

The present Government has been considering since long the demand to give statutory status to the Minorities

15.00 hrs.

Commission. The necessary legislation should now be introduced in the House.

Similarly, appropriate legislation to ban capitation fees in medical college admissions should be introduced by the Government without any further delay. There is a growing restlessness on account of undue delay in banning this corrupt practice.

MR. DEPUTY-SPEAKER: Mr. Venkatasubbiah.

SHRI P. VENKATASUBBIAH: All these matters will be given due consideration.

AN HON. MEMBER: He should reply.

PROF. MADHU DANDAVATE: For a change, let him say something.

SHRI SATISH AGARWAL (Jaipur): This is not a correct reply. He can say, "We have already considered all these and we have not found time for them". Say so. Why do you not say so if you have already finalised?

MR. DEPUTY-SPEAKER: We go to the next item.

15.01 hrs.

GENERAL BUDGET, 1982-83 GENERAL DISCUSSION—Contd.

MR. DEPUTY-SPEAKER: We will now continue the General Discussion on General Budget. Shri Xavier Arakal was on his legs.

SHRI XAVIER ARAKAL (Ernakulam): I beg to refer to the financial position of the States and the budgetary

gaps in this Budget, because that cannot be seen in isolation, as a separate issue from the general discussion on the Budget.

Referring to the huge deficit and overdrafts of many States, serious concern is felt among the people as to how far it can go. In the *Economic Survey* it is stated, and I quote:

'To sum up, it would appear that the financial position of the States which had improved considerably as a result of the recommendations of the Seventh Finance Commission, has shown signs of greater strain in recent years.'

Therefore, it is natural in this discussion to ask about the steps this Government is taking to see that there is a proper and sufficient budgetary provision as far as the States are concerned.

In this Budget there is an increase of 27.6 per cent in the Central Plan outlay. For both the States and the Centre together, there is an increase of 21 per cent from last year. But going through this, I find that Kerala is the only State which has not received an increased outlay in the last two years. For the last two years it has been getting Rs. 273 crores only. I would like to know the reason for this non-increase in the Central Plan outlay for Kerala, though it has every year been earning thousands of crores of foreign exchange. In this context I would like to know why and under what circumstances this has been done by the Finance Minister.

There is a Coconut Development Board in Kerala. Its aims and objects are well-known, but I find that in this Budget only Rs. 25 lakhs have been earmarked for it. Last year the provision was Rs. 20 lakhs. How can the Board function facing such a magnitude of problems? I would like to know if there is any proposal from the side of the Government to give more

[Shri Xavier Arakal]

financial assistance to this Board. Many cultivators are affected by this. It is not a small matter which can be neglected. I am sorry to say that Kerala has always been neglected to a great extent. I am not saying this just for accusing, but to bring to the notice of the House facts and figures. For example, if you refer to the Railway Budget, there is a reduction in the allocation of amounts to the State of Kerala. In 1981-82 it was Rs. 643 lakhs and in 1982-83 it is Rs. 587.3 lakhs, a reduction of Rs. 55.7 lakhs. Naturally, we would ask why this disparity in the allocation of the amount should be there as far as this State is concerned.

MR. DEPUTY-SPEAKER: 'We' means, we from Kerala!

SHRI XAVIER ARAKAL: There is another point. The Kerala State Civil Supplies Corporation is depending on bank credit for its proper functioning. Rs. 20 crores were asked for by the Corporation for proper distribution of essential items. I would like to know why that amount is not sanctioned to the State Civil Supplies Corporation of Kerala. This will have a serious repercussion as far as the distribution of essential commodities is concerned.

When we look at the total Central Government investment in the public sector, after collecting various facts and figures, I find that only 2.33 per cent of the total investment of the Central Government is in Kerala. We are presenting these facts before the House because the people of Kerala ask us why this has happened in the case of Kerala. There are three important projects which were sanctioned in the last two years: Aromatic unit, phenol project and caprolactum unit. May I ask, how much money has been spent on these projects? This is another side of it. As a matter of fact, it seems the railway coach factory and the Naval Academy also are closed due to some pressure. HAL

has been asking from 1979 onwards to put up a unit in Kerala, but it has not been given. BHEL also wants to put up another unit in Kerala. These matters are pending before the Finance Ministry and the Planning Commission. The Minister is here. I hope he will look seriously into the problems of Kerala.

We had the privilege to hear many distinguished speakers on the general budget. Yesterday Mr. Indrajit Gupta with his usual eloquence was referring to the IMF. I would like to know what his reaction is to a newspaper report which appeared yesterday to the effect that China is negotiating and going around the world for massive loan. They have already got it. So, this is double talk so far as taking loan by India and taking loan by other countries is concerned.

1980 has created a new covenant with the people to bring about a just economic order in our society and to have a social set-up wherein inequality is not prevalent. Towards this end we have adopted the Industrial Policy Resolution of 1980, the Import and Export Policy of 1981, many industrial and other new legislations, and above all, the 20 point programme. When we look at the last 2½ years, nobody can say in this House that India has not progressed economically. India has made tremendous economic progress.

MR. DEPUTY-SPEAKER: Only 2 years, not 2½ years.

SHRI XAVIER ARAKAL: To be exact, 2 years and 2 months! My complaint is that the economic growth base is not sufficient to meet the challenges of the eighties. In order to have sufficient economic growth, we should shift our old concepts of socialism to a new ideology, to the concept of social control, regulation and ownership of the means of production and social control and regulation of the means of distribution. Unless this is resorted to time and tide wait for nobody and the masses of India are not

going to wait indefinitely. So, this is an imperative which should be adopted without delay.

Coming to the Dagli Report of 1979 relating to control and subsidies, the terms of reference of that committee included:

“... to evaluate and review the systems of control on prices, production, distribution, licences and import and to examine the manner in which they have been actually operated and whether or not the objectives sought to be achieved have actually been achieved.”

I hope the Government will apply its mind to this report, because it has highlighted many of the defects and deficiencies in our control of the means of production. Therefore, there should be a shift from our concept of socialism and welfare towards this end.

Planning is an inseparable part of our socio-economic and political concept. When you evaluate and assess the last five years of planned economic growth and the growth in the two years of the sixth plan, I think it is high time we had a reorientation in our concept. A regional planning centre instead of State plan. I think, would be more effective and beneficial to the people of India.

Coming to this budget, I find there is a deficit of Rs. 1700 crores. This could have been avoided.

PROF. N. G. RANGA (Guntur): How?

SHRI XAVIER ARAKAL: I shall explain. I am glad Prof. Ranga is listening to my speech. There is a public investment of Rs. 21126 crores in 168 Central Government enterprises. Out of that 75 have incurred a loss of Rs. 754 crores last year. Moreover, the number of sick units increased from 66 to 74.

MR. DEPUTY-SPEAKER: He is the senior-most economist in the House.

SHRI XAVIER ARAKAL: In our student days, we used to read his speeches in the House.

MR. DEPUTY-SPEAKER: He was the Professor of my esteemed leader, Dr. Anna, in the Pachaiyappa's College in M.A.

PROF. N. G. RANGA: Thank you!

SHRI XAVIER ARAKAL: Very cautiously, the *Economic Survey* has said:

“The overall financial performance of the Central Government autonomous undertakings showed a deterioration despite the turn-round in industrial activity since the middle of 1980-81.”

What does the Government propose to do about this? If you are able to manage them properly and make the officers accountable to the people and the Government, I am sure this can be levelled up. Going through the *Economic Survey*, I find that the capital formation has increased very marginally. In 1979-80 it was 22.9 per cent. It marginally increased to 24.2 per cent in 1980-81. There is a decrease in the domestic savings from 22.5 per cent in 1979-80 to 22.2 per cent in 1980-81. I would like to know whether the Government has applied its mind to this issue.

Last year, the increase in non-developmental expenditure was 22 per cent, and the *Economic Survey* says: “The revised budgetary deficit, were higher than the budgeted level.” This is the time to look at these issues properly.

Shri Indrajit Gupta was referring to the tax concessions and deductions given in this Budget. Last year Rs. 155 crores worth of tax concessions and deductions, were given. This year, more concessions have been given. Apart from that, Rs. 350 crores have been set apart for DA for the Central Government employees. There is a serious allegation made that the Budget is meant for 10 per cent of the

[Shri Xavier Arakal]

population alone. I would like to ask Shri Indrajit Gupta whether he approves of these deductions. He should come forward and say that these deductions and concessions should not have been given.

I have one suggestion to make. A provision has been made for social security certificates. May I suggest here that people may be asked to deposit this amount in social security certificates? In this way, the Government can get Rs. 350 crores without any trouble.

A clarification is required about the rights of the non-residents to purchase and sell shares and properties in this country. This is mentioned in paragraph 27 of the Finance Minister's speech. Do they require the approval of the Reserve Bank and the Central Government? If so, a clarification has to be made.

These are some of the suggestions which, I hope, the hon. Minister and the Government will consider. Sir Edmund Burke has said:

"People will not look forward to posterity.

Who never look back to their ancestors."

I hope, this Government will look backward and forward and with great experience and knowledge will go forward with more progressive legislations and economic policies.

With these words, I support the Budget.

SHRI A. K. ROY (Dhanbad): Mr. Deputy-Speaker, Sir, the present Budget is the continuation of the last years Budget. It should surprise none. The arithmetic of the Finance Minister says that the 1982-83 Budget seeks to spend Rs. 29,219 crores, promises to collect Rs. 27,134 crores, at existing rate of taxation, gives relief

of direct tax of the order of Rs. 54 crores and enhances the indirect tax to the order of Rs. 196.18 crores in excise duties and Rs. 391.35 crores in custom duties, and leaves a budgetary gap of Rs. 1365 crores against the last years exercise of giving relief of direct tax to the tune of Rs. 125 crores and enhancing indirect tax to the tune of Rs. 325 crores in excise and custom duties. In both the cases, the budget is preceded by an increase in prices of different essential commodities yielding more than Rs. 1000 crores. After this new Government has come, it has placed before us three Budgets. The first Budget incurred a deficit of Rs. 1975 crores, second Budget Rs. 1700 crores and the present Budget Rs. 1365 crores. The total is exceeding Rs. 5,000 crores, the limit fixed by the Sixth Plan, because it comes to Rs. 5,060 crores. That is why you find that the Finance Minister is absent, but the Planning Minister is present.

Several definitions regarding the budget have come. Some say it is a very realistic budget, a pragmatic budget or balanced budget a criticism has come that it is the most stereotyped budget, piecemeal budget, casual budget, like the casual Finance Minister's, a capitalist budget and what not. One of our hon. Members has also said that it has given a farewell to welfarism and has given up the last pretensions of any intention of moving towards socialism.

MR. DEPUTY-SPEAKER: What name will you give to the budget?

SHRI A. K. ROY: I will give it a simple harmless name; it is the budget of a fiscally handicapped Government.

MR. DEPUTY-SPEAKER: This is the year of the Handicapped.

SHRI A. K. ROY: It is fiscally handicapped Government. It is a stark reminder that in the present

system, with the present Government in power, there is no scope for any manoeuvre or any option in the financial exercise. This has been made very clear.

This budget avoids the unemployment problem, conceals inflation, camouflages poverty, abandons self-reliance and puts forward a unique solution to the adverse balance of payments position: borrow more and import more. This is the only solution they have given. In my opinion this cannot be the budget of a Government that works; it may be the budget of a Government that walks, and that too with borrowed legs, where half of the walking is nothing but limping.

The budget has made a lot of self-congratulatory noise about the new 20-Point Programme, without any mention as to what happened to the old 20-Point Programme, whether it has gone with the wind, or where it has gone. We have got only two new points in the budget, since you are always found of new points; one new point is the new Finance Minister and another new point is the new budget. These are the only two new points that you will find in the budget.

The budget has taken a lot of pride in saying that there is some growth in the economy and all that. In the budget of any under-developed country, there should be two things—growth and justice. Here growth is illusory and justice is absent. They have taken pride that the GNP has increased by 7.7 per cent. and has again increased by 4.5 per cent. My other colleague explained that it is only with reference to 1979-80. I would like to know what is the actual achievement of this Government in 1981-82. Is it that it could reach the *per capita* income of 1978-79, the restoration of the position three years back? That is the only credit which we can give to this Government. So, we can make only two conclusions; one conclusion is—that the present Government may

claim, and we are also ready to give it to them—that 1981 is better than 1979 and the other is that the Congress (I) Government is better than the Interim Government; that claim we are ready to give them, if they want it.

In our economy 40 to 42 per cent of our total wealth comes from the agricultural sector, 20 to 25 per cent comes from the manufacturing sector or industrial sector, 20 per cent from the service sector and 15 to 18 per cent from transport. This is the general pattern. If you see the growth of agriculture, the Economic Survey says that the *per capita* availability of foodgrains....

MR. DEPUTY-SPEAKER: He should conclude now.

SHRI A. K. ROY: You are ringing the bell.

MR. DEPUTY-SPEAKER: You can conclude.

SHRI A. K. ROY: I have only started.

MR. DEPUTY-SPEAKER: You can conclude by 3.30.

SHRI A. K. ROY: I cannot conclude.

MR. DEPUTY-SPEAKER: You have to conclude. You have got only five minutes. I will give you five minutes more as a special case.

SHRI A. K. ROY: I am more afraid of your bell than of the Budget.

MR. DEPUTY SPEAKER: No, No. Your time is up. You have to conclude by 3.30.

(Interruptions).

SHRI A. K. ROY: Sir, the *per capita* availability of foodgrains in 1971 was 468.5 tonnes and in 1981 it has come down to 459.5 tonnes. So we may say, 'Return to us the poverty of 1971' when their leader fought the election on the ground of removing poverty and failed to do so.

[Shri A. K. Roy]

Sir, when you have started ringing the bell, it becomes very difficult for me to plan how to place all the points. But, Sir, one thing I would like to stress and that is that severe criticism has come on the point of IMF. What I would like to clarify also to my friends who say that IMF has dictated this Budget and the Budget is under the control of the IMF. I vehemently differ with them. There is no point in controlling this Government and there is no point in dictating this Government because there is absolute unity of mind and heart. So, no question of control comes in. Control comes only when there is tendency to go out of control, but there is no tendency to go out of control. So, no question of control comes. If you see the situation you will find that this year we are already saddled with financial load of foreign aid to the extent of Rs. 15000 crores and added to that, this year itself this Government has taken Rs. 2,227 crores of foreign assistance. Last year it was Rs. 1,869 crores. It is a record dose of foreign aid injected in our country this year. We are already paying debt servicing charges of more than Rs. 860 crores. Now it will go to the extent of 20 to 25 per cent of our net export earnings. Not only that. In 1950 we had very little foreign collaboration. But we find that in 1979 foreign collaborations per year used to be 250. In 1980 the figure jumped up to 526, and this year it has reached 600, I mean, foreign collaborations. In this way we are completely abandoning our entire promise of self-reliance. The way we are just getting drained out reminds us of Dadabhai Nauroji's drain theory. Sir, you might have perhaps seen the latest book, *India Motgaged* by T. Nagi Reddy, the Communist revolutionery of Andhra Pradesh. So, we blame this Government. There is no question of surrendering to the IMF. We blame this Government for it has harmed the present, it has crippled the future

and also it has hurt our past and the total history and as you are not giving me more time I would like to ask about one or two points

Your taxation should have some logic. I can understand the core sector. I want that the Minister should reply as to whether Civil Aviation, in respect of which you have increased the allocation by Rs. 45 crores, comes under the core sector. I would like to know the reason and the rationale in giving relief to the refrigerators, to the Five-Star hotels to the extent of Rs. 5 crores whether they also come under your 'core' sector.

Lastly, as you are again going to press the bell, thinking like that...

MR. DEPUTY-SPEAKER: I know you will conclude by 3.30 and you are coming to the last point.

SHRI A. K. ROY: This is the last point. The last point I should make is...

MR. DEPUTY-SPEAKER: Choose the best one.

SHRI A. K. ROY: Yes, the best one and the last.

A few days back I read in some popular magazine the Ten Commandments of the IMF and in slight modification I would like to place them before the House. This is the last point.

The ten commandments of this Budget and this Government, you can say they contain the condensed Twenty Point Programme. What are the ten Commandments of the Budget?

1. Thou shalt export till it hurts.
2. Thou shalt import even if it hurts.
3. Thou shalt see black money white.

4. Thou shalt make five star hotels bright.

5. Thou shalt fly and have refrigerator to keep your head cool.

6. Thou shalt look kindly on big businesses and multinationals to have your hand full.

7. Thou shalt have no mercy either on public or public sector.

8. Thou shalt not permit strikes.

9. Thou shalt reduce subsidies and direct taxes.

10. God and SDR bless they GNP.

MR. DEPUTY SPEAKER: The House will now take up Private Members' Business. Again at 6 O' Clock we will resume the general discussion of the General Budget.

15.31 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS
THIRTY SEVENTH REPORT

SHRI Y. S. MAHAJAN (Jalgaon): I beg to move:

"That this House do agree with the Thirty-seventh Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 9th March, 1982."

MR. DEPUTY SPEAKER: The question is:

"That this House do agree with the Thirty-seventh Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 9th March, 1982."

The motion was adopted.

15.32 hrs.

RESOLUTION RE: REVISION OF IMPORT POLICY—Contd.

MR. DEPUTY SPEAKER: Shri M. Ramanna Rai. You had already taken

twelve minutes. This is for your information.

SHRI M. RAMANNA RAI (Kasaragod): Last time I was referring that it harms the interests of the cultivators of Kerala. There is no doubt about it.

I want to give you some details as to how the import policy of the Government and issuing licences for importing some articles really affect the cultivators. It will be seen that Kerala is a State which produces 90 per cent of coconut produced in the country. Now the produce of Kerala in regard to coconut is sufficient not only for Kerala, it is sufficient for industry also. The edible oil produced in Kerala is sufficient. The Government of India is now importing or have issued licences to import copra and coconut oil. What is the result of the issue of these licences? Kerala thereby loses every year Rs. 400 crores. In Kerala produce per year is worth Rs. 400 crores. The coconut was selling @ Rs 2/- three years back. Now the price of coconut has been reduced—it is even less than Re. 1/- per coconut. The price has gone down by 100 per cent. The total loss to cultivators in Kerala is of Rs. 400 crores because of the wrong import policy to import coconut oil and copra.

The price of coconut oil per quintal in January, 1980 was Rs. 1910/-. In January 1981 it was reduced to Rs. 1700/-.

In July, 1981, the price of coconut oil was Rs. 1250/- per quintal. This is a result of import licences issued for the purpose of importing copra and coconut oil. The result is directly hitting the poor cultivators of Kerala.

15.35 hrs.

(Shri Chintamani Panigrahi in the Chair).

It would be seen further that the import licences issued for importing