failed to serve the purpose because money is given only to those eligible farmers, whose only 20 per cent of the loan is in arrears.

Besides this, I request the Hon. Minister to review the target of 1.75 million tonnes fixed for foodgrains. I discussed the issue personally with the Hon. Prime Minister. As long as all the farmers are not covered under the scheme it will not serve any purpose. I discussed the issue with the Chairman and the M.D. of the NABARD and their view is that the interest should not be more than double the principal. Its impact is, however, being felt by the rural cooperative organisations. Whenever Banks give loan to any society they charge full interest. This way Banks do not lose anything, however the societies suffer. This has been admitted by the Deputy Governor of the R.B.I. and the M.D. of the NABARD. Therefore my suggestion to the Hon. Minister is to go into the details of the whole policy so that the cooperative movement does not suffer a set back. With these words I support the Finance Bill.

SHRI ABDUL RASHID KABULI (Srinagar): Mr. Chairman, Sir, I welcome the Bill of the Finance Ministry, however I want to request the Government to pay special attention towards hilly areas. I want to draw the attention of the Government especially towards Jammu and Kashmir where there is utter neglect of means of road transport. Till now the Government has failed to provide an all weather road linking Srinagar and Kashmir valley with the rest of the country. This is highly regrettable. Our national highway the Srinagar-Jammu highway does not remain open throughout the year and for some months due to snowfall and landslide gets blocked in winter causing great inconvenience to the people of Jambani,

Mali and other areas. I want to bring to the notice of the Government that unless good roads and good means of transport are provided in hilly areas, their development cannot be ensured. I want to inform the Government in clear terms that before partition there was only one road between Srinagar and Rawalpindi in the State of Jammu and Kashmir acting as a viaduct. From Srinagar fruit, forest produce and handicrafts were transported through this route to the whole of the united India. Through this all weather road, goods were easily transported between Srinagar and Rawalpindi without any difficulty as the road remained open throughout the year. Is not this a challenge for us that even after 40 years of independence the Government has not been able to provide an all weather road to Jammu and Kashmir. The condition of Srinagar-Jammu road is so bad that tourists are afraid of going there and sometime several people remain marooned upto 10 days, without food and water, because landslides block the road causing great inconvenience to the people for which there is no satisfactory solution. Lot of money has been spent on the Srinagar-Jammu road, but this road alone cannot fulfil the requirements. This is a challenge for us to build another road running parallel to the old road. Some was the problem with the roads in Azad Kashmir. The Government of Azad Kashmir has now built a road linking Muzaffrabad with Peking, but we have not been able to build an all weather road in our part of Jammu and Kashmir. Due to this the paths of development have been blocked and besides this psychological and political tensions are also being fomented in the State.

I want to inform the Government that when I had been a member of the Legislative Assembly for 11 years, I had been persistently raising the issue of building another all weather road linking Srinagar with India. For this we suggested the name a Moghul Road. I am happy that recently during his visit to Jammu, Shri Rajesh Pilot accepted in principle the proposal of linking Srinagar with the rest of the country by a substitute road named Moghul Road. It is, however regretted that we have not been able to start work on the road project due to lack of planning work. There was a time when

the proposal of building Moghul Road was considered to be against the strategy of the army and totally unacceptable. But it is not so, I believe good roads are vital even for safeguarding the country and strengthening the defence line, because movement of troops will become easier. This will also improve communication network which is in the interest of the nation if another link is built between Srinagar and rest of the nation.

On his visit to the forward areas the Hon. Minister will see the condition of the people living there, where defence forces put their life to risk to defend the country. The Hon. Minister is requested to see the condition of the people, especially of Kashmiries, Ladakhis and Dogras who are living in the areas devoid of roads to which even the essential supplies from Srinagar cannot be transported in time. Therefore, I would like to urge the Hon. Minister to accept this challenge if he wants to develop hill areas. We will have to link Srinagar with the rest of the country. The Government have left the construction of Mogal Road totally on the State which cannot do much. The Government should help the State in this regard, bear all its expenses recognising that road as a national Road and provide all technology and inputs required therefor, as it is the most sensitive State and a strategic point of the country and therefore cannot be ignored. The Government will have to construct Mogul Road on priority basis and also mobilise resources for its development.

I would like to submit that the people there are facing great difficulties due to the Punjab situation. Now lakhs of prospective tourists are afraid of going there through Punjab by bus or train due to the critical Punjab situation. I would like to urge the Hon. Minister to direct the Indian Air-lines to provide air-tickets at subsidised rates and to provide maximum incentives to tourists for air-journey if they are afraid of travelling by bus so that there is development in our basic life line i.e. tourism in Jammu and Kashmir for the prosperity of the people of that State, because tourism provides employment to the people there.

There is a lot of handicraft work in Jammu and Kashmir. We can earn foreign

exchange worth crores of rupees by exporting silk, fruit and carpets. This will greatly help in the progress of the country. Srinagar should be made an International Air Port with the same facilities as are provided at Hyderabad, Bombay, Calcutta and Delhi Air Ports. Srinager should be linked with Gulf-countries so that our products can be airlifted to those countries direct and the tourists from there can make use of this air service and visit Kashmir.

I would like to submit that there is much power potential. We give you a guarantee for generation of 10 thousand MW of electricity but today in Kashmir even our school children and artisans have to work without electricity.

The Government has greatly contributed to the Uri, Dourhasti and Salal Project, 10 thousand MW of electricity can be generated in 3, 4 and 10 years by using the potential of so many large rivers and channels flowing in Kashmir. Our people will be benefited when industrial development takes place creating more employment potential. We will be able to export our goods to other countries and get more money for the development of our State.

I would like to say that so far as industries are concerned, our State of Jammu and Kashmir particularly Kashmir valley has not made any progress. I would request you to develop Jammu and Kashmir. Switzerland is producing milk in a very large quantity. There is also a chocolate industry in Switzerland. Switzerland is supplying Chocolate sweets to the whole world as their production is in full swing there. There are small and big watch industries, therefore, the Government will have to bring there technology of small and medium industries.

I want to tell you to develop that industry to enable our youths to get employment. Lakhs of our youths are unemployed. This gives rise to frustration, resentment and political tension. If they get employment their tension will be removed. This is what I want to tell you.

I hope that the Government will come forward with some new proposals and plan-

nings for the development of Jammu and Kashmir and look into this matter.

SHRI RAM PYARE PANIKA (Roberts-ganj) : Mr. Chairman, Sir, I rise to support the Finance Bill presented by Hon. Finance Minister. Sir, today I am very sad. As you know this House has its dignity and today such an unexpected incident has taken place for which the opposition is totally responsible.

17.36 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

Some Members belonging to the opposition levelled a charge against our Minister of State in the Ministry of Home Affairs saying that he was telling lies, though it is not a parliamentary language. When the Hon. Home Minister Shri Buta Singhji entered the House the opposition made sarcastic remarks and we felt hurt. But we tolerated it according to the parliamentary convention. In the end such a situation was created in which not only one or two members but the entire opposition went on levelling charges against our Hon. Minister of State in the Ministry of Home Affairs saying that he was telling lies. Thus the whole atmosphere became full of tension. In order to remove this tension, some things were said to induce laughing. Our Minister of State in the Ministry of Welfare is present here and he will be very well remembering that when we were in Uttar Pradesh Assembly there was one Shri Hukum Singh Bishan. Whenever there used to be a tense atmosphere, he used to say something to induce laughing. Similarly our Hon. Prime Minister is also very quick-witted. When he saw that there was tension in the House, he humorously said something in light vein to ease that tensed atmosphere and the same thing was over-stretched by the opposition. Today when the Finance Bill was to be taken up in the House, they must have been present here. We feel that the opposition is finding itself unable to comment on the Finance Bill. Keeping in view the comments made by the Economists regarding the budget, they must have been present in the House. For this the common man of India will never forgive them. All the Hon. Members enjoy complete freedom

of speech in the august House. It does not behave anybody to level baseless charges against the Government or any senior Hon. Minister. Despite such cheap tactics we have not retorted back. In the midst of all this the Hon. Prime Minister realised the gravity of the situation and said something just to cool down tempers. I want to say that today the opposition has nothing to say about the Finance Bill. The Finance Bill is introduced to give a practical shape to the proposals. I remember during the presentation of the Budget the Members of the opposition were filibustering. However as the Hon. Minister of Finance progressed with the Budget speech these people were taken aback.

Today we have to discuss those very proposals of the Finance Bill to which we want to give a practical shape. With the passing of an historic resolution by the A.I.C.C. in Madras, the opposition has totally been baffled because the Hon. Prime Minister stated there that the Government was totally committed to remove poverty and unemployment prevalent among youths by honestly pursuing the programmes started by the late Prime Minister Shrimati Indira Gandhi. The opposition has said that a new wave has started in favour of Rajivji, the Congress Party and the Government all over the country. Shri Rajiv Gandhi has instructed the Planning Commission, the State Governments and the Central Government to prepare an action plan afresh with a view to removing unemployment. Besides this, the Hon. Prime Minister has also asked to adopt constructive and practical approach in the implementation of NREP and RLEGP. This has definitely helped to reduce the level of poverty from 52-53 per cent to 32 per cent because of the consistent efforts made by the Government under the poverty alleviation programmes. But we should not be content with this progress. We have passed an historic and revolutionary resolution to provide jobs to all the unemployed persons and in order to give it a practical shape decision has been taken to formulate a programme. The Hon. Prime Minister has also stated one more thing that he wants the country to progress and prosper. In the field of infrastructural industries the nation is continuously marching forward. Despite the unprecedented drought of the century in the 21 of the 35 meteorological divisions

and devastating floods in Bihar, Bengal, Assam and other Eastern States and natural calamities at other places, our country's industrial growth rate has been 16 per cent and average is going to be more than 8 per cent which is surprising for the entire world. In the lean months of July, August and September the growth rate has touched 16 per cent mark. Despite the unprecedented drought and reduction in supplies of raw materials the Government has managed to reverse the situation arrived at between 1977 and 1980, when mild drought engulfed only some areas resulting in bringing down the industrial growth rate to 1.4 per cent.

Even in the field of agriculture the output is going to be less only by 7 to 10 per cent. The whole of administrative machinery under the supervision of the Hon. Prime Minister has made such good arrangements for irrigation, fertilisers and other agricultural inputs that the output is going to be less by only 7 to 10 million tonnes, which is an achievement in itself. Against this during the Janata rule the agricultural output declined by 17 per cent. At this juncture when we are going to take up new programmes, the opposition should have been here to give constructive suggestions but they are not here at this time.

There is a rise in prices. It is because of unprecedented drought and natural calamities and moreover it is but natural that in a developing economy price rise is always there, but one is to see how the Government has been able to check rise in prices through various programmes. The opposition must look at the statistics, there was a time during the Janata rule when the whole world and all the economists were baffled at 21.8 per cent rate of inflation. The position on the price front has slightly improved and despite drought, the price rise is 9.8 per cent in accordance with the promise of the Hon. Prime Minister that the Government will not allow price rise to exceed the single digit mark. Now we can march forward and where does the Hon. Prime Minister say that India cannot make progress? All the people in the world are surprised at our methodology of successfully tackling obstacles. The opposition must look at the national income statistics. During the Janata rule the gross national

income declined by 4.7 per cent but now despite many obstacles the national income will grow by nearly 1.5 to 2 per cent. The present state of the economy is such that it is flexible and is also in a position to absorb all the shocks.

As far as the problem of price rise is concerned, it will not be solved simply by blaming the Central Government. I want to say that today I was going through the data of the Department of Civil Supplies and the Hon. Member will be surprised to know that on the one hand the opposition ruled State Governments in Bengal, Andhra and Karnataka and few Congress-ruled State Governments say that the Centre is not allocating requisite quantity of wheat, sugar and other items and on the other hand they fail to lift the consumer items allocated by the Centre. This has added to the price rise. The Central Government has issued certain guide-lines to the States, because after all the Centre also has some limitations which are to be cared for. It is not fair to lay the whole blame for the price rise on the Centre because the State Governments also have some responsibility. Does the responsibility to open Ration Shops rest on the Central Government? Indiraji initiated 14 point programme under which it was decided to open Ration Shops. When Indiraji was alive she suggested issuance of Ration Cards, but if the State Governments are not issuing Ration Cards in their States to the people; if they are not lifting consumer items allocated by the Centre, if they are not strictly enforcing the rules framed by the Centre and if they are also not taking action against black marketeers, smugglers, hoarders, and profiteers then how can the Government of Rajivji be held responsible? The need of the time is to understand things in the right perspective because the law enacting powers of the Centre and the State Governments are clearly demarcated. Will the opposition parties only raise the issues at the Centre? I would like to know the steps the State Governments of Bengal and Andhra Pradesh have taken to implement the guide-lines issued by the Centre with a view to checking the price rise and mitigating the difficulties of the people? I want to submit that if only Central Government is held responsible for price rise then it would be one sided affair. Now-a-days the Central Government

is really worried about the situation and yesterday the Hon. Minister of Civil Supplies stated in the House that in case of need the Central Government would import 10 lakh tonnes of foodgrains. In the buffer stocks the country has just 95 lakh tonnes of food reserves. The Central Government is worried about the foodgrain reserves which have declined to such a low level from 23 million tonnes just before onset of drought. I feel, due to the efforts of the Government the rabi crop is looking good and the procurement target of 1 crore tonne will be easily achieved. I am confident that the Government will not have to import foodgrains from abroad because of the measures taken by it. In view of the threat and the habit of the traders to hoard foodgrains to fully exploit the drought situation the Hon. Minister yesterday announced that in case of need the Government will import foodgrains. Therefore the people should not worry that anybody would die due to starvation. As long as youthful and capable persons like Shri Rajivji are holding the reigns of the Government, nobody will starve in the country. (*Interruptions*)

I want to say two-three things more as till now I was only discussing the background. This is correct that occasionally we suddenly start linking private sector and disliking public sector.

I want to point out that now-a-days there is no significance of public sector, private sector, joint sector and co-operative sector because the entire amount goes from the Government exchequer. You should see that 90 per cent funds in private industries are given by the Government. Therefore there is no need of these sectors. The need of the hour is that we should improve their functioning. We have achieved unexpected success in the infrastructural field within three years. So far as railways, steel and power are concerned we have made an increase of 16 per cent in the power sector despite drought. In the field of coal we have reached beyond the fixed target. Although at present we have to import oil, which covers petroleum etc. yet we are moving ahead of the fixed targets. But there are some fields in which improvements need to be brought about. Therefore I would like to submit to the Hon. Minister that he

should give autonomy to the public sector but at the same time it is essential to maintain control over it. An Hon. Member just now stated that the managers and the executives of the private sector want to lead a royal life. Just now the public sector was being discussed you will be surprised to know that not even a single executive stays at the site. They like to stay in Delhi or Bombay. The electricity generation of D.V.C. covering Assam, Bengal and Bihar is 39 per cent, whereas the national generation of electricity is 60 per cent. If the generation of Bengal is added, then it declines to 55 per cent. But D.V.C. too is affected thereby. While going through its P.L.F. I found that it is 39 per cent. On investigating it was found that the C.M.D. stays in Delhi and some employees stay in Calcutta, whereas they should have been staying in their own areas. Today everyone is supposed to be responsible to the Parliament but the reality is that autonomy is provided only to enable them to indulge in nepotism, favouritism and making money. You need to check such practices. Therefore, the need of the hour is, that there should be good executives. Efficient and good people should be appointed in the 200-250 undertakings. My submission is that time has come when we should appoint social workers and the experienced party leaders as C.M.D. and then watch for the results. You should not think that the bureaucrats alone can shoulder the responsibility. A case of an I.A.S. Officer has been discussed just now. If a person can be a good Minister, then he can prove to be a good C.M.D. and a good administrator also. Therefore I submit that you should appoint from thousands of persons having political experience and believing your ideology. You should improve the public sector in which you have invested a sum of Rs. 80 crore thousand.

Just now Bharat Bandh was being discussed.

[*English*]

MR. DEPUTY SPEAKER: Please wind up.

[Translation]

SHRI RAM PYARE PANIKA : Tomorrow, I will speak only for five minutes. But now I have just referred to only one sector.

[English]

MR. DEPUTY SPEAKER : No. No, please wind up.

[Translation]

SHRI RAM PYARE PANIKA : It is a matter of discipline, therefore I thank you.

SHRI VIRDHI CHANDER JAIN (Barmer) : Mr. Deputy Speaker, Sir, I support the Finance Bill, 1988 which has been presented in the House.

I have already appreciated the Budget which has been presented. This Budget is very beneficial not only for the farmers, labourers and the middle class people but also for all. The deficit Budget which has been presented has a total outlay of Rs. 7,484 crores. The question arises as to why we repeatedly present a deficit Budget. We have no alternative to present a deficit Budget. If we had not presented a deficit Budget then we would have had to impose taxes and cut down our plans. Since we were not interested in cutting down our plans, we were left with no alternative but to present a deficit Budget. The present situation demands that the situation of the losses shown in the deficit Budget should be such that may be controlled with the help of other resources. We should make efforts to make more and more reduction in our non-plan and unproductive expenditure. I have found out that our non-productive expenditure is increasing at the rate of 18 per cent, so we need to bring down this increasing non-plan expenditure and for that purpose it is necessary to reduce the administrative expenditure especially on jeeps and cars which are misused

in Delhi and other states. All the Collectors, Superintending Engineers and big officials keep official cars which remain in their houses and are misused by them. My submission is that there should be a pool for all the vehicles of a Department. Similarly, there should be a pool at the district head quarters level too. In this way the unproductive expenditure can be reduced.

I would like to make one more point. We have divided our states into special category states and non-special category States. The former includes Himachal Pradesh, Assam, Jammu and Kashmir, Nagaland and Sikkim and these states are given special assistance by the Central Government. The states in the hilly areas are included in the special category states but the States in desert area are not. Such non-special category states include Rajasthan 55 per cent area of which is desert area and 25 per cent is hilly area. The Udaipur division is a hilly area. In this way 80 per cent of our area is either desert area, hilly area or tribal area. Only 20 per cent area is semi-desert area or plain. Therefore I request that the desert area which also covers the tribal area should be included in the special-category states. The expenditure met on the construction of roads in such areas is comparatively more because the mileage there is double or triple. If attempts are made to solve the problem of drinking water then 12 villages of U.P. and a single village of Barmer district are equivalent. The expenditure to be met on 12 villages in my constituency. The expenditure on electrification is also double or triple in our district because long cable has to be laid there. Therefore, more funds are required for providing drinking water, electricity and roads in my constituency.

What I mean to say is, that Rajasthan should be included in the special-category states. The position of Rajasthan is financially not so sound, neither can it be so because its area is very vast. There are tribal areas as well as desert areas. Unless those areas are brought under special category states, they cannot be developed.

[English]

18.01 hrs.

MR. DEPUTY SPEAKER : Mr. Jain,
you can continue tomorrow.

The House now stands adjourned to
reassemble tomorrow at 11.00 A.M.

*The Lok Sabha then adjourned till
Eleven of the Clock on Thursday,
April 28, 1988/Vaisakha 8,
1910 (Saka).*
