

[Sh. Bhogendra Jha]

are suffering, their families are suffering because of that. That is one aspect.

The other aspect and not less important, rather much more important, is that the nation is suffering, the country is suffering because the talent, the youth and the vigour and the abilities and qualities of scores of millions of people are not being used to the interest of this country, are not being utilised for the nation development to work in various aspects of life. That way the country is suffering. So, it is not a question of providing jobs for them or for their livelihood only. The question is to utilise their capacities, to utilise their talents to utilise their youth, which no law of the land can maintain permanently at the present stage. Every day the youth is turning into old and then they are passing into graves. Thus, a grim offence is being committed against the passing youth of this country, against the present and future generation. The question is how can we utilise the capacity, the talent, the vigour of every individual of this country for the good of the society, for the good of the country and whether it is possible or not. I do submit that it is not only desirable, but it is both possible and necessary also.

Sir, I apprehend that many of my friends here may not like some aspects of the Bill, but this Bill is meant to ensure employment or self-employment, which is not less important. In a country like India where 850 million people are living, so many heads and double of that number is the number of hands, self-employment is also a very important aspect for the development of the nation, for the development of the society and for guarding against the dangers which have occurred in socialist countries.

18.00 hrs.

There, only public sector undertakings have to perform certain jobs in a certain manner which resulted in self-defeating exercises. So, in respect, I want to emphasize certain aspects of this Bill, clause by

clause in detail later.

Sir, at present, there are about 20 millions of educated youth in the unemployment registers in our country and many more are there in the country, particularly in the countryside who have not registered their names anywhere. Besides that, there is a huge number of uneducated people and they do not know how to register their names in employment offices. So, this has become a part of our national life, social life, political life and family life. Due to this unemployment problem, thousands of families are in trouble today.

MR. SPEAKER: Mr. Bhogendra Jha, you can continue next time. since the time for Private Member's Business is over, we go to the next item.

18.00 hrs

FINANCE (NO.2) BILL, 1991¹ CONTD.

[English]

MR. SPEAKER: Now, we continue the discussion on the Finance Bill. Shri Chandulal Chandrakar can continue his speech.

[Translation]

SHRI CHANDULAL CHANDRAKAR: Mr. Speaker, Sir, I was saying that our population would reach 100 crores by the year 2000. More than 25 crores tonnes of foodgrains would be required to read this much of population. How would it be done ?

MR. SPEAKER: Shri Chandrakarji, please sit down for a minute. Hon. Members, it has been decided that the discussion on Finance Bill should be completed today and the hon. Finance minister would reply to it tomorrow. Today, all members who want to speak will be allowed to do so for as long as they want to and needed we shall sit late for it. There will be no speech not even speeches on amendment on the Finance Bill tomorrow.

row. There would be only reply and voting on the Bill.

MR. LAXMINARAYAN PANDEYA (Mandsaur): Mr. Speaker, Sir, we have given amendments on it, you have to provide time for it.

MR. SPEAKER: Time would be allowed to move the amendment but no time will be given to make a speech at the time of moving the amendment.

DR. LAXMINARAYAN PANDEYA: Mr. Speaker, Sir, we will not deliver a speech. But whatever we want to speak on the amendment, should be allowed.

MR. SPEAKER: Whatever you want to speak on amendment, you may speak today itself. Important points should be made at the consideration stage. That is why we have extended the sitting of the House by one day. The business of the House will also be conducted on the 17th instant. Keeping in view all these matters, we have to work like good parliamentarians. You may sit late today to discuss the Finance Bill. We have to complete it today. The Minister will reply to it tomorrow.

DR. LAXMINARAYAN PANDAYA: Sir, my submission is that we should be given some time to speak on our amendments.

MR. SPEAKER: You are not to move on the amendment, but if you want to speak, you can ...

(Interruptions)

MR. SPEAKER: You please sit down, I am placing everything before you. We are quite experienced now. There are some important Bills. The Bill on Punjab has to be passed. The budgets of Punjab and Kashmir have to be passed and other legislative business has to be put through. It is inevitable to pass them. Therefore, in the meeting of B.A.C. in which all leaders were present, it was decided that we would take up such and such item. There is no restriction on

speaking. You may sit late for as long as you wish. Shri Kumaramangalam has arranged dinner for us and all other officials. They will take dinner here and also sit late.

[English]

SHRI YAIMA SINGH YUMNAM: Sir, my name is always found omitted from the list of speakers.

MR. SPEAKER: It will not be omitted.

[Translation]

SHRI CHANDULAL CHANDRAKAR: Sir, I was saying that the farmers of our country will have to produce 25 crore tonnes of foodgrains by the year 2001. The farmers and agricultural labours of our country can definitely do this job. All kinds of subsidy is granted to the farmers of EEC countries as also to the farmers of America, Canada, Japan and China. These countries do so while presenting the budget of their respective countries. But here, our Government has been reducing the subsidy. I want to say that 50-60 per cent subsidy is granted to the farmers of countries of the EEC, as also of America and China. Within five-six years the countries of European Economic Community will increase cooperation with U.S.A. in the matter of agricultural production because there is no more competition from the USSR. Hence, the changed situation will provide more chances to the E.E.C. countries. As regard the facilities being provided to raise agricultural production in the country, I want to say that marketing facility should also be provided alongwith facilities of seeds, insecticides, fertilisers, water, electricity, etc. More facilities should be provided to increase industrial production. The hon. Finance Minister has made a provision for it. I am sure that the farmers will also get subsidy in fertilisers and insecticides to increase their production. Today, our hon. Finance Minister is faced with two problems. One problem relates to earning maximum foreign exchange and the other is to contain the prices of essential commodities. How can it be done? I think that the Central Government should

[Sh. Chandulal Chandrakar]

initiate action against hoarders. The State Governments too are doing this job. Since the budget session is going to be concluded, the Central Government should take stern action against hoarders and punish them if necessary. Not only that, no loan from our banks should be sanctioned to these people who indulge in hoarding. Hoarding is done due to black money in our economy. Our hon. Finance Minister has given many suggestions to check generation of black money. Many of our hon. Members have given some good suggestions. To check generation of black money at any cost is the need of the hour. Practical action is required to be taken. Without being highly ideological, we should think how to finish our black money. It has been said that black money worth Rs. 90 thousand crores is there in circulation in our country and a parallel economy is being run. The hon. Finance minister has made a provision to donate 40 per cent of the remittances of black money to the Government and deposit 60 per cent in the banks so that the money could be disbursed to the poor for the purpose of constructing houses. Undoubtedly, it is a good proposal. Everybody is realising that an international trader having one crore rupees as black money is liable not to pay more than Rs. 40 lakhs as income tax. It means that this provision of 40 per cent will not mobilise more than Rs. 300-400 crores. Why? As you know, NRIs abroad have to pay only 20 per cent through 'Hawala' and therefore, they will prefer this money to be converted through 'Hawala' transactions. Thus, the hon. Finance Minister would be able to collect very little money. That is why, I say that he should ponder over the suggestions given by us in connection with mobilisation of the black money. If possible, 60 per cent of the 40 per cent earmarked for making available to the Government, is deposited in the National Housing Bank. If we keep the exemption limit at 40 per cent. We would not be able to mobilise the money. Hence, there is a need to reduce it to 25 per cent. Some experts say that by reducing it to 25 per cent, we would be able to mobilise Rs. 60-70

thousand crores out of Rs. 90 thousand crores of black money.

Secondly, Mr. Speaker, Sir, the Minister of Finance will face another problem. Why will they take risk by not having much black money with them when you are changing 56% income tax? This fact needs due consideration and it is not easy to take 56% from those who are earning and it is this matter where a lot of irregularities take place. All of you know that black money lies with big industries, traders, rich people and some other kinds of people. Now you should reduce the deduction from 40% to 25% to recover it and reduction should also be made in the rate of 56% of income tax by the Finance Minister so that maximum amount of income tax could be recovered. In future it has to take place ultimately. You will have to do away with income tax and it should be replaced by more and more than over tax. The share holder whether he may be Mr. Ambani or anybody else should not declare their turn over less because that can cause a decline in the prices. Therefore, turn over tax may be imposed and the hon. Minister should seriously think about reducing the 56% rate of income tax. If such measures are not taken, the black money cannot be unearthed. We have to see whether many suggestions will find any concrete shapes. Also, I want to submit that if it is not possible to do all this in the current session, the annual budget may please be presented in November. Kindly present it in this very year. It will be better to present the Annual Budget in November or December instead of 28th February and you will be able to implement all these things. You will think about the annual rate fall in the country, the quality of crops, the quantity of oilseeds, pulses and the water bearing rivers. I submit that the hon. Finance Minister should discuss these matters in the Cabinet. The suggestion given by me and my colleagues should be duly considered in this very session and if it is not possible it should be done by presenting a budget in the November Session and these problems should be solved for ever. With these words, I conclude my speech.

[English]

SHRI INDERJIT(Darjeeling): Mr. Speaker, Sir, I want to raise today a matter of grave and basic importance in regard to the functioning of our Parliament and the future of our democracy. On the evening of Thursday, September, 5 the Lok Sabha largely abdicated its principal responsibility of keeping a close and purposeful watch over the Treasury, namely Government spending. In one fell stroke of the guillotine, we voted without any discussion over Rs. 25,824 crores of the peoples money for expenditure during the current financial year. In the process, the Lok Sabha made history. But this was history, Sir, of which no parliamentary democracy can be proud.

Parliament's greatest strength and utility lies in its power over the Treasury. Not many today remember that the first major battle of democracy was fought in Britain on the question of the right of a King to impose taxes at will.

Happily, the people of Britain won at the end of a long and hard struggle. Our world then saw the birth of a fundamental cannon of democracy: No taxation without representation. The American war of Independence was also sparked by the same basic issue: the right to impose taxes.

The principle is strictly enforced in all parliamentary democracies. In fact, Britain and other democracies have over the past many years even taken new initiatives to strengthen Parliament's control over the purse. In sharp and distressing contrast, our Parliament's control over the national Budget has slipped, step by step, year by year.

Who is to blame? All of us, Mr. Speaker. I know that in the present year, the Prime Minister, the Leader of the House and the Ministers of Parliamentary Affairs were keen to get most of the Ministries and Departments discussed. But this could not happen as most of the time of the House was taken up by extraneous matters.

A question arises. Can something be done to mend the matters? The answer is a positive yes. We can have a solution over the long haul and in the short term. Over the long haul, Sir, we should take a page out of the British experience. We should seriously consider the question of switching over to the Committee system.

Specifically, I plead that our Parliament should take a fresh look at its procedures and adopt them to changing demands, as was wisely done by Britain in 1976. I further propose that the hon. Speaker should, as was done by the House of Commons, set up a Select committee on Procedure to make recommendations for the more effective performance of its functions.

Today, in Britain, Parliamentary control over the Treasury and Government as a whole is presently exercised through 14 Committee in addition to eleven earlier Committees, such as the Public Accounts Committee.

Happily, Shri Rajiv Gandhi as the Prime Minister showed the required enlightenment and initiative. In mid-1989, three standing committees on Agriculture, Environment and Forests and Technology were set up at his direction, all of us were delighted at the major reform introduced in Parliament at long last. Shri Balam Jakhra, the then speaker, appropriately sated that these committees would and I quote:

"ensure greater administrative accountability to Parliament—as also better parliamentary scrutiny of the working of the Ministries".

The Chairman of the three Committees were equally excited and thrilled. They described the appointment of the three Committees as a milestone in the evolution of Parliamentary institutions in India. But they had little time to put the committees on their feet. Early in October, the Government decided to go in for a fresh general election.

[Sh. Inderjit]

The work of the Committees virtually ended with their inauguration. No Report could be submitted.

The last Lok Sabha took to the three Committees equally enthusiastically. In fact, I, as my friend Nirmal da reminds me, had opted for the membership of the Rules Committee in a bid to enlarge the Committee system. The appointment of merely three Committees was just not enough for me. Eventually, we succeeded in getting the Rules committee to decide on the establishment of seven other standing committees, including one on Home, a second on defence and a third on Foreign Affairs.

But, before long the powers that be reacted and reacted unfortunately. Amendments were moved by several Minister opposing the establishment of the new Committee. Outwardly, the reason advanced was the need to first see how the three Committees worked and the extent to which they served the best national interest. Inwardly, however, few among the Ministers were prepared to decentralise authority and share power. Some of us thereupon, readied ourselves for a battle royal. But, before this could happen, the Lok Sabha itself came to be dissolved.

Now, what can we in India do in the short run, namely, immediately to deal with the guillotined Ministries? Briefly we can adopt what I would describe as the Nehru model. India's first Prime Minister and Leader of the House, Jawahar Lal Nehru, was greatly upset when a few departments, including the department of Atomic Energy that was under him, could not be discussed and the guillotine had to be applied. Nehru then proposed that all the guillotined Ministries and Departments be discussed by *Ad hoc* Committee of the House on the basis of their annual reports presented to the House.

We should likewise set up *ad hoc* Committees or let the guillotined Ministries

and Departments be discussed by Informal Consultative Committees attached to various Ministries on the basis of their annual reports presented to the House. I am conscious of the fact that these consultative Committees are rather small in size. Their membership could easily be enlarged on an ad hoc basis to accommodate all those actively interested in the respective discussions.

The Hon. Speaker could, therefore, finalise the modalities in consultation with the Treasury benches and the Opposition leaders. The entire exercise could, in my view, be completed in a week to ten days after the session. Five to six Committees could meet each day to discuss the undiscussed Departments and Union Territories.

Now to conclude, I appeal to you, Mr. Speaker, to accede to my request and implement the Nehru model in regard to the guillotined Ministries and Departments. In fact, we should go one step further and implement another healthy innovation introduced by Nehru for strengthening ways and means of ensuring Parliamentary Surveillance over the Executive. In 1956, the Business Advisory committee decided to set up ad hoc Parliamentary Committees to scrutinize the five year plan documents. Accordingly, these Committees were set up for consideration of the draft Second, Third, Fourth and Fifth Plans. Unfortunately and regrettably, these committees were given up thereafter. We could surely think of reviving them.

Finally, I also request you to go into the larger issue of taking a fresh look at the present practices and procedures of Parliament, of our House, and for this purpose, set up a Select Committee on Procedures as was done in the United Kingdom, to make recommendations for the effective performance of its functions. In this context I may add that there are various other procedural problem areas such as the Zero Hour, scrutiny of Bills, questions, Expunctions, powers of the Speaker and the need to ensure his uncontested election which all need to be looked at afresh.

The House of Commons, Mr. Speaker continues to grow even after 300 years. Let us not stop growing at 40. Let us not make a mockery of Parliamentary democracy.

SHRI H.D. DEVEGOWDA (Hassan): Mr. Speaker, Sir, first of all, I want to congratulate my friend, Mr. Inderjit, who has made some valuable suggestions in a very healthy manner about the performance of Parliament. In one world I would like to request you that whatever suggestions Mr. Inderjit has made, are worth consideration by the Hon. Speaker and by this House.

When participating in this Finance Bill No. 2, I would like to draw the attention of the Hon. Finance Minister here to the speech on the day when he moved this Bill for consideration of this House. He had said:

"Hon. Members, with regard to some of the proposals contained in the Bill, I have also received a large number of representations from the Members of the Public, trade unions, voluntary organisations, professional bodies and Chambers of Commerce on the proposals in the Bill. I express my sincere gratitude to all of them for giving us valuable suggestions."

Just now, one of the senior Members, Mr. Chandulal Chandrakar took much of his time to deliberate on the Agricultural Department where he tried to highlight about the need of encouragement that should be given to the agricultural development as we have to produce nearly 250 million tonnes by 2000 AD to meet our demand. When such is the case. I would like only to deliberate for a few minutes about Agriculture. We tried to convince the Hon. Finance Minister about the fertiliser subsidy or the price like, the whole House, irrespective of the party affiliations, tried its best to convince the Hon. Finance Minister at least to give some concessions about the So-called farmer.

This report was published in 1987. The

Committee was constituted by late Prime Minister Rajiv Gandhi. In the beginning itself in your budget speech, you said that the budget is going to be dedicated to the late Prime Minister Rajiv Gandhi. You have got so much loyalty and sincerity about the party and your past leader. This committee was constituted by Shri Rajiv Gandhi's regime and the report was given in 1987. When the whole House tried to persuade you, your goodself was not yielding to the pressure or whatever arguments we have advanced to convince you. You have yielded to the organised sector whereas you have yielded to the so-called farmers because they are in the unorganised sector.

I would like to quote one or two points which are very relevant in the present context. I do not know whether I would be able to succeed in convincing you by putting all these things. Anyway, it is my responsibility as a Member who comes from the rural area. I would like to draw your attention to the recommendations of this committee. The Chairman is not a farmer. He has quoted various other recommendations and while giving these recommendations, he has cited the examples of various other countries to substantiate his arguments or recommendations.

Regarding the dual pricing policy, he has said that it is not at all going to help the farmers if it is going to be introduced. This is also one of the areas where he has tried to argue. Paragraph 9.15 of page 72 says:

"It has been argued that a dual pricing policy involving concessional prices for small and marginal farmers and higher prices for the medium and larger farmers may help to reduce the subsidy burden. Once again, this is impossible to administer."

This is his argument. It is not proper on the part of the Government to think of dual pricing policy and also hike in prices of fertilisers which will ultimately destroy the farming community and so far as the produc-

[Sh. H.D. Devegowda]

tion is concerned, they will be discouraged and this should not be done. This is the recommendation made by him. I will send you this Report and let the Hon. Minister go through the Report. It is the question of every year. It is not so. He has totally discouraged the farmers. He should not go to the extent of any hike in fertiliser prices.

I would like to draw the attention of the Hon. Finance Minister to the rate of naphtha. In Saudi Arabia, the price of naphtha is as low as 30 US cents whereas in our country, the price of naphtha has increased to about twelve times more than it was in 1978-79. In this connection, I would also like to refer to the performance of the ONGC. He is one of the senior IAS officers. I would like to draw your attention to the point that some people may try to say that kulaks always try to argue in their favour. But at this point of time, I will place my arguments not to continue such section of the people. I would like to request them to re-think before making such remarks

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH) : What is that report which you are referring to?

SHRI H.D. DEVEGOWDA: It is the Report of the High Powered Committee on fertiliser consumer prices headed by Dr. G.V.K. Rao who had been appointed by the late Prime Minister, Shri Rajiv Gandhi. I am prepared to send this Report for your consideration. It is said there that even in case if the Government is going to think over to raise the prices of fertilisers, it should not be more than 5-7 per cent.

SHRI MANMOHAN SINGH: It says that every year, it should be raised by 5-7 per cent.

SHRI H.D. DEVEGOWDA: No like that. If it is going to be helpful to the Government to go on increasing it every year, I have no objection. You take that stand. But, sir, do

not understand the impression of the Hon Finance Minister that he has given clear blanket recommendation for increasing the prices every year. It is not so. He has tried to convince, in his report, that the question of price hike of fertilisers will ultimately lead to the fall of production which should not be done. This is what he say. Further, Sir he also said how other countries USA, Japan EEC have tried to help the farmers by giving them subsidy.

I would like to draw the attention of the Hon. Finance Minister to the import duty which has been reduced from 300 to 150 per cent. Is it not going to be one of the contributing factors for the reduction of fertiliser prices? I would like to put this question to the Hon. Minister. All sections of the House tried to persuade him but he has not yielded. In Your speech you have said that you have considered some concessions and you have also cited some organisation which represented to you. I do not want to say that it is a decision influenced by some other means. I know that we are having a honest, sincere and dedicated Finance Minister. I have no grudge against him. But the only thing is that he should pay proper attention to the unorganised sector also. And that is where I where I would like to draw his attention to.

Sir, I would like to point out one more thing about resource mobilisation. You have become the Finance Minister at a time when the country is passing through one of its worst economic crises. there are innumerable problems and it is not an easy task for a Finance Minister at this critical juncture to get the appreciation of all sections of society. I can understand that. But there are ways and means to raise our resources. When I spoke on Budget, I did mention one or two points. I do not want to repeat them because I know the value of time. But Today the Finance Minister is here and so at the cost of repetition, let me mention those points for his consideration. I request that I may be excused for repeating the points. I would like to draw his attention to these points so that he can keep them in mind and consider them at

least in future. I say this because he has made a reference in his speech about restructuring the whole thing. He has stated that since the time was very short at the time of Budget preparations, he could not look into all the aspects and after considering all these things in detail, he was going to re-structure the tax system.

Today we all talk about the so called black money. You have also introduced a Bill in this very House for its consideration. Which section of our society has got the black money? Shri Vajpayee, one of the senior most leaders for whom I have got the highest regards, has stated in a press conference somewhere in Luknow that nearly 10,000 tonnes of gold is hoarded by our own people. He even went to the extent of saying that nearly 5,000 tonnes of gold is not even in the form of jewellery or ornaments. It is in the form of gold biscuits. He also talked about issuing gold bonds and use the same to improve the economy. He said all these things but I do not want to go into details. I ask only one question. About this Rs. 80,000 crore or Rs. 1,00,000 crores of black money, may I know in whose hands this money is lying? is it in the hands of the farmers or the poor rural masses? It is not the question of Devegowda alone. Today, every section in this House is very much concerned about our farming community and their problems. But unfortunately, our hon. Finance Minister has taken a very rigid stand for which I feel very sorry. He had not budged even an inch. I wonder why he is so angry with the poor unorganised sector?

I have given one or two instances when I spoke on the Budget. You have mentioned in the Finance Bill also about the so called charitable trusts. How many charitable trusts are there? You see the Bombay Charitable Trust Act or the Indian Trust Act 1856. Whatever money or income is earned, if that is transferred to the trusts, they will totally escape income tax or wealth tax. With your background, Mr. Finance Minister, you have got so much of experience. Can you not think of some ways and means by which these thousands and thousands of trusts which

are making a lot of money and at the same time avoiding income tax and wealth tax totally, are made more accountable? I request the hon. Finance Minister to look into this matter.

Now I come to the corporate wealth tax. Earlier, general wealth tax used to be levied for sometime in 1957 or so and later on, it was withdrawn. In 1983, it was reintroduced during Madam Gandhi's period. I would like to request you to re-examine the whole issue and see whether this tax can be further enlarged to various other items like jewellery, cars and other luxury items, which are owned by closely held companies or whatever nomenclature with which they are known. Sir, for division of tax, several types of laws are there in the country. Even though our officers and bureaucrats try to do their best, these people escape from all these laws and that is the reason why such a strong parallel economy flourishes in our country. We are unable to control this. I will not take much time on this. I can send some of my views to the hon. Finance Minister because he asked for suggestions. He has stated that an expert committee is set up to go into all proposals and it will prepare its report within three months. On the basis of that report, the hon. Finance Minister may try to plug all the loopholes and come back to this House with all these measures in his 1992 Budget proposals.

So, far as the relief given in the current Finance Bill is concerned, in my opinion it may be helpful to middle class people and the smaller section of the society who were unnecessarily harassed.

The maximum rate of income tax is 50 per cent. This is higher than the Corporate Tax for a domestic company, which is 45 per cent. The corporate tax is lower than the income tax for an individual. So, I request you to see that this matter is re-examined, and so far as the variation in tax is concerned, you please try to give relief to the individuals also. Tax levied on interest in deposits in Banks exceeding Rs. 2500/- per year.

[Sh. H.D. Devegowda]

Now, I would like to ask a straight question. A person can have accounts in various banks. I can have an account in Delhi, Madras or in any other State. How can the bank authority identify the source of my income? Is it possible for a bank to identify or locate the number of accounts that I may be having in various banks? It is a cumbersome issue and I would like to say that it is not at all going to help you. I request you to kindly drop that idea. It is my suggestion and you can think over this.

To the LIC policy holders you are giving 50 per cent concession. Why can't you give hundred per cent concession to them? After 25 or 30 years when a policy gets matured, whatever dividend a policy holder gets, why only 50 per cent concession is given to him? Why can't you give hundred per cent concessions? That is what I would like to ask.

Clause 13 of the Bill seeks to insert a new Section 35 AC relating to expenditure of eligible projects or schemes. Under the new section, the assessee is required to furnish a certificate from a public sector company or a local authority or an association or institution, or, as the case may be, from a Chartered Accountant in such form, manner and containing such particulars as may be prescribed. I would like to caution you that this is going to lead to corruption. This is my own opinion. The question of obtaining a certificate is not a major issue. Anybody can get a certificate. This is definitely going to increase the corruption which will ultimately lead to further approval of black money.

The Finance Minister should re-introduce Section 115 (J), to levy corporate tax declared by companies to attach subscription to their shares.

There are a number of other suggestions also which I will send you for your consideration.

Lastly, Sir, I would like to raise a very important issue pertaining to the State of

Karnataka. The Finance Minister said: "Permit the flow of Central Plan assistance to State."

[SHRI RAM NAIK *in the Chair*]

Sir, because of the modified Gadgil formula we are losing about Rs. 300 crores. I do not know how Karnataka has been classified as a developed State. It is unfortunate. I do not want to enter into this controversy. But, there is nearly Rs. 300 crores financial loss to our State. The State Government of Karnataka has tried to persuade the Government of India to make good the loss that has been there to the State.

Former Finance Minister, Prof. Madhu Dandavate in the very same House assured that the whole matter will be reexamined and that he will see that something is done in this regard. He agreed that a total injustice has been done to the State of Karnataka on account of the new modified Gadgil Formula.

I know the present Finance Minister is fair enough to look into all these aspects. I have got full confidence in him. I know that he will definitely look to this issue.

Lastly, I would like to raise something specific to my State. This may be a small issue for the country. We are going to spend nearly Rs. 1,67,000 crores for the whole country and out of it I am asking only a few chips for the State of Karnataka. As an Irrigation Minister, I had send some projects for the sanction of Government of India. We have got nearly 350 Kms of coastal line. Coastal erosion in my State is very high. I think our Kerala friends will agree with me in this regard. I had submitted a project worth Rs. 130 crores. Unfortunately, I personally met every Minister, represented be it a State Minister, Cabinet Minister or whosoever he may be, without looking to the State of Karnataka. But nobody from the centre help Karnataka. I was unable to get even one rupee help from the Central Government. Karnataka has got nothing from the Central Government. Let my Kerala friends not

mistake me, and think that we got more than them. From 1985-86 onwards Kerala has always got up to Rs. 12 to Rs. 18 crores and on the other side the State of Karnataka got zero. What sin have we committed? I have got the highest regard for you, Sir. Please, kindly look into this matter and see that injustice should not be done again to the State of Karnataka.

We are peace loving people; facile people. But do not be under the impression that we are always facile. We may take a wide vow on these petty things and we may combine to fight the battle.

About IRDP, I would like to say that money is going to be distributed on the basis of population or on the basis of the area. Karnataka stands at the 10th place.

Under IRDP, the amount released to Karnataka is Rs. 3444 lakh, Uttar Pradesh Rs. 1428 lakh, Bihar Rs. 1102 lakh, Madhya Pradesh Rs. 7297 lakh and so on. Under the TRYSEM Scheme, the amount sanctioned for Karnataka is Rs. 37 lakhs, for Uttar Pradesh Rs. 117 lakh and so on.

That is why I have only drawn the attention about the Central Assistance to the States. You are the only fair Finance Minister who is going to set right the injustice that was done to Karnataka. Please look into this matter and correct the injustices done to us.

With these few words, I would like to thank you for allowing me to speak for some time.

[Translation]

SHRI MOHAN RAWLE (Bombay South Central): Mr. Chairman, Sir, the budget of this year, presented by the Minister of Finance Shri Manmohan Singh on behalf of the ruling party, is a bureaucratic one. It has no pleasant thing. We could consider the demands of five Ministries only in this session of two months duration and the demands of remaining 35 Ministries have been guillotined. It is shameful and unfortu-

nate for the largest democracy of the world. There are some Ministeries demands of which have not been considered even once during these 44 years of independence.

Today, pulses, rice, flour, edible oils are so costly that it has become difficult for poor and common men to make two ends meet. The Congress Government which had promised in their election manifesto to reduce hike in prices within 100 days has increased the prices of several necessities of life by increasing the rates of petrol, railway freight within 90 days. This Government can only raise the slogans and is not capable of implementing them. This Government is ignorant about the sufferings of the poor, the common people and the labourers but knows well how to exploit them. This Government can only provide facilities to the rich and to overburden the poor with new taxes and hike in price.

I read today in the newspaper that I.M.F. has sanctioned a loan to the Government. This Government takes loan from foreign and claims to run the country proudly. Our debt has risen to rupees Ninety thousands crore due to the unnecessary expenditure by the Government. The Government has spent 764.36 million dollars for Maruti Industries Limited till now and we have received 103.50 million dollars from it. Maruti 1000, which is used by one out of ten thousand people in India, we have spent more than 1200 crores of rupees as foreign currency on that Maruti Motor. We have not received even 50 crore rupees from that. Our Government has spent foreign currency of crores of rupees on several items of luxury. There is an estimate of expenditure of rupees 41 crores for the construction of the building of Industrial Development Bank of India in Bombay. Out of which Rs. 34.85 crores have already been spent. How can we stay in the international market with costly articles due to the hike in the prices of petrol and railway freight by the Government? Has the hon. Minister of Finance who wants to liberalise the import policy got the answer for it? I want to tell the Minister of Finance that the interest should be less and uniform which is charged from

[Sh. Mohan Rawle]

the small scale industries from where we get 50% production of our country. Our Minister of Finance cites examples of Italy, Korea etc. where the rate of interest is 9% and 11% respectively whereas in Maharashtra it ranges from 19.5% to 30%. Due to this more than 50% small scale industries are near closing. The dearness allowance, is given to the employees, to face the price hike but Government imposes tax on dearness allowance also which is not the income of an employee. Thus, whatever government gives from one hand takes away from the other. In foreign countries whenever there is price hike, the income tax limit also increases along with it.

So, I urge upon the Government to increase the income tax limit upto 36,000 and to add 50% of dearness allowance in the basic pay of the employee. So that he may get benefit at the time of retirement such as irpension etc. Tax is also imposed on the interest received by the employees on the amount deposited in the Bank after paying the income tax on their earnings. It is condemnable. Thus tax payers have to pay tax several times. In the same way Government is discouraging those who save money. The Government should pay attention to it so that saving habit may be encouraged.

Mr. Chairman, Sir, 2% p.m. interest was paid earlier on the refund amount of those who fill return. Now it has been reduced to 1.5% per month. It should be increased to 2% per month again. In the same way earlier 6 months period was fixed to dispose of the cases after having filed the return but it has been increased to 12 month now. It seems that Government has submitted before the bureaucracy. Is this the way of Government to increase the efficiency? It will encourage corruption.

[English]

Confucius said, "Make but a few laws so that you can govern well."

[Translation]

Mr. Chairman, Sir, co-operative banks are very popular in rural areas because they impose less and easy conditions. Reserve Bank permits to open its branches after 5 years. This period should be reduced to one year. This is very necessary to encourage the banks which are efficient, and doing good business. In the same way government has imposed 3% charges on the profits of co-operative banks. My request is to do away with these charges to encourage co-operative banks. Mr. Chairman, Sir, I want to draw your attention towards one more point. Central Government receive revenue of more than 3000 crores annually from Bombay but it is doing nothing to provide more facilities to it. Government is not spending any amount for solving the problems of hospitals, slums, roads, schools and other problems of Bombay. Every year many people come there from other places and Government is unable to give them facilities. We get Rs. 8000 crores as revenue from Bombay. I request that atleast 10% of it i.e. Rs. 800 crore should be spent on the development of Bombay city.

Congress manifesto stated that employment would be provided to one crore people but I would like to tell that in Bombay many mills have been closed down since 1982. The N.T.C. does not want to run these mills, as a result of which thousands of labourers have been rendered unemployed. My submission is that the Government should allow to run these mills on co-operative basis and provide financial assistance.

Bombay branch of BCCI was started on the licence of Reserve Bank and till now R.B.I. has been stating in its reports that the bank is functioning well. Now since when the bungling in the bank in London has come to light this branch has been stopped to transact any business. Therefore, Reserve Bank should arrange to refund the money of those people who have deposited it in the Bombay branch of B.C.C.I. Similarly, in this Bank hundreds of Indian are working. Has Government thought about their families? How

are they upbringing their families? As there are no chances of re-opening of this branch, the Government should post these people in other banks.

The Government propose to handover dairying to foreign companies. We are already facing shortage of milk and by handing over this work to foreign companies. There is every possibility of deepening the milk crisis. Then we will have to import. Hindustan Lever, Ponds India, Proctor & Gamble, these companies are producing different things and exporting different things. By making such business these companies get business boosting. Attention should be given to all these things. Our Finance Minister wants to allow Japanese to establish township for 2 billion dollar. They may live here the way they like. They can open school, restaurant and cultural centres. Indeed, this type of step is like selling our own Motherland to the foreigners. After selling gold, now we are selling land to foreigners. Millions of people sacrificed their lives for liberating this land from the yoke of the English slavery. The Government should seriously ponder over it.

Mr. Chairman, Sir, the Government has recently announced new export policy and also announced many incentives in this regard. I request that the Government should bring a bill to amend MRTP, FERA, CCI (Control and capital issue) to make them more effective.

19.00 hrs.

Hon. Chairman, Sir, I will not take much time. I have to speak on one or two points. Today, the situation of inviting foreign capital has arisen because domestic saving is not enough to meet the country's requirement. Policies responsible for increasing inflation are the main cause of insufficient saving. Real value of saving declines due to inflation and instead of saving, a tendency to spend money grows in the public.

MR. CHAIRMAN: Please Conclude, other members also have to speak.

[English]

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): Why curtail, since you have decided to sit through, if necessary, the whole night in order to complete this subject?

MR. CHAIRMAN: We have decided that we will try to accommodate many more Members but the time factor has to be there.

SHRI NIRMAL KANTI CHATTERJEE: The time constraint is, tomorrow morning the Finance Minister will reply.

MR. CHAIRMAN: Everyone would like to listen to the speeches of others. So, there has to be a time constraint for all members.

[Translation]

SHRI MOHAN RAWALE: I will finish within two minutes. There are many problems of income tax. Due to these problems, Government revenue from taxes declines. If rate of Income Tax is brought down then there will be no tax evasion. A large amount of Income Tax is outstanding against the big industrialists and every year it is increasing. Every year a big amount of taxes is put in bad debt account. In this connection, the Government should take concrete steps so that the outstanding amount of Income Tax and other taxes can be recovered. If Government bring down the rate of income tax from 45% to 35% like Pakistan, then perhaps the tax-payer will come forward to pay it. I am obliged to you for giving me time to speak and on the behalf of Shiv Sena I oppose this Budget.

[English]

SHRI AMAL DATTA (Diamond Harbour): Sir, speaking on a Budget and the Finance Bill which is the main instrument of the Budget, is very difficult, as much difficult as it has been for the Finance Minister to frame the Budget and the Finance Bill.

Even in earlier days it was a difficult

[Sh. Amal Datta]

thing to balance the Budget and not to leave any gap, either budgetary or revenue, fiscal, whatever, but I do not know which was the object of the Indian Budget framers. But now the yawning gaps are becoming so wide and added to that has been the problem of balance of payments, of the foreign exchange crisis which has sharply affected the economy of the country. For, what used to be thought about something like a right-rope walking has become almost like the old Indian rope-trick as to how to get into somewhere without having any resources at all.

In this country which is so diverse not only in its ethnicity, in its language and culture, but also in its social philosophy, its economic attitudes, what goes by the name of its political philosophy, it is impossible to satisfy the people. And first of all, it is impossible to know what is to be done and to do it and to satisfy the people. First of all, we must serve the needs of social justice and equity. Secondly, we must grow and once we start doing one thing seriously and sincerely, namely, serving the needs of social justice, you have no money left to grow industrially or otherwise. So it has to be balanced. So, we try to drop the imports and we try to encourage exports. But what happens in the process? The Government has been trying to do that for some time. But in the process, according to a report, which funnily enough has been sponsored by IMF itself. Twenty-eight billion U.S. dollars has been stashed away by Indian businessmen in the course of 8 years from 1980-81 to 1988-89. The figure is really mind boggling. They have taken away by way of the usual tactics of under invoicing of exports and over invoicing of imports. By this method, the people have accumulated money abroad. Why did they go abroad? Is it only for the purpose of avoiding income-tax or for some other purpose? If it is for some other purpose, then giving them the concessions which the Finance Minister has offered in this Budget, will not be enough to motivate them to bring the money back to this country. That must be understood. That is a policy decision which has been taken to bring back

the money, which has been accumulated by Indians abroad. But, if it is for the purpose of taking advantage of the appreciating dollar and getting out of the depreciating rupee, then they will not easily bring that money back. The only thing can be by way of credit, by way of bank deposits in India, NRIs. I do not know to what extent the financial measures, the banking measures, encourage them to bring the money back and take it out. Where will they take it out when they are not actually residing abroad but actually residing in India? The door becomes closed to them.

Sir, there are lot of difficulties which the Finance Minister has obviously faced. It is very easy to be critical, taking out one measure and saying that it is here he has gone wrong. But what he has to do, it is very difficult to say. For instance, he has put a tax - it has more puzzled us rather than anything else - imposed an expenditure tax of 15 per cent on people eating in restaurants, which have two toilets, one television and things like that, without air-conditioned (*Interruptions*)

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): He has amended to say that only Air-conditioned restaurants are put under tax. He has simplified it...(*Interruptions*)

SHRI AMAL DATTA: Sir, since the foreign exchange has become such a critical ingredient of the whole country's economy, it is necessary that we get the foreign exchange budget also. How has it happened that this country has got into a position, where the debt, I think, even in last year or a year before last, it has accumulated to 60 billion dollars? It has come to that figure in the course of a short period of five years. Compared to the earlier period, twenty to thirty years before, it has suddenly grown. Is it still growing? To what extent it is growing? What are the factors that are responsible for the foreign exchange crisis? There are many opinions. Many people are trying to take advantage of the fact that the crisis happened now or crisis happened one year ago when there was a National Front Government and when the crisis was building up. It

must be known. The country must be able to judge as to what are the policies which have taken them into the dire straits. I would request the Finance Minister to make a promise here that he would, in course of his reply, give us a foreign exchange budget and also a white paper as to how foreign exchange crisis has come about. We are entitled to that. Obviously, the first crunch of foreign exchange, I think, come in October last year. In October what had happened? Just prior to that Iraq crisis had started leading to hike in petroleum prices. We knew at that time that the remittances of Indian workers in Middle East which was to the tune of Rs. 3,000 crores annually were going to stop. I do not know whether this figure is correct or not. But, it was not possible for the Government to immediately take any measures. We must know to what extent it was the Iraq crisis and its effect on the petroleum prices and stoppage of remittances was responsible for the foreign exchange crisis. Now, we have to approach for loan to International Monetary Fund and we have to accept their conditions. We have to submit to their conditionalities in advance. People objected to the conditionalities. But, beggars cannot be choosers... *(Interruptions)*.

MR. CHAIRMAN: Mr. Amal Datta, please conclude.

(Interruptions)

MR. CHAIRMAN: You have already exceeded five minutes. Kindly try to wind up.

SHRI AMAL DATTA: In this connection, it is very difficult to raise revenue particularly by way of direct taxes and that is why the pressure is always on indirect taxes. We know that. Does the Government try to explain why people are so reluctant to pay taxes? Is it that the people will not pay taxes? If the Government takes care to help the businessmen and professional people, they will be less reluctant to pay taxes. Government is not responding to the needs of businessmen and professional people. On the other hand the Government puts all kinds of obstructions not only in the way of business,

trade and industry growing but also even to their day-to-day operations. It does not even take care of the inflation in prices while imposing capital gain tax. It takes a base year far back like 1974 or 1984 instead of taking a recent previous year without taking into account the fall in the value of money. ...*(Interruptions)*.

MR. CHAIRMAN: Please conclude.

SHRI AMAL DATTA: So, the Government is not taking care how a particular tax is going to affect the people. The Government's own machinery is not geared up to tackle the situation like this.

I have the pleasure of conducting an enquiry in the PAC on the basis of CAG Report to the fact that there have been loss of collection of direct taxes to the tune of Rs. 1200 crores, for the financial year 1985-86 falling due in the next assessment year. At that time the scope of summary assessment was only to the extent of Rs. 1 lakh.

This caused Rs. 1,200 crores of loss of revenue in collection of income-tax in one year alone when the summary assessment's scope was much less. Even then in the first of second year of the introduction of summary assessment, this was the amount of loss. The PAC had given a Report against summary assessment and yet the Government unheeding has gone on summary assessments, and not only gone on but has increased the scope of summary assessment. So, perhaps the loss in revenue today has gone up by fifty per cent or hundred per cent than what it was earlier. The total exercise of the Finance Minister in increasing revenue collection is adding to Rs.3,000 crores total and Rs. 2,000 crores of the Central Government.

MR. CHAIRMAN: Kindly wind up now. You should kindly cooperate with the Chair. There is a list of about nineteen persons.

SHRI AMAL DATTA: I have not spoken for more than eight or nine minutes, Sir.

MR. CHAIRMAN: You have spoken for fifteen minutes and there are others also who have to speak.

SHRI AMAL DATTA: I have not, sir.

MR. CHAIRMAN: Do not argue with the Chair. The watch is with me also. Kindly wind up. Otherwise, how can I accommodate others?

SHRI AMAL DATTA: I will complete in two sentences-long sentences. Sir, in spite of the fact that this has been pointed out repeatedly to the Government, they have not taken care to do away with summary assessment which was the recommendation of the PAC in the year 1989-90. Although the Report was actually drafted by the PAC when I was the Chairman, it was, in fact, presented next year by a PAC which was entirely dominated by the Congress, and there was no opposition. Even then they had recommended that summary assessment be totally abolished. If that is taken care of, then this Rs. 2,000 crores extra money would come to the Government anyhow. The Finance Ministry does not have to go through all this drill the increase the tax here Rs. 20 crores, there Rs. 90 crores and like that, what they have been doing now.

Another reason why Indians do not pay tax is because really there is no punishment. The businessmen who get away with evasion of Rs. one crore, Rs. 2 crores, they only have to pay the penalty years after. But what happens in other countries? In other countries people are just put into the jail. Why does that not happen here? If at all it happens, the prosecution starts 12 to 14 years the evasion comes to notice .. (Interruptions).

MR. CHAIRMAN: You said you will conclude in two sentences.

SHRI AMAL DATTA: All right, Sir, I will not speak any more. So, you are not interested in collection of taxes.

DR. VASANT NIWRUTTI PAWAR

(Nasik): Mr. Speaker, Sir, I rise here to support the Finance Bill.

Our friend Inderjitji, has mentioned that many of the Ministries, because of the Guillotine on the 5th of September, were left without discussion. So, I have decided to speak about the HRD Ministry. The total expenditure on the HRD Ministry is only 4.9 per cent. In the First Five Year Plan, it was six per cent of the national revenue. It should be raised in due course.

The status of education in India is that only about fifty-one per cent women are literate and the rest of them are illiterate. There are about 85 per cent primary students but the expenditure is forty per cent on the primary education. As against that, there are only 15 per cent higher education students but the expenditure on them is about 60 per cent. About fifty per cent of the primary schools have no buildings and no equipment. There are 64 per cent one-teacher schools. I suggest that the recommendations of the Chattopadhyaya Committee should be implemented fast so that we can fulfil the promise given in the Constitution to give primary education to all the people.

The accountability of the primary teachers is in jeopardy and no primary teacher is interested in education. It is because he is not ready to enter the educational field and that is not his primary intention. Because that he does not have any other choice, he is entering the field of education and because of that the education is suffering a lot. Primary education is managed by the Municipality, Corporation or the Zilla Parishad. The standard of education is going down. There is a strong demand from the educational institutions that the privatisation of primary education should be made so that the standard of the primary education will improve. The provision for the 'Operation Blackboard' has also been reduced. There is a provision that the State Governments to provide..

MR. CHAIRMAN: Dr. Pawar, you have to speak on the Finance Bill.

(Interruptions)

SHRI GEORGE FERNANDES (Muzaffarpur): In the Finance Bill, anything under the sun can be discussed.

DR. VASANT NIWRUTTI PAWAR: Sir, this is a most important ministry. I just now said that this should have been discussed. As it had been guillotined, I have just started on this. If we have to talk on the Finance Bill, then we have to say that the educational fees which is being collected from the students should be increased because they were planned along back. Even the fees which are collected in a medical college, which is to the tune of only Rs. 500 - Rs. 600 is very low and if this continues the Government is going to suffer a big loss. I suggest that the fees structure of primary education, Secondary education, medical education and all other vocational and other types of education in the Government colleges must be increased, if not on the exact cost to cost basis.

At the same time I will also suggest that the exemption limit of Income-tax should be increased. I request the hon. Finance Minister to increase the present slab because there is a devaluation of rupee and there is already an increase of tax. I will request him to give the benefit of Income-tax to the people.

On the point of fertiliser subsidy, I would request the hon. Finance Minister to reconsider it. There should not be a dual policy on the fertiliser subsidy. There should be only one policy. Otherwise the black marketing is going to increase. The problem with the farmer right now is that there is a demand for the manure and now the cost of the fertiliser has gone up very high. It has been promised by the Agriculture Minister while declaring the policy that he will consider it, so that the minor and small farmers will get the benefit. But nothing has come out from the Ministry.

I request the hon. Finance Minister to look into that aspect and give the benefit to the large community of farmers, who are not united. If the farmers are united, they can shake the entire nation. But it is our misfor-

tune that the farmers are not getting united. I will request the hon. Finance Minister to look into this matter.

As I said earlier, the same is the problem in the field of health. The fees which is collected in the general hospitals is also less as compared to the cost incurred. Every hospital is running at loss. I think you should try to introduce some sort of registration fee. Let the medicines and other cost of treatment be made free. But the registration fee should be more so that there should be some sort of a balance between the income and expenditure of the hospitals.

In conclusion, I support the Finance Bill. I had many other things to say. But, on the directions of the Chair, I have changed the topic. I support the Finance Bill. I thank the Chair for giving me the opportunity.

MR. CHAIRMAN: Now, Shri Kashiram Rana may speak. Before he starts, there is an announcement for the benefit of Members as well as for the press. After Eight o'Clock dinner will be provided in Room No. 70. So, these who want to take advantage can go there according to their convenience and have dinner.

AS HON. MEMBER: Is it a free dinner?

MR. CHAIRMAN: Yes, it has been arranged by the Parliamentary Affairs Minister for the benefit of Members.

(Interruptions).

SHRI YAIMA SINGH YUMNAM (Inner Manipur): Sir, I was made to understand that I shall be called earlier. But I was not called. That is why I appealed to the hon. Speaker also and he assured me. Still I have not got my chance.

MR. CHAIRMAN: I will just check up because I do not know whatever has happened earlier, and I will call you accordingly.

(Interruptions).

[Translation]

SHRI KASHIRAM RANA (Surat): Hon. Chairman, Sir, I rise to oppose the Finance Bill presented by the hon. Finance Minister. Sir, I am opposing it because I knew that there was discontent throughout the country over this Bill and the people had expressed their views against it. Keeping all this in view our Finance Minister would try to give many concessions. Sir when he announced it in the House, I presumed that he had given concessions to the tune of Rs. 29 crore but these included concessions of Rs. 20 crore given to the film industry alone. I have no objection over the concession being given to the film industry, it is good. But he has played a joke with the 85 crore population of the country by giving them concessions amounting to Rs. 9 crore only. Therefore, I would urge the Finance Minister to re-consider it and try to give the concessions, because it has become a regular feature that whenever there is a deficit budget, we out of our own thinking say that the prices of petroleum products and kerosene be increased, and every Finance Minister tries to increase the prices of items of daily use. I am of this opinion that we should mobilise such resources which don't cause heavy tax burden on the people. The taxation has reached the saturated point rather it has crossed that line. Therefore, I would request the hon. Finance Minister to find out some new sources it may be done by increasing the production or by encouraging agriculture or industries. But stop the practice of collection of taxes by increasing the prices of petroleum and items of daily use. But the position at present is that the taxes that are imposed on us neither help in increasing the agricultural production nor the industrial production.

Mr. Chairman, Sir, I would like to give the figures relating to the increasing production for 1990-91.

MR. CHAIRMAN: Rana ji, you have got total 7 minutes to speak.

SHRI KASHIRAM RANA: Mr. Chair-

man, Sir, according to our economic survey, our industrial production in 1988-89 was 8.7% and in 1990-91 it was 8.4%. Our agricultural production 1988-89 was 21 percent and in 1990-91 it has come down to 4.5% and our G.N.P. has come down to 5% from 10.6%. Sir, since our economic policy is taking the country back therefore, I wanted to cite this example. That is why crores of people of this country are in distress.

Mr. Chairman, Sir, I am recollecting a couplet, which is under:-

"Aei Zindagi Khuda Ke Liye Maaf
Karde
Baithi Hui Yeh Maut Hai Mere Intzar
Mein".

It means "Oh life, for Gods sake excuse me, the death is waiting for me".

The circumstances at present are such that most of the people don't get anything to eat. What an economic condition of the country is today? An hon. Member yesterday apprised us of the rate of inflation. Inflation has been going up since the devaluation of rupee. He feared that by the end of this year rate of inflation will reach 16 per cent and it may lead to further devaluation. What is our wholesale price index today? It was also asserted in the Congress election manifesto that prices would be brought under control within 100 days and when they form the Government the prices would be brought back to the previous position. But the prices continued to rise even after presentation of the budget. In the year 1990-91, the consumer price index went up from 6.6% to 13.6% and wholesale price index which was 9.1% went up to 12.1%. What I mean to say is that whenever there is deficit in budget, it should be diversified in some other ways. The burden of taxes, which is becoming unbearable should be reduced.

The Finance Minister first of all spoke about concessions. The biggest blunder was the criteria adopted in case of restaurant. I do not believe that the Minister of Finance himself has done so, perhaps some officer

has prompted him to do so 20% tax has been imposed in the restaurant having an air-conditioner. The criteria fixed by the Government will encourage corruption. One can term his air-conditioner as air-cooler. If the Finance Minister requires money, he should reduce the concessions from 25.30 per cent given to the foreigners. This way net Rs. 1.5 - 2 crore. Tax has been levied on restaurants. Similar tax need not be levied on air-conditioners. The Finance Minister Shri Dandavate, during the 9th Lok Sabha had assured that tax will be on the yarn itself instead of imposing 20 per cent plus Rs. 5 per sq. metre tax on the man made fibre. Abid Hussain Committee had also recommended it. If additional excise duty is levied on the yarn manufactures instead of on the cloth it would be easier to recover it. Sufficient pilferage takes place in the excise duty of Rs.500 crore that we get and taxes amount to Rs. 6-7 hundred crores instead of Rs. five hundred crores can be collected from that source. I submit that if we want to improve the quality of cloth, to root out corruption, and to compete with other countries of the world we will have to impose excise duty on yarn instead on cloth. So keeping in view all this concessions in taxes should be given which would generate more employment opportunities, curb corruption and provide more facilities to the people.

I want to raise one more point. The Government has declared 30% cut in the subsidy on fertilizers. There are 5.6 types of fertilizers like ammonium, sulphate, calcium ammonia nitrate etc. Which have been de-controlled. As a result the people have to pay 60 per cent more. The bag which was once costing Rs. 86 is now available for Rs. 140. No agriculturist is ready to purchase it. The hon. Finance Minister must think over it. Besides, no discrimination between a small farmer and a big agriculturist should be made otherwise it will encourage corruption. The manufacturers also are going to stop the production of Fertilizers which would result in loss to the Government. I request the hon. Minister to give some relief to our agriculturists very soon.

I know that our hon. Finance Minister

has full sympathy and feelings for lakhs of poor people of this country. I urge the hon. Minister to do consider the views I have expressed regarding shifting of duty, fertilizers and restaurants. With this submission I conclude my speech. Sir, I thank you very much for giving me an opportunity to speak.

MR. CHAIRMAN: Some of the hon. Members do not like it when I ring the bell, but the names of 17 persons are still with me who have to speak.

SHRI GEORGE FERNANDES: Please extend the sitting upto 12.00 O'Clock.

MR. CHAIRMAN: Time schedule must be observed it may be of 10 minutes.

[English]

SHRI K.P. REDDAIAH YADAV: Many Demands for Grants were not discussed and debated. At least, the Finance Bill be discussed to the satisfaction of the House.

MR. CHAIRMAN: I agree that 10 minutes are more than sufficient for making a particular point.

[Translation]

SHRI S.P. YADAV (Sambhal): There is so much of partiality and that will ruin the country. Sir, I gave you my name first of all duly recommended by the whip of our party. (Interruptions)

MR. CHAIRMAN: It is no good to argue with the Chairman in this manner.

SHRI S.P. YADAV: The hon. Chairman should also take care of us.

MR. CHAIRMAN: Justice will be done to you. Your name will remain where it is.

19.38 hrs.

[English]

SHRI YAIMA SINGH YUMNAM (Inner Manipur): Mr. Chairman, I rise to oppose the

[Sh. Yaima Singh Yumnam]

Finance Bill introduced by the hon. Finance Minister. I would like to state the justification for opposing this Bill.

I am very much inspired by the advocacy by some of the Leaders of this House for conferring more autonomy to the States. I have seen it in almost all the manifestoes published by the National Front and the Left Parties. I am very much inspired by them. So, I rise to advocate in support of them. While advocating for more autonomy to the States, I also imply for granting more fiscal autonomy for the States. I have seen and I have read in the newspapers that Shri Biju Patnaik, the Chief Minister of Orissa is urging upon the Central Government for giving the States more autonomy, more fiscal autonomy. I am inclined to join him even when an agitation for it is launched.

Sir, there are some small States like Manipur, Mizoram, Meghalaya, Tripura, Arunachal Pradesh and Sikkim. Of course, some other States may be there. They are very small States. They have no domestic income at all. They have to depend on the entire grants, contributions or any aid given as even the loans by the Central Government. At the same time, the States have been maintaining all the paraphernalia of a State. They have been maintaining the State Assembly, the Governor's establishment, the High Courts including even the Permanent Benches of the High Courts etc. Their maintenance is very costly. So, I would like to propose to the Government that while making the formula for distribution of the State Governments income raised by the Central Government through the Central taxes like the Income-tax, Sales-tax etc.—which are actually raised in the States must be reviewed - the proportion must be reviewed, the formula must be reviewed to suite the needs of the States. Only a token proportion must be laid down for the Centre and almost the entire taxes raised by the Central Government must be left to the States so that the States can run their own affairs. Otherwise, what happens is that all the aids

which the States get, the domestic taxes which they collect, the Grants-in-Aid which they get from the Central Government have to be spent on running the establishment of the State Governments like payment of salaries etc. So, a very little fund is available for the development works. Therefore, I would like to draw the attention of the hon. Finance Minister to consider all these matters.

Now, I would like to say something on the law and order situation in the States. Here, I mean not only the law and order situation existing in Manipur but also the situation prevailing in Nagaland and Assam also. The hon. Home Minister announced in this House that there have been disturbances in the three States of Assam, Nagaland and Manipur due to the activities of the insurgents and extremists. Therefore, Manipur, Nagaland and some parts of Assam have been declared as disturbed areas. Please imagine how much suffering the people have been undergoing there. For meeting the activities of the insurgents, I would like to propose that there must be a coordinated effort of all these three States at least. The Chief Ministers must constitute a Coordinating Committee. I feel that a single State like Assam will not be able to meet the situation. Shri Hiteshwar Saikia has announced the general amnesty to ULFA without even consulting the Chief Ministers of Manipur and Nagaland. What would be the reaction of this on the other States? He does not look into that aspect. Since the time is very short at my disposal I will make only points. So, I would like to propose to the Finance Minister that the Government should think of constituting or forming a Coordinating Committee comprising the Chief Ministers of the States or the Ministers who are looking after the Home Ministry. A coordinated approach will meet the situation there.

The extremists and the insurgents are using sophisticated weapons whereas our police or para-military forces are not provided with sophisticated weapons. I would like to propose that the weapons to be provided to our police must be of superior quality to meet the weapons used by these

extremists. There is also one thing, that the Central Government withdrew certain paramilitary forces from Manipur without even consulting the Chief Minister. How will the Government face the situation created by the insurgents there? It is brought to the notice of the House as also to the notice of the Finance Minister. This is the present position in the state of Manipur. I would like to propose that instead of imposing the draconian law, that is imposing of the Special Powers to the Armed Forces Act, 1958, the Government would better withdraw it. And the amounts to be spent on deploying the army in that area will be made available there for the development of the area. This will solve much of the problems.

In Manipur, youngsters feel betrayed because their language Manipuri—I had raised this matter in this House also—has not been recognised or has not been included in the Eighth Schedule of the Constitution of the country. They feel very much offended. That is why, they are not happy. If we can include the Manipuri language in the Eighth Schedule, I think, fifty per cent of the problems in respect of the activities of the insurgents will be solved.

Now I come to education. Under education, there is a scheme for the development of education in the border States. At the moment, it is meant for Jammu and Kashmir and Punjab only. And it excluded Manipur, Mizoram, Nagaland and Assam. Why is it so? This scheme is meant for the development of education in the border States. Manipur, Nagaland and some parts of Assam also deserve consideration on account of their backwardness. It is on account of their backwardness that they resort to this method which we do not want. If we educate them, they will come to the mainstream and they will promote the interest of the country. I would like to propose strongly that in taking up the programmes for the development of education in the border States, these areas—Manipur, Nagaland, Assam, Mizoram, Meghalaya—must be included.

Manipur has experimented about the

total prohibition in the State. The Government have promulgated the prohibition. There is total prohibition in the State. But it incurs a loss of about three crores of rupees. I may be wrong in this and stand subject to correction also. It is a good measure which is appreciated by all the people. It is for the welfare of the people. But the loss must be compensated by giving more grants to the State by the Central Government.

The time given to me is very short. There are so many things to say about this region. There are so many points. But, I shall raise one last point.

In this House, so many discussions have taken place about the atrocities against the Scheduled Caste people. But, Manipur is free from it. Manipur is an ideal State on this account. There is no such incident or anything like that, that had occurred elsewhere in the country. We are proud of it. The people there do respect the sentiments of the Scheduled Castes and they have a high regard for them. So, it may be taken as an ideal State, in our country.

Lastly, I would like to draw the attention of the hon. Finance Minister, for providing more funds to the smaller States, so that they can be put up on par with other developed States in the country.

Thank you.

19.51 hrs.

[SHRI P.M. SAYEED *in the chair*]

SHRI SRIBALLAV PANIGRAHI (Deogarh): Mr. Chairman, Sir,... (*Interruptions*)

MR. CHAIRMAN: Do you know how much time is allotted for you? You have been given seven minutes.

SHRI SRIBALLAV PANIGRAHI: That is always flexible and particularly, when a generous man like you is in the Chair, we are encouraged to speak (*Interruptions*).

[Translation]

SHRI K.P. YADAV (Sambhal) I am boycotting the House as well as dinner also.

19.52 hrs.

[Thereafter Shri S.P. Yadav left the House]

[English]

SHRI SRIBALLAV PANIGRAHI: I am afraid, that this time will be adjusted against mine: (Interruptions):

MR. CHAIRMAN: Please continue.

SHRI SRIBALLAV PANIGRAHI: Sir, I rise to support the Finance Bill No. 2 of 1991. If you look at the Budget of 1951-52 and this year's budget of 1990-91, you will find that over the last four decades, there has been a manifold increase, which is fantastic. The increase is about 300 times. But, I am pained to observe that the time allotted in the Lok Sabha to discuss the Demands, to scrutinize the expenditure proposals is gradually decreasing. This is really a contradiction. The expenditure is increasing manifold but the time before the House is getting reduced, to discuss the Demands. Even during the session, the number of days and the number of sittings are getting reduced. I am afraid that I cannot suggest to increase the number of sittings, because, as you know, while moving among the people, there is a tremendous pressure from the people and they feel that their Members of Parliament should be by their side in the rural areas. Therefore, I am not suggesting to increase the number of sittings of the House but at the same time, a way has to be found out, so that all these expenditure proposals are properly scrutinized. That could very well be done through Committees, to be formed. The Parliamentary Committees should be formed and there should be no escape from that. Otherwise, it does not add to the credibility of our Parliamentary System and there will be no accountability and no surveillance. I am not going to elaborate it further because of constraints of time. So, the minimum that I

would suggest is that before long let us not delay further the formation of these committees to effectively monitor, to discuss all the expenditure proposals, etc. (Interruptions) There should be pressure from all sides. There should be unanimity about it.

As you know, ours is, by and large, an agricultural country. Agriculture is the mainstay of our economy. Our agriculture is, by and large, dependent on the behaviour of monsoons. Therefore, from the British days, it is rightly called that Indian budget is a gamble on monsoons. I think, that still continues.

Regarding the proposal of Shri Chandulal Chandrakar about the change of financial year, I also made a forceful plea in this house 3-4 years earlier while participating in the debate on Finance Bill for the change of financial year. With the present financial year, what happens is that by the middle of summer season, our budgetary process is over. Budgets are passed. By the time that is communicated to the field level, monsoon comes in. Therefore, real development in the new financial year commences from November and not before that. What is the effective working period that we get for developmental work to be carried on, to be implemented in the field? It is five to six months. Is it a good practice? Is it a healthy practice? Is it to the advantage of our economy? Therefore, with all the emphasis at my disposal, I say that from the British days, we are having April 1. Why should we have it? We should judge our own situation. Therefore, it should be fixed in such a way that budget is prepared looking at the crops. You know what is going to happen, how are the crop prospects. Accordingly, you can go ahead. Right from November, developmental work starts and goes on uninterrupted up to the end of June, before onset of monsoon. Thereby you get about nine-month working period instead of the present brief period of five to six months. Kindly take it into consideration.

There are several good measures in our budget. I am not going to deal with them.

Even some concessions have been announced by the Hon. Finance Minister while moving the Finance Bill two days before.

To promote exports, etc., naturally, our problem is two-fold. We are passing through economic crisis in our country. Our problem is of balance of payment and again how to improve our export position to earn more foreign exchange and how to curtail our internal expenditure, how to economise things inside India and how to promote our exports and, at the same time, to contain the price rise. All those things are there. We have gone for IMF loan in a big way. The situation was so pressing that however humiliating it might be, we had to send shipment of gold out of our country. These are very humiliating things. At the same time, there is no escape from it. The situation was so grave. Therefore, in our policy, etc., the remedy is very much there. They are taking action to correct the situation. But I am constrained to observe with a heavy heart that required seriousness is not there in our conduct, in our practices. It is not finding expression at different levels of administration. (*Interruptions*).

20.00 hrs.

All that is happening clearly creates an impression, and that is so also, that there is a condition of economic emergency in the country. But is it reflected in our action? Is there any considerable curtailment in Government expenditure? Is there any car being reduced in any Ministry? Have any Government dinners been curtailed after the Presentation of the Budget? What signals are we giving to the common man and to our officers who are working at different levels? Is there any reduction of foreign visits by officers and even by Parliamentary Parties? So, when there is an economic emergency, we also should act accordingly. I am not finding fault for this. But the situation is really very grave and it calls for drastic measures. I earnestly appeal to the hon. Finance Minister to take such measures. Our system is such that different political parties are in power in different States. Unless there is a close

coordination and good understanding among all of them, the Union Finance Minister cannot help the situation. What can the poor Union Finance Minister do? He can only formulate policies here. But, by and large, their implementation depends on the State machinery. He has gone in for dual pricing in fertilisers. Who will implement it? The State machinery will have to implement it.

Again, we have come across a very disturbing news item in the Press that several Chief Ministers had expressed their helplessness to implement such a policy. It came in the newspapers. Dual pricing in the case of sugar is a bitter experience.

Our public distribution system, is, by and large, meant for the poorer and weaker sections but the way the sugar distribution policy is implemented through the public distribution system does not really help the poor people. It helps the affluent people in the towns and urban areas. Therefore, it calls for some re-thinking.

On the one hand, we have got the difficulty in producing fertilisers but on the other hand, several factories run by the Government of India undertakings are going to be closed. This includes the one in Talcher in Orissa. About Rs. 126 crores which the F.C.I. is entitled to as subsidy is being held up. Although the earlier Finance Minister took this decision, some other officers want to adjust it for some other purposes like arrears, etc. and so, that will not go for production of urea, etc. which is very much in demand. Therefore, all these mischiefs which are being played here and there should be looked into. This is a very vast country with numerous problems. We have a new Economic Policy and a new Industrial Policy with revolutionary changes. We should not expect that it will be very easily implemented. It needs close monitoring. There should be a mid-term appraisal regarding our financial position. As you know, inflation has already touched a double digit figure. So, naturally, the prices of fertilisers and procurement prices have increased. But the peasantry is discontented. They have genuine grievances.

[Sh. Sriballay Panigrahi]

The increase in procurement prices will increase the issue prices which will again be reflected in the price index and that would again mean an additional dearness allowance, which will have to be paid. So, this is a vicious circle. All these things are very complicated and we have to be very alert. An atmosphere of urgency has to be created and this should involve all the concerned people, State Governments, Members of Parliament, social workers and so on. To create such an atmosphere Government of India should take the initiative. I request the hon. Finance Minister to take the necessary measures without any loss of time.

Now I would like to mention certain points about tax collection. There should be bank loans for farmers. But the waiver scheme of the Janata Dal Government has landed this country into a difficult situation. Many cooperatives ceased to exist. Loans are to be provided to farmers. In many areas there are no banks. Shri N.D. Tewari when he was the Finance Minister, came out with a proposal that every village would be cashed by Bank. That is a very good idea and it should be implemented.

MR. CHAIRMAN: You please conclude. There are other to speak.

SHRI SRIKANT JENA: The time is extended upto 12 o'clock Sir.

SHRI RANGARAJAN KUMARAMANGALAM: Sir let me clarify. All those Members who want to speak will finish today. The Finance Minister will reply tomorrow and the voting also will take place tomorrow morning. Dinner is available in Room No. 70. It is a very special dinner.

MR. CHAIRMAN: Mr. Panigrahi why don't you conclude and go and have your dinner?

SHRI SRIBALLAV PANIGRAHI: Now I come to Jawahar Rojgar Yojana. Sir this project is having a very limited scope in

many States including Orissa. In Orissa, MLAs happen to be the Chairmen at the Block Level Committees. The other members are one BDO and two engineering overseers. They are exercising powers overriding the recommendations of the Village committees. They do merrily whatever they feel like doing. In several Blocks, there are serious departures from established practices. I would like to draw the attention of the Finance Minister and request him to look into it. It should not be used for political purposes.

Now I would like to mention one or two points about family planning. The Demands for Health Ministry are not discussed in the House. We all know that by the turn of this century, our population will touch the figure of one hundred crores. I would urge upon the Government to convene a large scale conference to be attended by not only political leaders and social workers but also leaders of different religions. It would greatly help to build public opinion in favour of family planning. While visiting many countries including Islamic countries and also when parliamentary delegations visited India, we had an opportunity to come into their contact. In Islamic countries also this programme is vigorously implemented. I had suggested that their religious leaders should be invited here. Family Planning Programme should be given the highest priority. I agree that a little bit of compulsion is necessary in order to be effective. It has to be decided by consensus in a larger conference to be attended among others by all these religious leaders also.

In Eastern India the main problem that the agricultural field is facing today is to increase the productivity. Unless we improve the productivity the lot of the farmers working in West Bengal, Orissa, Assam will not improve.

I would say that the recommendation of the 9th Finance Commission will not hold good so far as floods in the State of Orissa are concerned. Orissa Government alone cannot meet this challenge, without special

consideration shown by the Government of India to meet this calamity.

States like Orissa, which have the income less than the average national income, should be given some special consideration.

There are many welcome features in the Finance Bill. I wish it all well. Still there are some loopholes. They are not the products of today. I request the hon. Finance Minister, who is labouring very hard, to set to look into these matters.

Thank you, Sir.

[*Translation*]

SHRI HARI KEWAL PRASAD (Salem-pur): Mr. Chairman, Sir, in my view the bill introduced by the Finance Minister and on which discussion is going on, is an attempt at enslaving the country once again. I hold the view that persons like Mahatma Gandhi, Netaji Subhas Chandra Bose, Jai Prakash Narayan and Jawaharlal Nehru drove the Britishers out of India and gave us independence. But today hon. Finance Minister has yielded to the pressure of big industrialists through multinational companies and has introduced this bill. This is a black bill and it aims at promoting the interests of multinational and big companies and big industries by ruining the people who are living in the village streets and huts who may be agricultural labourers, small weavers, small craftsmen, and those running small industries.

Mr. Chairman, Sir, the hon. Finance Minister stated that he would curb the price rise within 100 days. Prices are continuously rising, there is no looking back and I am afraid this is the biggest failure on the part of the ruling party. They have betrayed the people of the country because they promised to contain price rise within 100 days, but during their rule the rate of inflation has registered an increase of 7 per cent, i.e. from 13 per cent it has crossed 20 per cent. According to my information. The Finance

Minister is going to enslave the country by devaluing the rupee once more after the current session comes to a close. You did not impose tax on wine, but you did levy additional duty on bidi-smokers. Who smokes bidis after all? During the preparation of the budget you might have noted that the rickshaw pullers, the rural People living in huts only smoke bidis and all the big industrialists of the country drink wine. They offer wine to get their cases cleared is also to get soft decisions in their favour. You have freed them from tax but you have imposed tax on bidi-smokers and tobacco chewers. You think for a while that out of 14 crore lakh hectares of the total cultivable land in this country, you have not been able to provide irrigation facility for even 30 per cent of the land. You do not have any water - policy, by which you could manage to provide irrigation facility for the peasant's fields. The situation has deteriorated and the Public distribution system is also sick. Under Your Government, a farmer living in the huts in villages gets one liter of kerosene per unit through Fair Price Shops whereas an urbanite get 5 liters in the city where electricity is also available. A person living in rural area gets 250 gms. of sugar per unit whereas an urbanite gets one kilogram. All that I want to ask is as to what programme the Government propose to formulate for the people living in the countryside? When the population of our country was 34 crore we used to import food-grains from abroad, today we are 85 crore and yet we import rice and sugar and wander for begging debts and apply doubt standards for those very farmers who produce rice and wheat. You applied dual policy for fertilizers as was in the case of sugar. Let me remind you once again that it was the Congress Party who promised in their election manifesto that prices would be rolled back within 100 days. Now, then many of our colleagues from this party take the floor for making a speech, they state that the Janata Dal Government has put a burden on the country by waiving the loans upto Rs. 10,000. I would like to ask you to go through the history of 44 years you have waived the loan of many big industrialists and when the Janata Dal waived the loan of farmers upto Rs. 10,000, you are worried

[Sh. Hari Kewal Prasad]

because you are used to exploiting the farmers. You are used to torturing them. The Janata Dal provided relief to them and that is why you were worried. Replying to a question in this very House during the rule of the last Janata Dal Government, the hon. Minister had stated that the 555 firms in this country owed income tax arrears amounting to Rs. 4500 crores as on July 31, 1990. You are not able to realise it. You could not initiate action to realise it. You will provide concession to them but you have oppressed the farmers by applying double standard in the case of fertilizer.

I would like to tell the hon. Minister that I happened to listen to his budget speech also, but I am of the view that the bill introduced at the instructions of the multinational companies and some foreign countries will ruin the small industries, whereas the big ones will prosper in this country. We know that the farmers are scared of the dual price policy of fertilizers, and hence I request that it should be done away with with immediate effect in order to remove the discrimination between big and small farmers. Why are you going to discriminate between the farmers? Today, who gets the benefit of the facilities to loan for buying buffaloes and other things in villages? The poor Harijan and small farmers are deprived of these benefits whereas the big ones take advantage of it. Therefore, I demand that the existing dual price policy of fertilizers should be done away with and discrimination between small and big farmers in villages be stopped forthwith.

You told that you would treat all farmers at par. I feel that the benefit of giving subsidy on fertilizers to the small farmers of this country will be cornered by the big farmers. So, why do you want to encourage corruption in this country? If a poor farmer goes to any of the banks of the country, none of them is prepared to provide him loan without taking commission from him. I want that you should arrange to provide loans without a commission at least through the banks.

Sir, so far as the question of small industries in this country is concerned, their condition has become very miserable during your rule. In order to improve its condition, you will have to adopt a policy, which may prove to be a guiding factor to each and every person. What has happened in the recent past is that you provided Rs. 100 crore in the budget for the Rajiv Gandhi Foundation and that move was opposed from every quarter. You do not have shortage of funds for such things. The country is in the grip of unemployment, as 11 crore people are unemployed in the country. Just now one of the members stated that we were passing through economic crisis and the country was going through a period of crisis, the economy of the country was almost shattered, but no cut has been effected in the daily expenditure being incurred by our Ministers including the Prime Minister. There has been no cut in the luxuries of a Minister. In such a situation, how can you say that the country is passing through economic crisis, what sort of crisis is this? On the contrary, we find that our luxuries and salaries are going on increasing.

Your conduct is just contrary to the promises made, dreams shown and assurances given to the country. I want that there should not be a gap between what you preach and what you actually practise. The fact remains that even after 44 years of the nation's independence electricity could not be provided to the huts in villages of the country. Today the rural poor is migrating to cities. Nowhere he gets a place to live. He is in a sorry plight, he is helpless whereas the urbanites are progressing uninterruptedly in the direction of procuring the means of comforts and luxuries.

In such a situation, every educated person whether he is from a village or a city, is worried about the Money Bill that has been introduced by you. This House is the mirror of this country. Through this House, I want to file a suit against you and call upon the people of the country to show you the reality. All the people of this country should forge unity and burn this Money Bill because it is

detrimental to the interests of the poor, backward, downtrodden people of the nation. Opposing this bill strongly, I would request you to withdraw the dual price policy of fertilizers. Just have a fresh look on this policy so that every citizen of this country could enjoy his right of living peacefully. At the same time, I demand that a ban be imposed on inviting the multi-national companies to the country.

PROF. PREM DHUMAL (Hamirpur): Mr. Chairman, Sir, I rise to oppose Finance Bill No.2, 1991. peimarily, I am opposing it because the Hon. Finance Minister has not raised the income tax exemption limit. The excuse is that there is financial crisis in the country and all the classes will have to make some sacrifice. Then I would say that 'charity begins at home'. As some of my friends have pointed out here, how many Cabinet Ministers have cut on their cars. A few days back there was a report in the Newspapers that 6 to 7 cars at the disposal of each Minister. The curtains at their house.... (*Interruptions*)

The Indian Express has published the name of those Ministers who have 6 to 7 cars at their disposal. Besides, it has also appeared in the report that some Minister spend lavishly for matching upholstery. The Hon. Minister should find out how much is being spent on furnishing and renovation even when there is financial crisis. The Cabinet is becoming unweildy and there is a lot of wasteful expenditure.

Mr. Chairman, Sir, on the one hand the Government appeals to the salaried class to cut expenditure and does not give them any relief, whereas on the other hand there is no cut in the Government expenditure. Why are the salaried employees being harassed and over burdened for the sins of 3 per cent population in the country who are enjoying. Today even a person drawing Rs.2500/- per month is finding it difficult to make his both ends meet where the Hon. Minister is adamant that he will not raise the income tax exemption limit. I would, therefore, urge the Home. Finance Minister to raise the income

tax exemption limit upto Rs. 48,000.

Mr. Chairman, Sir, the second point is about the Central Excise Duty. The small industries are employment oriented but in spite of increased cost of raw material and the cost of production no relief has been given in the Central Excise Duty. Neither there is any change in the slab nor in the rate of Excise duty. I would like to suggest that the existing exemption limit of Rs. 15 lakhs should be raised to Rs. 30 lakhs. Beside 5 percent basic central Excise duty should be imposed on units having sale of Rs. 1 crore. If this is done multiplication of units would be less and there would be remarkable improvement in quality and quantity. 10 per cent Central Excise duty should be levied on industries having sale between Rs. 1 to 5 crores and 15 percent should be levied on units having sale over Rs. 5 crore.

Mr. Chairman, Sir, I would like to cite the example of glass industry here. 44 percent Central Excise duty has been levied on glass industry and inclusive of sales tax and other taxes the total tax percentage is 58.4. The excise duty should be reduced. Thailand is a small country. There one factory produces 35,000 tonnes of glass whereas our total production is 600, 000 tonnes. This means that only one factory there is producing half the total production of glass in our country. Its production cost is much less than tin. Therefore, I urge that the Excise duty on glass should be reduced and the slab as well as rate of tax should be reduced.

Mr. Chairman, sir, I would like to submit to the Hon. Finance Minister that he has committed another atrocity. It seems as if he has gird up his lions to attack the salaried class. To evade the dragnet of taxes people used to buy National Saving Certificates and all their savings was per force but now even if their money is in a bank the deduction would be made at source if the amount of interest is taxable. Those whose source is known, you can deduct from the source but why no attention is being paid to those who earn from unknown sources.

[Prof. Premdhuma]

Mr. Chairman, Sir, a strange thing is happening I do not know whether you are aware of it though the banks are under your Department. Now nobody wants to deposit money in banks. On the one hand, rising prices have already cut the savings of people whereas on the other hand, income tax deduction is being made on the interest amount of the deposits in the banks. As a result, development work would stop and the banks would have no more deposits. Therefore, I would like that the law of deducting income tax from the interest amount may be withdrawn.

While concluding I would like to submit why you are not paying any attention to the class of people who keep track of the happenings around us. The recommendations made by Bachawat Wage Board about working journalists have not so far been implemented and these have been challenged in the court of law as well. Many Newspapers have not implemented it. I, therefore, demand that a statutory body, similar to the Pay Commission for those working in the Newspapers should be set up and they too should get Dearness allowance, Medical allowance and other facilities like the Central Government employees so that they could discharge their duties honestly. With these words, I conclude and thank you.

*SHRI OSCAR FERNANDES (Udupi): Mr. Chairman Sir, congratulate the Hon'ble Finance Minister for his efforts to prepare this well balanced Finance Bill despite various constraints. Infact, he has awakened the people of this country to understand their duties and responsibilities. The people of the country are able to understand the situation prevailing in the country and they are ready to face it. State Governments and the Centre should have suitable programmes for the people. Some times I doubt whether we are hesitating to prepare such programmes. Sir you have been able to fix the tail of the devil but you must take the devil head on. Catch

the devil by its horns. Then only you can find the solution to the prevailing problems.

Poor people take loans and to return the loan instalments they get loans again. It is not enough if we have programmes to adjust the international balance of credit. We have to increase the production and the wealth of country should go up. Only this would help us to solve the financial crisis and sanction of loan after loan would not help the poor masses of this country. I, therefore, urge upon the hon'ble Finance Minister to call a meeting of Finance Ministers of all states in Delhi to discuss various aspects and to prepare a plan to save money. Mobilisation of funds in the rural area must be taken up vigorously. The funds collected can be utilised for the development of the country. Savings through National Savings Certificates should be encouraged. Various organisations like youth clubs, Mahila Mandals etc. and school students can also render good service in the mobilization of funds.

I appeal to the Hon'ble Finance Minister to take appropriate steps to mobilise funds particularly in the rural areas. Here in Parliament we make speeches and it may not help the people to a large extent. Hence it is very essential to set up an Informal Committee of this House to go into the details of the various programmes that we propose to plan for the people. The people have understood the realities and they are prepared for any sacrifice. If we give them the good programmes then the people will definitely achieve success and the financial crisis can be solved easily. The financial crisis of the country took a new turn because of war in the middle east region. Several thousands of people working in Kuwait and other neighbouring countries returned to India. Now the situation has improved after the war. Many employees have returned to those countries and negotiations are going on to send more Indians there. This step would enable our country to earn more foreign exchange. Our Hon'ble Minister visited those countries and due to his best efforts the present conditions is favourable to us.

*Translation of the speech originally delivered in Kannad.

We have achieved considerable progress in the production of foodgrains. We are also exporting several foodgrains. This is not enough. We have to convert these foodgrains before exporting. They can be converted into eggs, milk, meat, fish etc. For example there is a great demand for Indian fish in the international market. We have a very vast coastal area. Unfortunately we are not exploiting these natural resources to the expected level. It is inevitable to increase the production and export. This would enable us to fetch valuable foreign exchange.

I do not want to go into more details as there is constraint of time. However, briefly I would like to deal with some special problems of my State Karnataka.

The fishermen, especially, in the coastal areas are in great trouble. The soil erosion is taking place continuously in the coastal areas and we have not taken steps to check this. Sea walls have to be erected immediately if we are interested in protecting the lives of fishermen. Otherwise their life would be ruined. I, therefore, urge upon the Hon'ble Minister to take up relief programmes. Financial assistance is as much to Karnataka for constructing sea walls. The construction of Sea walls should be taken up without any further delay as sufficient damage has already been caused.

Mangalore Oil refinery and petro chemical complex have to be set up soon. I hope the Hon'ble Minister would set up these projects in the early 8th plan period. Vijayanagar steel Plant is also a long pending project in my State. This project should also be cleared as early as possible during the 8th plan.

Karnataka is facing acute shortage of power. The Centre, therefore, should expedite setting up of Mangalore Super Thermal Power station. Russian assistance is expected for the completion of this project. The political scenario in that country is changing but I hope that the work of this vital project does not suffer.

Huge quantity of gas is being flared up unnecessarily in the Bombay High. The gas from Bombay High can be channelised to the Southern states through pipes. This step would enable the Southern States to generate more energy and set up more industries.

The second stage of Malpe port has to be completed at the earliest. The progress of fishing industry in the entire state largely depends upon the completion of this port. More Landing Sites have to be provided and they should have all modern facilities to boost production.

I am sure that the Hon'ble Minister is quite capable of tackling all these problems. I hope he would come to the rescue of fishermen and provide facilities to them including immediate construction of Sea Walls across coastal Karnataka.

Sir, I am grateful to you for giving me an opportunity to speak on the Finance Bill and with these words, I conclude my speech.

[Translation]

SHRI TEJ NARAYAN SINGH (Buxar): Mr. Chairman, Sir, I rise to oppose this Bill. Many people have been ruined because of the policies of the previous Government. The people were expecting that after the elections the country would have a good Government which would roll back the prices. Lot of promises were made during the elections and people believed them. People generally work on trust. They thought that as great leaders were making promises, the Government which would be set up would certainly ameliorate their sufferings. These leaders did not merely make promises but gave them in writing too. Ours is a religious country and we have full faith in religion. So strong is our faith that we believe there is God in stone also. Even if one fall on way, one believes that God has done it. We are fatalists and that is why we allow these men to occupy these positions. As soon as the Congress Party took over the reins of power the Hon. Prime Minister appealed to the people that the country is passing through a

[Sh. Tej Narayan Singh]

financial crisis and unless everybody - whether one is in opposition or in the ruling party - work together we would not be able to solve the problems of the country. Some people were surprised as to how was it possible that the country's coffers were empty after 42 years of Independence. But even then majority of people believed that the coffers were empty.

People had high expectations from this Budget and they were hopeful that this year the hon. Finance Minister would provide relief but as against it the prices shot up tremendously. The increase was double in many items and the people living below the poverty line were ruined. I think this was the first time when prices touched all time high ruining the people below poverty line to such an extent. Those who do not get even two square meals a day are said to be living below the poverty line. Out of 80 crore population, 40 crore are living below the poverty line and the price rise is affecting them so much that their condition is going from bad to worse.

Not only this, 70 percent of the farmers are also getting ruined. Earlier the price of one bag of fertiliser was Rs.122 and the farmer was somehow affording it. They were feeling the pinch of price rise and were hopeful that the new Government would roll back the prices of fertilisers but as soon as this party came to power the price of fertilisers rose upto Rs.170 to Rs. 180. When a lot of hue and cry was raised by all the parties and people resorted to agitation the hon. Finance Minister announced that old rates would be charged. He divided the farmers in two categories viz., small farmers and big farmers. Again the people believed it and thought that they would have to pay Rs.122 for a bag of fertilisers. But I regret to say that in no corner of the country a bag of fertiliser is available for less than Rs. 180. What to talk of benefiting the farmers such a policy would bring them to the brink of ruin. Therefore, I would like to urge the hon. Finance Minister to fulfil his promise of not raising the price of

fertilisers. He should at least ensure that a bag of fertiliser is made available to the farmers at Rs.122, which was the existing price before the Budget. This would strengthen the position of farmers. Loans of farmers upto Rs.10,000 were written off during the Janata Dal regime to strengthen their position. But now it seems the farmers will be ruined. Many people say that writing off loans upto Rs.10,000 has brought the situation to such a pass. How is that possible when 70 percent of the farmers were benefited through this measure. The country's situation will worsen when benefits would be given to those who do not work. That will not do any harm to the country. If loans given to farmers, labourers and rickshaw-pullers are waived, I think the people living below the poverty line will stand to gain. But this Government will criticise the Government which waived loans of Rs.10,000. at the same time it is not prepared to waive loans given to poor people. This Government believes only in making criticism. So I would ask the members of the Congress Party to support the move to waive the loan of people living below the poverty line, if they are critical of the loan waiver of Rs.10,000 in case of farmer. I know that the Congress Party will not take such a step because the funds available with the Government are just enough, to meet the current expenditure. The Prime Minister and the Finance Minister say that the country's economy is in jeopardy. But from 1952 till now there has been no cut in the facilities being given to Ministers. There is no sign of reduction in the number of cars they are using. You preach the poor farmers about the merits of austerity but in case of facilities being provided to Ministers the Principles of austerity are not followed. There should be no difference between word and deed of the hon. Finance Minister. If he tells the people regarding the economic crisis then he should also be prepared to make sacrifices. His words do not have any effect on the public because there is no element of truth in them.

I have had many discussions with the hon. Finance Minister regarding corruption in the country. A poor man who gets a loan of Rs.5,000 has to pay Rs.1,000 as commis-

sion. If the commission is not paid, the bank manager rejects his application. This is not done in just one bank but in all the banks. In fact, corruption is rampant in all Government Offices. This Budget has dealt a blow to the public. The Government must take steps to bring down prices. Otherwise, farmers, labours and youth will be constrained to retaliate. They may start an agitation which will make politicians complain that the law and order situation in the country has deteriorated. But at that time, it cannot be termed as an agitation, because it is a people's struggle for getting essential commodities. The Government does not pay attention to these things.

The price of petrol has been increased. This led to an increase in the prices of all commodities. Bus fares have been doubled causing severe hardship to the common man. The poor constitute the major part of country's population. Such people are helpless in the wake of the hike in rail and bus fares. So the Government must take steps to bring down prices.

With these words, I oppose the Bill. I would like to say that this budget is anti-people. This Budget must be withdrawn and a new Budget should be presented. Let that Budget be anti-Tata or anti-Birla but it must be pro-people.

[English]

SHRI PETER G. MARBANIANG (Shillong): Mr. Chairman, Sir, we had waited to speak during the cut motions on different Demands, but could not get a chance. Therefore, thank you for giving me this opportunity.

Sir, I rise to support the Finance Bill and I must congratulate the hon. Finance Minister for bringing a very very pragmatic Budget this time in Parliament.

Sir, there are certain observations which I would like to make. Firstly, I want to bring to the notice of the hon. Finance Minister about the spiraling rise in prices of different commodities, essential commodities or construc-

tion materials or other commodities that we find in India today. It is very very strange. I should not pass any judgment on that because I know it takes time for both monetary and fiscal measures to operate in the economy which have been left haywire for a long time during the previous two governments. However, time has come that something effective should be done to bring down the rising prices. We find that even here, in Delhi, prices have gone up very much and we could see in the press that the inflation may move up to 20 per cent. The rise in prices may even go up to 20 per cent and it is very very harmful especially to the image of all of us from the Congress Party because we have promised to the people that we should bring back the price situation of July 1990. But it seems that the prices have gone beyond control. Sir, I find that though a few measures, fiscal measures and monetary measures, are operating in the economy, yet there are some extra measures which are needed very much. One is regarding hoarding. We have to stop hoarding. We should be able to find out our own agency to see that businessmen and Black market, do not hoard goods. We find in the market now that the availability of many commodities is not there. It is very unfortunate. Even in Delhi we don't find those commodities in the market and it has been done intentionally in order to raise the prices of these commodities.

Coming from the North-Eastern India especially Shillong, I can say that Shillong has the highest price index for any commodity in India. Now all prices have gone up in Shillong; not only in Shillong, in Aizawl in Mizoram, in Agartala in Tripura, in Kohima and Dimapur in Nagaland everywhere, in all the Headquarters of the seven States, there, in Guwahati, Jorhat and Dibrugarh, prices of all essential commodities, construction materials and everything have gone up. We should try to be more effective in bringing down the prices so that we can bring them to the level of July 1990 which we have promised to the people and the time has come now and I appeal to the Finance Minister that something should be done in this respect. Secondly, for the growth of any economy

[Sh. Peter G. Marganiang]

anywhere in the world we want that there should be a balanced growth. Imbalanced growth of the economy will bring in many problems which may neutralise the good effects. The whole North Eastern region is very very backward. Assam and Meghalaya hardly have any industry or public sector undertaking; the other hill states also do not have any industry. So, the Government of India should open up its eyes and try to identify the industries which can be located in these areas so that they will also be able to contribute to the balanced growth of the Indian economy. We also find that in most of the States in the North Eastern region and especially in Meghalaya, 70 per cent of the people are agriculturists. Our State Government had submitted many Medium Irrigation projects to the Central Government for clearance. I would like to draw the attention of the hon. Finance Minister to take some steps to clear these projects which are lying either with the Finance Ministry or the Agriculture Ministry.

The projects are, Rongai Valley Irrigation Project in West Garo hills costing about Rs.16 crores with an irrigation capacity of about 3,400 hectares of land, Pynthorwah Irrigation Project in Jaintia hills costing about Rs. 500 crores with an irrigation capacity of about 6,000 hectares of land, Pynthorrim Irrigation Project in Jaintia hills costing about Rs. 400 crores with an irrigation capacity of about 2,500 hectares of land and Macoramhah Irrigation Project in West Khani hills costing about Rs.12.30 crores with an irrigation capacity of about 3,000 hectares of land. The State Government has submitted all these projects, but till today nothing has been done. Now, we find that irrigation cannot be done in Meghalaya and this causes obstruction to the growth of the State.

Then, another thing in which I would request the hon. Finance Minister to pay special attention is the tourism industry. Meghalaya has a beautiful and charming green hills. We do not have snow-capped peaks as in Kashmir, but the scenario is

really beautiful and it will attract so many foreign tourists to the State. But, because of the Restricted Area Permit, it has created a big problem for the tourists. Therefore, I would request the Finance Minister to impress upon the Home Ministry to do away with the Restricted Area Permit system. Meghalaya is a peaceful State and the foreign tourists who come there will be spending only 10 or 15 days there. We have handicrafts and other things to offer to them on sale. This will create additional employment to the people of Meghalaya. We have promised to create 2 million job opportunities. But, I am afraid that unless the States also contribute the Government of India will not be able to fulfill the promise made in the election manifesto. The tourism industry is one industry that can help to develop Meghalaya and offer employment opportunities to the local people there in thousands. The Govt. of India should trust the State Govt. and allow R.A.F. to be issued by the State Government.

21.00 hrs.

The Government of India should help us in this.

Again talking to tourism, till today we find that Shillong Airport has been on the aviation map for a long time. But the Indian Airlines have not touched the Shillong Airport. It is high time that something should be done to extend the flights of Indian Airlines to Shillong Airport also. We have Delhi-Guwahati-Imphal; Delhi-Guwahati-Agartala; Delhi-Guwahati-Dimapur. But Shillong has been avoided. It is very very unfortunate that such a situation is existing. Shillong is the capital of Meghalaya State. In fact, at one time Shillong was the capital of Composite Assam State. Therefore, the time has come that Indian Airlines should open up its branch there and operate from the Shillong Airport.

Before I sit down, I would like to touch one very important point, namely Northern Hill University. I find that much of the money which has been given to this University has not been properly utilised. It is high

time that something should be done. Most of the University buildings have not been completed. It is very very unfortunate that lakhs of rupees are being spent only on rent. Whereas we have given vast stretch of land when I was the Education Minister and the construction was started in 1977. But till today we do not have the lecture hall, the library staff quarters. We do not have anything. Nothing has been done to develop the University. All buildings, lecture halls etc. have been taken on hire. Lakhs of rupees have been spent only on rent in this University. I hope the Finance Minister will tell the concerned Ministers on all these issues.

Thank you.

[*Translation*]

DR. LAXMINARAYAN PANDEYA (Mandsaur): Sir, while presenting the Finance Bill, the hon. Finance Minister claims that the state of the economy can be improved even if it requires devaluation of the rupee, mortgaging gold or putting a heavy tax burden on the middle and lower classes. The Finance Minister will not hesitate to take any steps. If need be, India will also accept all terms and conditions laid down by the I.M.F. for giving aid to India.

Sir, whatever, little concession was being given to farmers has been withdrawn by withdrawing subsidy from fertilizers. Although small farmers have been exempted from this increase in price of fertilizer, the dual policy adopted by the Government has been the cause of discontentment among the farmers. The amendments presented in the Finance Bill by the hon. Finance Minister himself are not few in number. The amendments have been moved because the Finance Bill in its present form proposed many taxes which would have caused more problems for the people.

I want to draw the attention of the august House towards certain points. Earlier tax exemption was being given to all the assets, whether it was a car or any other article, acquired upto the end of the financial year

i.e. 31st March but now that facility is to be withdrawn by laying a condition that the article must, at least, be 180 days old. This is what has been proposed by the hon. Finance Minister. Similarly, taxes have been imposed on usage of A.Cs by small hotels. Even the selling of handicrafts through emporia and the resultant earnings in foreign exchange has not been exempted from taxation and it has been brought within the purview of income tax. I feel there is no objective behind withdrawing this concession. This concession should not be withdrawn. So far as co-operative banks functioning in urban areas is concerned, only small societies of farmers have been given exemption under the proposed amendment. The Co-operative Banks also function in urban areas. Then how work out as to how much they earned from farmers and how much from the transaction of deposits they received from traders. So how can we make a distinction and exempt some Co-operative Bank from taxation. That is why I say that all the Co-operative Banks should be fully exempted from taxation. If this will be the case, it would hardly matter whether the work is done on Co-operative basis or through any other means. The annual turn over of these banks is hardly Rs. 5 crores or Rs. 10 crores. In exceptional cases the total turn over of some banks reach Rs. 20 crores. But their income is also not substantial. All these banks should be exempted from taxation. Certain people earn a living by taking commission for their service. It is proposed to levy tax from them also. I propose that they should be given some concession by way of enhancing the exemption limit. I have given a notice of amendment in this regard. I shall make my point at the time of moving the said amendment. Now I would like to submit that the exemption limit of income tax should be increased. The Government has already put a heavy tax burden on people by raising the prices of petrol, rail fares and LPG cylinders. That is why the exemption limit of income tax should be raised to Rs. 48,000. Different slabs should be fixed for different categories of Government servants. The hon. Minister of Finance has admitted that rupee has been devalued and its value has taken a nosedive.

[Dr. Laxminarayan Pandeyya]

The rate of inflation is also increasing. The price index has gone up during this period. The Government increased taxes, but it is not going to increase the exemption limit of income tax from Rs. 22,000. In fact, it should be Rs. 48,000. In the same way they have not spared the biscuit industry from taxation. In Gujarat, diamond industry is going to be closed down. They have not spared it also. My hon. Friend, Shri Ram Naik would elaborate it in his turn. They have also not spared the glass industry. They have tried to collect funds by way of heavy taxation on them. By and large, it is not so that they are going to give any major relief. They are only increasing people's hardship by putting the tax burden.

I would like to say only this much that exemption limit of income tax should be increased upto Rs. 48,000. The case of hotel industry should be reconsidered. Consideration should also be made in respect of the biscuit, the diamond and the glass industries. The co-operative banks should totally be exempted from taxation. Dual policy in respect of farmers on fertilizer should be done away with. I hope that the Government would accept all the amendments that have been presented here. They admit that the people are in hardship. On the one hand, they say that expenditure should be curtailed. They also propose a similar reduction in Government expenditure. But on the other hand, I have read in an article of a newspaper that an individual minister has 7-8 vehicles at his personal disposal. I will give you a copy of that article. The article gives an account of the total expenditure on them. If the Ministers can reduce their Ministerial as well as personal expenses, they will set an example for the public. Though, they say, it is not so in practice. I would like to point out that the concessions announced by the Government are not major. These are just a drop in the ocean because people will not get any benefit out of these concessions. So I wish that the hon. Minister of Finance will accept the points put before him by me.

MR. CHAIRMAN: Shri George Fernandes.

SHRI GEORGE FERNANDES (Muzaffarpur) Mr. Chairman, Sir, its quite but natural that...

SHRI NARAIN SINGH CHAUDHRI (Hissar): Mr. Chairman, Sir, I want to speak for one or two minutes because I have to attend a dinner at the Prime Minister's residence. If you kindly permit me.

MR. CHAIRMAN: Mr. George, you speak later on. Should we permit him to speak first?

SHRI GEORGE FERNANDES: All right, let him speak. I will speak later on.

SHRI NARAIN SINGH CHAUDHRI: Mr. Chairman, Sir, I was thinking of congratulating the hon. Minister of Finance and dealing with his liberalized industrial policy. Certainly it will ensure growth in the industrial field. But it will not way be beneficial to the farmers whose life is connected with their land. They have began to think of getting rid of their land as a result of this policy. I also asked my son to divide 20 acres of our land and take 5 acres each so that we would get concession in fertilizer. They advised me not to run after the patwari for dividing land. Instead, they said let us keep 5 acres with us and sell the rest for Rs. 15 lakhs. The black money holders pay Rs. 1 lakh per acre and there is no income tax on agriculture. If we deposited Rs. 15 lakhs in a bank, we would get Rs. 15,000 as monthly interest which is far above the income to be accrued from 100 acres of land. This is the situation now.

Mr. Chairman, Sir, the rate of wheat was Rs. 12 per maund when we were students. Hotel charges for a month were Rs. 12/- only. It means that sale proceeds of one maund of wheat was enough to meet the monthly hostel expenses. Today, the cost is Rs. 100 per maund of wheat. If I admit my son in a hostel, I will have to pay not less than Rs. 600 per month. The farmer will be able to face on slaughters of pricerise only when the price of wheat is fixed at Rs. 600 per maund

or for that matter Rs. 1500 per quintal. What a situation has come? The farmer made us self-reliant in foodgrains. We should take pity on them. We have begun to neglect the villages. Such a situation has arisen. Our hon. Chief Minister has assured to supply fertilizers at old rates upto December, 1991. Only due to this we can go to villages. Mr. Chairman, Sir, there should be a provision for self employment of educated unemployed. Manufacturing of consumer good by big companies like the Tatas, Birlas etc. should be banned and their work should be done by the small scale industries. Big industries should produce only export quality goods and small consumer items should be left for the small scale industries. It should be Government's responsibility to see that it is done. So that the poor unemployed youth could get loan and take up work with courage and repay the loan for this. The small producers should be provided marketing security. Mr. Chairman, Sir, I congratulate the hon. Minister of Finance for reducing the price of kerosene. 70% of kerosene meant for consumers used to go to petrol pumps who indulged in adulteration. Due to this farmer's equipments suffered heavy damages. Now adulteration will be on the rise because of the high differences between the prices of diesel and kerosene. The real consumers get only 20-25% kerosene. I am speaking the truth. At least, please make a provision to colour it so that it could be differentiated from diesel oil and adulteration would not take place. With that, equipments of farmers could be saved. The Government of Haryana has waived seven years interest on loan taken by the farmers for agricultural purposes from State Co-operative Banks and made a provision for the repayment of the remaining amount of loan in easy instalments. Due to this loan waiving scheme a situation has arisen when recovery has come to a standstill and banks have stopped functioning. Now, farmers cannot be advanced any further loan. In the same way nationalised banks should also waive seven years interest if they can not waive the loan taken by the farmers all over the country, as has been done by the Haryana Government. They should also make provision for recov-

ering the principal amount in easy instalments. Nationalised banks have stopped granting loans because of non-payment of loan by farmers. The banks know that they will not get their money back because farmers are not in a position to repay it. I want to warn the Government for future that if this trend continues, the country can no longer remain self-reliant in foodgrains.

Sir, I would like to submit as to how the blackmoney worth crores of rupees is generated. Prices of Petrol have been revised upwards. As soon as the petrol dealers got the information of revision in petrol prices, they started selling their petrol stocks, on the increased rates and every petrol pump has a usual stock of petrol varying from 2,000 to 15,000 litres at all time. Thus they earn a lot. Similar is the case of fertilisers. So, if the Government is aware of the stock position and at least the old stocks are sold at the old rates, the growth of black money can be regulated. Many hon. Members have stated in the House that thousands of crores of rupees are due against the capitalists, big traders and business houses, but the Government not realizing this amount. But in case of farmers, who are unable to repay the loan of the Cooperative Banks in time, are sentenced to imprisonment for 40 days because ARs have been conferred with the judicial powers. Loans are recovered on the lines of recovery of land revenue. This is the condition of the farmers who do not reply the loan amount of Rs. 2000/- but the Government is unable to take any action against those big persons, who are not repaying the Government dues amounting to crores of rupees because they can go to the courts by spending money. I therefore, urge the Government to pay attention towards the plight of farmers.

Standard of education is also deteriorating in the country. Its main reason is that the children of farmers and small shopkeepers adopt the profession of teachers and the children of big persons do not come to this field; and adopt some other profession for their livelihood. Nobody has paid attention towards the fixed income groups. Who are

[Sh. Narain Singh Chaudhri]

directly under the trap of income tax. All the teachers fall under the category of class III and are trapped in the net of income tax. One of the hon. Member of other side has suggested to raise the income tax limit to Rs. 43,000; but I would suggest that this limit should be raised to Rs. 36,000, so that some relief may be given to the fixed income groups. Sir, besides this, I would like to request that an Indian Education Service may be initiated on the lines of IAS, IFS and Indian Forest Service. If you want to raise the standard of education in the country you will have to start I.E.S. I would also like to suggest that the expenditure may be curtailed and a ceiling should be imposed that maximum 20% of the members of the ruling party whether in the state in the Center, can be the Ministers. I would like to submit that the erstwhile West Punjab now Pakistan, included Haryana, Himachal Pradesh and Punjab also. There used to be only 10-12 ministers in erstwhile West Punjab. So, similar ceiling needs to be imposed on the size of ministries. But the situation is entirely different today. Upto 60 to 70 per cent MLAs and MP are appointed as Ministers and the rest are appointed as Chairman of Boards and Corporations and are provided the rank of Ministers with similar perks and facilities. Therefore, I urge upon the Government that it should think in terms of reduction in the expenditure.

I am saying all these things honestly because I have been a teacher. So whatever I feel, I say. Being the member of the ruling party I have to support the Government bills etc. but honestly speaking I have to think a number of times before supporting the Government frankly speaking, if these things go on like this we will never win the coming election. With these words I thank you for giving me the time to speak.

SHRI GEORGE FERNANDES (Muzaffarpur): Mr. Chairman, Sir, I rise to oppose the Finance Bill. I oppose the Bill in the first instance as my constituency is not going to get any benefit from this Bill. I am elected

from Muzaffarpur and I am sure that neither the present Bill moved in the House, nor the Budget will be of any use for my constituency.

Sir, though I receive several letters, but this one is from my constituency. The hon. state Minister of Finance is present in the House. He hails from North Bihar, so he can understand and appreciate my feelings and sentiments. This letter has been received from Meenapur block of my constituency.

MR. CHAIRMAN: Please tell only the gist of letter to the House.

SHRI GEORGE FERNANDES: Yes, I will only tell the gist of the letter. The letter has been drafted by Mr. Yogendra Rai and signed by 25 others. Their demand is that there should be a tubewell and a handpump in the village. Even 44 years after independence my constituency still needs a tubewell but no provision has been made in this Budget also for installing a tubewell in my constituency. I will send a photocopy of the letter to the hon. Minister of Finance. He will definitely understand and realise what type of.....

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): Don't worry tubewell will be installed.

SHRI GEORGE FERNANDES: No, we donot need only one. We need at least one thousand tubewells for my constituency. If the hon. Minister gives an assurance that this will be done during the next month. On this work an amount of Rs. 25-30 lakh will be spent.

MR. CHAIRMAN: Then you will support the Bill?

SHRI GEORGE FERNANDES: Then only I will agree that a problem of my constituency has been solved. There is no provision of constructing roads or bridges in my constituency. No provision has been made to open even a single school in my constitu-

ency. So I oppose the Bill because I am confident that this Budget will not even meet the minimum development needs of my constituency.

If the Budget does not contain any provision for development of Muzaffarpur, then how it can be beneficial to my whole state. Though my place of birth is in Karnataka, but most of the time Bombay has been my place of activity. I am sorry that when I speak Hindi, I call it Bombay but when I speak in Marathi, I call it as Mumbai. (*Interruptions*) No, not that, Shiv Sena Members are my friends too. I have got no foes in the House. My constituency is located in Bihar and that's why I consider myself as a representative of the Bihar State. Sir, I am not prepared to accept that the Budget will be of any use to my state for two-three reasons. Sir, it is not clear what kind of image flashes in the minds when the name of Bihar is referred to. Of course, Bihar is backward, chaotic and casteist state. If we use the English expression we can term it as a 'mot Chaotic' state and we finish the topic with expression.

Sir, Bihar is the richest state of India, because 1/4 iron ore of India, 1/2 copper of India and 1/3 coal of India are found in the state. Besides this limestone and bauxite are also found in the state, and the most important point is that the land of Bihar is most fertile in the country. It is a prevalent saying in Bihar that seeds sown in the night can be harvested in the next morning. Though it is just a saying and in reality nothing such happens. But it has a specific meaning that the land of Bihar is so fertile that there is no need to care for the crop after sowing the seeds. Land is very fertile. No land in the country is so fertile as is the land of Bihar. I can say with a certain degree of confidence that there is plenty of water in Bihar and the rivers flowing from Himachal Pradesh and Nepal bring a lot of water in Bihar but this water instead of proving to be a boon causes much destruction in North Bihar and in some parts of South Bihar because we are unable to use the water properly. People of Bihar are so zealous and industrious that there is no match for them.

Generally Bihar is depicted as a State having various problems, like the problem of casteism, labour, backwardness etc. but the reality is that the people of that State are extremely hard working not to be found anywhere else in the country. Young people from Bihar are engaged in rickshaw pulling in Delhi; they work 18 hours out of the total 24 hours and can be seen doing this work at places like Delhi Railway Station, New Delhi Railway station and in the markets of Delhi. Wherefrom these rickshaw pullers - young or old - come? 70 percent of them come from Bihar. The most exploited labourers from Bihar work in the industrial areas and industrial estates adjoining the borders of Delhi to get merely an amount of Rs.500 and Rs.600/- per month. I would like to make a mention about the Minister of State in the Ministry of Finance who belongs to Bihar itself, he must be aware of the number of the youth who come to meet him everyday to get employment. Today, before coming to the House to attend Private Members' Business, I went to my house and found that not less than 25 persons were sitting at my door overwhelmed with the feelings of disappointment and anguish; it is a daily routine. Mr. Speaker, Sir, this is the State of Bihar where hard working people live.

Mr.Chairman, Sir, we discuss Punjab killings. But in spite of all these killings Punjab grows maximum foodgrains. Who does hard work in the fields of Punjab? They are the labourers from Bihar. who does hard work in the fields of Haryana? They are the labourers from Bihar. therefore, we should not take the matters relating to them in casual manner, there is certainly a reason when they demand facilities on the basis of caste. There is no other way left for them. Nothing has been left for them; Bihar was not in the situation it is at present. The Congress government ruled the country for forty years and brought Bihar to this condition. I will substantiate it as to how this state has been brought to this condition. Hon.Minister of Finance funds for the development were neither sanctioned nor are being sanctioned because under the system of the country. Bihar is being treated as a colony only because

[Sh. George Fernandes]

splendour of Delhi and Bombay can be maintained and Bihar is being exploited just to develop the metropolitan culture in the cities like Bangalore, Ahmedabad, Calcutta and Madras. It is being exploited in several ways. What wrong was done by Bihar that its development has been completely neglected in almost all the schemes implemented since the First Five Year Plan to the Budget of the current year. I would like to quote figures. Right from the First Five Year Plan to the Seventh Five Year Plan, Eighth Plan is being implemented, lowest financial aid was given to Bihar. Is the House aware that average per capita aid to Bihar is less than 1/3 of the financial aid provided to other state for the purpose of development? In the first plan per capita amount of Rs. 175 was provided to Punjab, Rs. 38 in other states of the country and the lowest per capita amount of Rs. 25 provided to Bihar. In the second plan per capita amount of Rs. 146 was provided to Punjab Rs. 51 to other states and Rs. 40 to Bihar. In the Third Plan Rs. 212 was given to Punjab Rs. 92 to other States and 67 to Bihar. Annual Plans were implemented from 1966 to 1969. Rs. 91 was provided to Haryana, Rs. 61 to other States and Rs. 40 to Bihar. From that year onwards West Bengal was continued to be neglected because non-Congress Government was there in West Bengal when Annual Plans were being implemented between 1966 and 1969. Then Fourth Five Year Plan was implemented. Average spending on Haryana was Rs. 358 and in other States in was Rs. 142 and in Bihar it was only Rs. 85, less than even one fourth. In the Fifth Plan average per capita spending in Haryana was Rs. 48, in the rest of the country it was Rs. 262 and in Bihar it was Rs. 155 in Bihar. Similarly Sixth Five Year Plan was also implemented. I would not read out the figures of all the plans. But as per the latest figures of Seventh Plan, average per capita spending in Haryana was Rs. 1871, Rs. 1026 in the rest of the country and Rs. 626 in Bihar. The Government did not grant aid the state required for the development nor are they ready to grant now nor will it be granted. Injustice has been done to

Bihar. I am not talking in terms of mineral wealth coal or steel. Rather, the Government is utilising the savings of the poor people of Bihar to develop metropolitan culture. The hon. Minister of Finance is present in the House, none other than he would be having more knowledge in this regard. I would like him to speak a few words today.

So far as the issue of deposit credit ratio in Bihar in comparison to all India deposit credit ratio is concerned, the share of Bihar is the lowest, i.e. Rs.35-36 out of Rs.100 and all the remaining amount is being spent to develop metropolitan culture. I have got the figures as on March, 1990 and the hon. Minister of Finance must be having the figures of the rest of the period. The savings deposited by the poor and others in banks in Bihar in 1980 was Rs. 7644 crore out of which a very nominal amount of Rs. 2897 crores was granted as a credit to Bihar for development purpose. The rest of the amount was utilised for other states. On the contrary, the total bank deposits in Bombay was Rs. 24,000/- crore out of which Rs. 20,000 crores were granted as loan to Bombay. So far as Bihar is concerned, out of the total deposits of Rs.7664 crore, a meagre amount of Rs.2897 crore has been granted to it. Orissa is in a slightly better condition. But my submission is that (*Interruptions*)

SHRI KRISHAN DUTT SULTANPURI:
Kindly provide the information with regard to Himachal Pradesh.

SHRI GEORGE FERNANDES: You should search for it yourself. I would not search for all. I am ready to agree with you but it is a fact that not only the poorest State is being granted the lowest financial aid but the deposits in the State are being drawn to take it to other states. Deposits in Postal Saving is being drawn. LIC invest the premium deposited by Bihar in large scale industries set up by the capitalists like Ambanis, Tatas, Birlas and so on; but these industries are being set up either in the metropolitan cities or in the adjoining areas but are not being set up in Bihar. Be it LIC premium, be it deposits in Unit Trust of India,

be it postal savings, be it bank deposits or savings in any other Government Scheme. Bihar always contributed its full share with responsibility but the Government is utilising the money of Bihar for metropolitan culture and capitalism. The result is that Bihar continues to become poor.

Everyone talks of development. The hon. Ministers invite the members from Bihar to discuss the steps to be taken for the development in Bihar. What would be done in Bihar where even power supply is not satisfactory. It produces one third of the country's total coal production. That coal has been proving a major source of electricity generation to meet the requirements of the rest of the country but Bihar is not getting it. It is because this State does not get adequate financial aid. It has not been given any aid for housing purpose. You have created this helplessness since the last 30-32 years. I am submitting an evidence and I want the Minister of State for Finance particularly to pay attention to it.

21.37 hrs.

[SHRI RAM NAIK *in the Chair*]

The installed capacity of Power in Bihar in 1960-61 was 351 M.W. Uttar Pradesh 397 M.W. Maharashtra 760 M.W. Madhya Pradesh 268 M.W. and Andhra Pradesh 270 M.W.. In 1990-91, that is after 30 years, the installed capacity of power has gone up in Andhra Pradesh from 270 M.W. to 5994 m.W. Madhya Pradesh from 268 M.W. to 6138 M.W. in Maharashtra from 760 M.W. to 8573 M.W. in Uttar Pradesh from 397 M.W. to 9227 M.W. and in Bihar from 351 M.W. to 1450 M.W. You have not allocated funds to Bihar and thereby Bihar has been subjected to excesses. From where would Bihar get power and scarcity of power has hampered the growth of agriculture industrial and other sector in Bihar. Bihar is very much in distress and it is getting per capita meagre supply of power of 12 KWH as compared to Punjab which is getting power per capita 190 K.W.H. What would Bihar do without power? Gujarat is getting power for industries 180 KWH

whereas Bihar is getting only 54 KHW and that too only for industries owned by Tatas for one or two major steel plants of Government of India.

Now, I come to domestic consumption of power electricity. In Bihar the consumption of electricity is 718 MW per lakh population while in Punjab it is 11371. Why do we not understand that the condition of Bihar has deteriorated in this way. Bihar only five per cent of the Harijan women are literate and the rest are illiterate. Among Harijan 80 per cent men are uneducated and hardly 20 percent are educated. This is how you have treated Bihar. The allocation in this Budget for Bihar will not do much good to Bihar. How can I support this Budget when I know that Bihar will not be benefitted by this allocation and such excesses will continue to be committed against it.

A few days back the Chief Minister of Orissa, Shri Biju Patnaik, pointed out that an agitation will be launched and many would like to give statements against this move and some people must have done so and same may do so but I was the Minister of Railways for about one and a half years. At the time of 1989 elections I had spoken to the people about power problem in Bihar and there was a reason behind it. Mr. Speaker, Sir, in 1977 I was elected from Muzzafarpur constituency while I was in jail. When I went to my constituency at that time the population of North Bihar was in between three crore twenty lakhs and three crores forty lakhs. This figure has today touched four crore and fifty lakhs. I saw that only 20 M.W of power was being supplied to this huge population and that too after having been declared surplus in Baranni. Apart from this there was no other arrangement. When I became the Minister of Industries I initiated a plan for construction of Kanti Power Project. This project was to generate 220 M.W. of power very soon and total 660 M.W. after its completion. When our Government was voted out of power the scheme was going to be dropped. We had struggle for it and thrice I had to go to jail. As such... (*Interruptions*) Mr. Chairman, Sir have some mercy on us. We

[Sh. George Fernandes]

waited for a long time and we must get some reward for it.

MR. CHAIRMAN: Still you try to be brief.

SHRIGEORGE FERNANDES: I will not take much of your time. We succeeded in our efforts after seven years but for it thousands of people including Karpoori Thakur, our friends and party workers had to go to jails several times. But the next phase of construction for generation of 440 M.W. was not taken up. At the time of 1989 elections we told the people that since we were forming our Government at the centre we would take up this project. I became the Railway Minister and I urged upon the minister of Energy to help me to fulfil my commitments given to the people. He said that there were financial constraints. Dr. Sharad Desai of Bombay who used to teach Economics in Bombay university was personally known to me and perhaps you too know him. I came to know that he himself was looking after the Energy Department of Asian Development Bank. Through an employee of that department I sent a message to Shri Sharad Desai asking him to help us in completing that project within seven days. Sharad Desai informed me on telephone that the Asian Development Bank had not spent a single paisa on power generation in Bihar and the Asian Development Bank was ready to extent assistance, but as per rules the proposal must come either through planning commission or the Central Government. He further said that the Bank was ready to extend help for the generation of 500 MW power instead of 440 MW provided the Central Government arranges its share of 100/150 crores of rupee for the execution of this project which would take three to four years. The officers of the Planning Commission and the high ranking officials of the power Department were called in. They were apprised of the fact and views put forward by the Asian Development Bank. They consulted the documents papers and expressed their inability to make available 100/150 crore of rupee during these three years of the Eighth Five Year Plan.

They further said that it could however, be considered during the Ninth Plan. I got infuriated to hear this and asked them to go away. While they were leaving I told them.

[English]

"Gentlemen, in the Ninth Five Year Plan you will not have the money to put up a power station in North Bihar. Because you will need that money for the military and para-military to take care of the insurgency in Bihar".

[Translation]

These were the words uttered by me in my office to the officers of the Planning Commission. As such the Minister of Finance very well knows that when Shri Biju Patnaik says this thing it does not exhibit only his feelings. Yesterday morning a friend from Bihar who does not belong to our party and who has been in politics for a long time perhaps it will not be proper to call him a friend, came to meet me. We had a discussion about Bihar. He told me that Bihar was going to become another Assam within next two years. I want to tell this august House that if the position is not improved and the structure of development is not changed the apprehension of Biju Patnaik will come true. Biju was prepared to sacrifice his life for the cause of the country and today also he is ready to do so. Perhaps you are not aware that he was about to be hanged during freedom struggle. Pandit Jawaharlal Nehru had sent Biju Patnaik for rescuing Mohd Hata and Sukarno. While firing was going on in Kutch on both the sides Biju Patnaik landed the aircraft there and rescued both of them to India. Biju Patnaik a man who can stake his life for the sake of country, had been compelled to say that if such indifferent attitude towards them continues they will have to resort to some other course. I want to say the same in the case of Bihar.

There is a question of regional disparity which the Hon. Finance Minister has not touched in the Budget. He has refused to do so. Governments come and go but central-

sation of this system is linked with the metropolitan culture, capitalists and the national companies. What can we expect for Bihar? As he has not mentioned anything about Bihar similar is the case as far as the country is concerned.

Similarly, it applies to the prices also. I always carry your manifesto in my brief case. I devote more time on reading your manifesto than on the manifesto of my own party. I do not do this with the intention of laughing at or expressing our resentment but simply to remind you that the problems are not being solved.

[*English*]

SHRI A. CHARLES (Trivandrum): Our manifesto is worth reading.

SHRI GEORGE FERNANDES: Yes, yes. That is why I am studying it. I am studying it. If you need any study classes I am ready to take those study-classes. I am sure you will need it.

SHRI A. CHARLES: We are already aware of it.

SHRI GEORGE FERNANDES: I am prepared to take study-classes so that you will know what is written in it.

[*Translation*]

Please don't get so infuriated. Mr. Chairman, Sir the issue of prices automatically subsided when the Finance Minister has one day said that their government had not yet completed its 100 days in power. The Prime Minister also save a similar reply when I raised a question during the course of discussion on confidence Motion or while speaking on the President's Address about the continuous rise in prices or about something else, I do not remember exactly that his Government had not yet completed 100 days. At that time I had said that we are prepared to wait for 100 days and that only a few days are left to complete 100 days. Sharad Digheji is not present in this House. He is my con-

temporary. He was the Chairman of the socialist party of Bombay in 1967. and I was the Minister. Sharadji also expressed his views the other day that never in the history of India the prices have risen so high as have risen during the last eleven months. He neither has any knowledge of the history of the county nor about the economic system. He is not aware of the tremendous hike in prices that took place in India during 1973-74.

What is happening today, to what limit the Government will allow the prices to go up? It is said that inflation can go up upto 30 percent. Once it becomes out of control, then the problem arises where to check it? It is not a question of price rise only but the devastating effect it left on the people of the country. Whenever, I raise a question during mutual discussions regarding creation of one crore jobs the same reply comes as the Prime Minister gave in the House that the creation of one crore jobs is not one day's business, rather it is a process for that. We know what process it is. I have already apprised this House of as to how there have been a reduction of 10 lakhs jobs in the Private Sector of India during the last 7 years i.e. from 1983 to 1989 inspite of investment of one crore rupees. These are the Government documents and economic review which may be read in this context. The main thing is how the Government will generate employment and what planning they have for that. Will it be done through the multi-nationals? Eight days before the Chairman of the FICCI, I do not remember exactly the name of that person, who was last year the Chairman of Birla and Shri Sidharth Birla sought permission and came to see me. They invited me to the Meetings on the policy of FICCI. It struck my mind that they might have not come only to invite me but to have a discussion with me on some other matter. So I raised the issue of the multinationals before them. I asked them if the multinational companies would affect them too. They replied in the negative. In another seminar in which the hon. Finance Minister who is present here in the House had also participated, I raised the same question with the industri-

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alist. Mr. Chairman, Sir, the reply they gave was surprising and somewhat ludicrous. They replied that they were in a position to meet such situation and what we had thought about them was not so but they were worried about the Mazdoors. It means they indirectly admitted that their industries were liable to be closed. They did not think it proper to say this in clear words. They told me that they themselves were concerned about it but also feared about the fate of Mazdoors. Sir, you know that I am a man who work among Mazdoors. Wherever I live a live among them. It is an admitted fact that since you have invited the multinational companies to come forward and invest upto 24% of the capital in heavy, small and even in cottage industries, they may have the know-how or not, that will hamper the growth of employment. This Budget will further aggravate the employment problem. We want the Government to formulate such a policy which could solve the employment problem.

Both the Railway Minister and the Finance Minister are sitting here. I urge them to announce the increase in charges for air conditioned restaurant and increase/decrease in the fare and freight charges and so on. These annual features bring forth no remarkable change in the country. Government should do something concrete. The Government should annually construct 1000 km railway track. The construction of 1000 km. rail-line in itself will provide permanent employment in the Railways to 30,000 persons. And this infra-structure of absorbing 30,000 permanent employment, will create more employment opportunities in the different fields including the service sector both ways, upstream and downstream. Thus the construction of 1000 km. rail-line may provide employment to 10 lakh people in a year in India. This work will cost Government 1500 crore rupees — 1000 crores in laying the track and 500 crores in Rolling Stock — and this investment of 1500 crore rupees will generate employment for 10 lakh people. Government should construct roads, set up cement factories and construct the Express

High Ways from East to West and North to South in the country. They will provide jobs to millions of people. The villagers will get employment and from doing all this a new structure of development will come up. The practice of unnecessary expenditure on the luxury of only 30 percent people of the country must be done away with. Please put the country on the path of development. Leave aside the Tehri-Geerhwal Project and Narmada Project. Government knows that this is the matter concerning contractors and nothing else. These big projects will ruin the country, so please confine that expenditure to the small irrigation projects only.

Mr. Chairman, Sir, Mahatma Gandhi's philosophy was not restricted to the freedom struggle only. Had it been so, Albert Einstein would never have said like this about him.

[English]

that "thousands years from now, people will really wonder and ask is it really true that a man like him walked on the face of this earth".

[Translation]

Einstein was a genius, he did not fight for India's freedom but he expressed his views about Mahatma Gandhi because Mahatma Gandhi had propounded a complete Philosophy for the all round development of this world. Today, we have gone away from his philosophy.

Now, I would concluded after making my last submission which is related to the International Monetary Fund. Right from the beginning we are opposing the Finance Mlinister, making approach to it. Today, we are protesting more vehemently because we have collected more information about it and today I cannot go into details for lack of time. We have got the information as to how the World Bank and the I.M.F. are going to ruin us. The Government need not to approach these agencies if it does only two things. First is to under invoicing and over invoicing the Finance Minister himself had admitted

day before yesterday that these are certainly practised but not to that extent it is said. Government should check whatever it is. India imports/exports good worth Rs. 70-75 crores. If someone commits fraud in invoicing to the extent of 10%, he would be saving seven or seven and half crore rupees. Check the 'Hawala' system which is very prevalent. This will save the foreign exchange. Steps should be taken to curb the corruption in the country also. The Government is enacting such a law, some provision of which will help in institutionalising the corruption.

Mr. Chairman, Sir, here I have a document which I was reading while the hon. Members were delivering their speeches. This is the Annual Report of the Central Vigilance Commission for the period from 1.1.1989 to 31.12.1989. I would like the hon. Finance Minister himself to go through it. I cannot read out its contents due to shortage of time.

MR. CHAIRMAN: You told that the last point was related to the I.M.F.

SHRI GEORGE FERNANDES: Sir, the last point is related to the I.M.F. There is no need to approach it. According to this report, some employees of Reserve Bank, State Bank, Indian Bank, Overseas Bank, Indian Airlines, Railways etc. have been apprehended but it appears that it is tip of the iceberg or tip of the tip.

Sir, you please read the report yourself. All these apprehended cases show that big officers of these Public Sector Undertakings have misappropriated from 20 to 50 per cent of the total amount earmarked for development. Though their names are not there but every detail regarding where and how these frauds were committed have been shown in the Report. The Indian Bank Purchased the flat worth Rs. 3 lakhs for Rs. 13 lakhs. In such transactions, the Indian Bank has invested Rs. 13 crores. Whereas in the vicinity of that flat, another Bank has purchased a flat just for Rs. 3 lakhs. In this way, they have looted the money. Similar things

are happening in the Reserve Bank also. Again the Indian Bank spend Rs. 1.5 crores on the centralised air-conditioning in Madras, which was not required at all. Besides, the bank also permitted its officers to install separate air-conditioner for their use. If 20 percent of the money is wasted in this way, Government itself can see the consequences.

Mr. Chairman, Sir, Rajiv Gandhi to whom the Budget has been dedicated, said one thing and members of the Ruling Party must keep it in mind. That thing is that only 15% of the amount earmarked for developmental works in India is spent on these works and the rest 85% of the total money goes in the pockets of the middlemen. This is what Shri Rajiv Gandhi said while delivering speech which was published by the News papers. They should not mind it, at that time, I had said that that was hundred percent correct. It is true that only Rs. 15 out of Rs. 100 is spent on the developmental works in the country.

SHRI VILAS MUTTFEMBAR (Chimur): He said the same in Rajasthan also.

SHRI GEORGE FERNANDES: He said this at several places. I think if the position is reversed and 85% is spent on developmental works instead of 15% and this 15% is pocketed and if the Government further succeeds in saving 10% out of this 15% then Government can easily save the plan expenditure by 3-4 crore rupees this year and will not feel it necessary approach the IMF and World Bank for the developmental works of the country they want to undertake.

I admit that hundred percent honesty is not possible but if the Government applies its full power for maintaining the possible honesty, I am sure, Mr. Chairman, Sir, that it would become possible to give somewhat new direction to the country. We will extend our support to you if such type of Budget is presented. Today, I strongly oppose this Bill and conclude my speech.

*SHRI K.P. REDDAIAH YADAV (Machilipatnam): Mr. Chairman, Sir, while participat-

*Translation of the speech originally delivered in Telugu.

[Sh. K.P. Reddaiah Yadav]

ing in the debate on Motion of Thanks to the President and the Demands for grants pertaining to the Ministry of Industry, we, the Members belonging to our party, were emphasising that the Hon. Members elected to this august House by 80 crores of the people, serve only one per cent of the population.

[HON'BLE SPEAKER *in the Chair*]

All our energies and our valuable time are being directed towards serving one per cent population. We had been stressing this point time and again. For the past two or three months we had been discussing all other issues except the problems of the vast majority of the people who are living a miserable life. Neither the discussion on General Budget, nor various other discussions that have taken place reflect any concern for the poor and their emancipation. This august House and the Government appear to have been dedicated to serve the needs of a mere one percent of the population. The entire budget appears to have been formulated only to serve the needs of this exclusive, privileged class. This class of people are being permitted to exploit the poor masses in the country. They are the source and fountain head of corruption. Senior and eminent parliamentarians like Shri George Fernandes and Shri Deve Gowda and others who enriched this discussion by their contribution, have already thrown light on the plight of the poor in the country. Shri Deve Gowda and others have pleaded forcefully not to do away the subsidy of Rs.4,000 crores on Fertilizers which affects the farmers, who constitute 80% of the population. But unfortunately, all their pleadings have fallen on deaf ears. The Hon. Finance Minister stood his ground and refused to continue the subsidy, neglecting the interests of farming community. I am not opposing the various concessions offered to other sections of the society. I don't grudge it. The 90% Excise Duty which was imposed on raw films has been brought down to 40%, on the basis of the representation from the influential circles

from that profession. Similarly duty imposed on air conditioners also had been reduced. All these steps confirm that the Government is interested only in the one per cent elite population. The Government is concentrating its efforts to appease this exclusive section of the society. There is no concern whatsoever for the rest of 60 to 70 crores of people in the country. Their poverty and suffering is no concern of the Government. The poor farmers working day and night, round the year, are producing nearly 180 to 200 M. tonnes of foodgrains. Not only that. They are producing enough cane to keep the wheels of sugar industry moving on. Molasses are supplied to the alcohol industry. It is clear that even for the survival of the industrial sector, the contribution of farmers is a must. Much of the Revenue of the Government flows out of the sweat of the poor and neglected farming community. This poor vast majority is subjected to exploitation to serve the needs of just one per cent population. It is already 44 years since we achieved our independence. Dishonesty or corruption did not creep into this majority population even to this day. Leave alone buildings, they don't have even thatched huts to live in. They do not have toilet facilities in our villages. Womenfolk are still being subjected to the humiliation of going to open fields to ease themselves. There are no common bathrooms in the villages even to this day. The rural India has not witnessed any planned development or progress. The farmers in Punjab, Uttar Pradesh and Andhra Pradesh are paying 90 paise per unit of electricity supply. But, here, in Delhi, which has all the facilities, the electricity is being supplied at the rate of 40 paise per unit. Ever since the independence, the Government has been concentrating on development of urban areas. Every effort is being made to make their life more comfortable and luxurious. 80% of the people who live in the rural areas, have been totally forgotten. They are leading a miserable life. The people who contribute to the wealth of the nation are struggling hard for their survival. Even the basic minimum needs have not been provided to the people in rural areas. The progress and development of the country as a whole is again, not

at all satisfactory. Even today, if the I.M.F. refuses to give loan, or if the N.R.I.s withdraw their deposits, we will face a crisis. Our survival is at their mercy. This is the net result of 44 years of planned development. Sir, except seeking I.M.F. loans and disposing off our gold reserves, we have not made any worthwhile attempt to improve our economy. We were importing to the tune of Rs. 42,000 crores while our exports stood at Rs. 32,000 crores during 1990-91. The trade gap is Rs. 10,000 crores. This gap is largely due to the import of capital goods. Yet, ignoring this simple and plain truth, Rs. 11,000 crores have been allocated for the import of capital goods. Goods which cost just Rs. 60 lakhs outside, are being shown as costing Rs. one crore. Remaining Rs. 40 lakhs are thus being deposited in banks in Switzerland. The same deposits are ploughed back to India through N.R.I.s. This over invoicing of imports and under invoicing of exports have totally ruined our economy. During 1984, when Smt. Indira Gandhi was alive, our external debts stood at Rs. 18,400 crores. During the tenure of Late Shri Rajiv Gandhi debt piled upto Rs. 1,00,000 crores. With a mere stroke of pen, Dr. Man Mohan Singh, the present Finance Minister, shot up the figure to Rs. 1,40,000 crores. India is a great country. There is no dearth of the expertise. But the talent available in the country was not made use of. People have love and affection for their mother-land. They could have been happy to forego a meal a day to save the nation from the crisis. Yet no effort whatsoever was made by the Government in this direction. Had the country been saved from the bureaucrats and politicians perhaps the nation would not have been faced such a crisis today. Bureaucrats and politicians have contributed to the worsening situation in the country today. Sir, a new industrial policy has been enunciated during this year keeping the present Finance Minister who is able and efficient, honest and hardworking as cover. Had some one else from the congress party done it, there would have been an unprecedented adverse reaction from the people. The economy would have touched the lowest level. The people are keeping quiet, because of the respect they have for

Dr. Man Mohan Singh, who is well known for his integrity. They hope that something good will come out of the new policy. They are eagerly awaiting the results of the new policy. Sir, many Hon'ble members dealt at length about the functioning of Public Undertakings. All these units are running into losses. How is that we are incurring losses year after year in these units. This is the main problem which the country and this House is facing today. Two parallel administrations are being carried on in the country today. All the big officials like Managing Director, Chief Engineer, Superintending Engineer, and Finance Secretary are operating under their own system like officer-cum-contractor system, officer-cum-agency system, officer-cum-raw-material supplier system. Thus everybody has got his own parallel organisation within that Public Undertaking. This is the real tragedy. Contractors say that the top officials have a lion's share out of their earnings. Lakhs and lakhs of honest, efficient and sincere workers are a mute witness to all that transpires between the big boss and crafty and cunning contractors. They feel sorry, for, while they work day and night for the progress and prosperity of the nation, the men who matter mint money through corrupt practices. This rampant corruption prevailing in the top echelons, is leading to inefficiency and lethargy at lower levels. Hence I take this opportunity to request the Hon. Finance Minister to set up an intelligence cell to check corruption in public Sector units. The Government should keep an eye on the growing assets of top officials, and their kith and kin. Keep an eye on these men who are looting the public money. Let me assure you that you will get wholehearted cooperation from every section of the society in this matter. Let me also tell you, Mr. Finance Minister, that if the present policy flops people will not forgive the Govt. Please liberate the economy from the cobwebs of bureaucrats and politicians. Collect the Bio-data of all the top officials, Members of Parliament and all those who matter. Collect the bio-data of their dependents too. You screen the data thoroughly. Keep an eye on their growing assets. Sir, when the President, Prime Minister and Chief Ministers function honestly

[Sh. K.P. Reddaiah Yadav]

and efficiently all the problems will disappear automatically, the nation will progress and prosper.

Sir, I conclude my speech thanking you for the opportunity you have provided me to speak.

[*English*]

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): Sir, it has become customary in this House not to distinguish between discussion on the Budget and discussion on the Finance Bill. I am tempted to follow that custom, but I shall try to restrain myself.

MR. SPEAKER: You follow your conscience and the rules.

SHRI NIRMAL KANTI CHATTERJEE: There is no doubt that so many questions have been raised. One test of the Finance Bill certainly will be which kind of an impact it has on the price front. There is no denying about that. It is true, the expenditure pattern matters, but the Finance Bill also matters.

About collection, despite all that statement, the figures indicate that in the Budget the collection from excise duties and customs would be very much more than the collection from direct taxes. About 83 per cent of the resources would be mobilised from indirect taxes and only 17 per cent would be mobilised from direct taxes. This will create pressure on prices. We have heard about emergency situations. We have been told that the situation is very bad. At least, it is bad on the balance of payments front. I will give you certain figures. The collection from the baggages are anticipated to rise from Rs. 550 crores to nearly Rs. 900 crores. When we say we are in a debt trap, can you imagine that our collection from incoming tourists will rise upto Rs. 900 crores? Is this what you mean by emergency situation on the Bop front? Let the Finance Minister answer this question. Of all the collections from customs, the collections are

expected to go up by about Rs. 5,000 crores, from nearly Rs. 21,000 crores to Rs. 26,000 crores. Despite all that statement that we are collecting more from direct taxes and despite all that statement that we are giving concessions to excise duties, simultaneously we are told that they are trying to compress our imports. Where lies the truth? If we take into account the devaluation which is of the order of 22 per cent, to that extent, I am prepared to agree that the import value would rise. This rise borders around 25 per cent in the context of the statement that the imports are being compressed.

Now, I do not know what to believe. It is this failure to convey the sense of emergency to the country that has led to the desire expressed by many hon. Members on both sides repeatedly that the direct tax payers be exempted paying tax, not at the level of Rs. 22,000/-, but at the level of Rs. 48,000/-. I understand that in the course of two years, the cumulative price rise would be nearly about 35 per cent to 40 per cent. If this is a situation of emergency, then we have to remind ourselves of the other side. The other side tells us that our tax payers consist of only one per cent of the population. If we assume that every family has one tax payer and if we take that our per family income today stands at Rs. 22,000/-, then what kind of a situation we have in our country where only 5 per cent of the families is above the average level and 95 per cent of the families is below average level? What kind of income distribution have we given to this country in the course of the last 40 years? This is what has manifested in the asset-holding of large-houses and the people below the poverty line in terms of 50 per cent. But to all those who are asking for a raise in the exemption limit, I want them to ponder. Even if the Government and the Finance Minister are utterly irresponsible, can we afford to be so? Can we say that not even 5 per cent of the families would pay income-tax? There is a very strong case in terms of dearness allowance. I am aware of that. Let nobody try to convince me about it. But this is the other side which has to be remembered. It is not remembered because the Finance Bill has

failed to convey the sense of emergency. It has failed to convey that the Government is determined to hit the rich. Within that two per cent also, there is an enormous inequality in income distribution. Are we going to yield to their pressure? We are pondering into that as we indicated in the baggage receipts as assumed in the receipts budget. One can ponder over this and perhaps there is a case of reduction of rate at the lower level. Perhaps there is a case of introducing more slabs in the income-tax. But more importantly it is necessary that those who can pay are made to pay.

It is not that there is no welcome feature in the Finance Bill. I will not say that. I do know that the world is not painted either in black or in white. There is a mixture. There are one or two good elements in the Finance Bill. But over-shadowing everything it does seem to be that once again it is an instrument satisfying the International Monetary Fund. This is an inescapable conclusion.

Look at the Income-tax. Is it necessary that the situation is so emergency that we have to relate charity to tax? Is it not an insult at this hour to state that the people cannot be charitable unless there are tax concessions given to them? Why do you insult the charity-minded persons? Look at the Income-tax Act. He has said that a committee is there. It can make it a very simple document. Withdraw all deductions, whether it is charitable trust or anything excepting perhaps your savings, incentives. You make it a simple document. Will that permit you, as I said in my speech during the Budget debate, to adhere to that 48 per cent civilisation?

I do not want to take much time. I will not make a full-fledged speech.

MR. SPEAKER: You can take as much time as you like. It is better than allowing time in Zero hour. He is making good points.

SHRI NIRMAL KANTI CHATTERJEE: Thank you, Sir. But we are approaching another Zero Hour!

There is another aspect and let me draw the attention of the House and the Finance Minister, through you, to that. I am not as powerful orator as Shri George Fernandes is. I will not be able to make the points so brilliantly. But are there States in the country which are also in trouble with their Budgetary matters? Is it not true that while the ills at the Centre are the creation of the Centre itself, all the ills facing the States are not the creation of the States? Let him contradict this in his reply. A good part of the share of the ills of the States belongs to the Centre. If the prices rise because of the Finance Bill, the States have to suffer. The hon. Finance Minister did not bother at all to think that he has, within his powers, to do everything to strengthen the finances of the States. What prevented him from promising to the House that the Consignment Tax Bill will be placed in this House? They say that Rs. 200 crores annually can be added via this Consignment Tax for each of the major States. They say this is an estimate. I know the state of the finances of the Government of West Bengal. That Government is an ambitious Government which tries to stick to the zero deficit Budget. Therefore, they are unable to pay for so many urgently required items of expenditure. It did not occur to the Finance Minister that instead of devastating the States finances, he can help the States in this manner.

Earlier also I have made a suggestion. This is not for the first time I am making this suggestion in this House. There was stealing, some four years back, from the States' resources by the Centre. All the Provident Funds were collected via Small Savings. Some four or five years ago it did strike to some genius at the Centre that if the Centre create a special deposit scheme where the Provident Funds of GIC and LIC can be deposited, then it need not be shared with the States because Small Savings are shared with the States. Do you know how much is assumed in the Budget for that? It is Rs. 8000 crores, more than that assumed on account of Small Savings. Can't that be transferred to the States? If it is done then each of the states can benefit itself.

[Sh. Nirmal Kanti Chatterjee]

The third aspect is this: The Finance Minister assumes that he has been able to satisfy some of the cries arising from the states by introducing Concessions under Section 80L for Small-Savings. Look at the cynical assumption behind it. Who are the small-savers? The assumption is that the small-savers are those who are the tax-prayers. Two per cent of the families 5 per cent of the families are the small-savers. They say there is no agricultural income-tax worth the name in this country. I do not blame the Centre for that. Mistaken statements have been made here. I know about it. The point is agricultural income-tax is basically a matter for the States. They take into account a notional figure for collection of agricultural income. I do not know how much is the real amount. But if we have to collect funds from those who are not tax-prayers, is it enough to offer them a 12 per cent rate of interest. While every other instrument of savings is giving much more than that? It does not strike him. I know about West Bengal - it must be true for other States also - that their Small-Savings collections are zeroing this year. Of course, tax-prayers are there. How above others? This is another way of depriving the States from enlarging their resources. I want the Finance Minister to give a positive response about this also. I am not restricting myself strictly on the Finance Bill obviously. But I am strictly on the receipt side. Another instrument which has been mentioned in term of liberalisation is the floating interest rate. He has very kindly considered the problems of the cooperatives. As has been pointed out from that side, there is still a lacune in this. Maybe he will be able to accommodate that in his reply that the urban cooperatives also should be given the same kind of treatment as the rural cooperatives are. For one reason, in the urban cooperatives also, it is stipulated that the sixty per cent of their lending operation must be in the priority sectors. To that I draw his attention for consideration.

But what is this interest rate tax, and who are the people and what is the floating

interest rate> I am all for interest rate tax. Though it is not exactly a direct tax, yet it is a tax. He himself has said about allowing floating of interest rates while referring to IMF. Are there IMF conditionalities? The session is ending, we do not know if there are any? If there are, what they are? He says no one lends us without conditionalities. What are those conditionalities? Conditionalities are that, you will be able to pay. Within this cover, so many other things are there. If that be so that IMF is only lending securities, then if the interest rates are hiked because of this interest tax, on whom will they pass it? The richer borrowers are Tatas and so on to whom lending seems to be a pleasure for the banking sector manager; lending to whom is a matter of eternal divine satisfaction for a bank manager and he will be charged the lowest rate of interest and those lowly people who go to the bank will be charged the higher rate of interest because of the interest rate tax. Can he not, if he is a wizard with these loans, devise all means by which he will say that this amount of borrowing cannot be charged a rate of interest higher than that and only that cost of payment of interest tax would be levied on lendings to such big amount? This is another suggestion that I am making to him.

Coming back to income-tax...

SHRI RAM NAIK (Bombay North):
Sparking with income-tax or coming back to income tax ?

SHRI NIRMAL KANTI CHATTERJEE:
Coming back to income-tax, this kind of formula has said so many things. He can investigate. He has appointed a committee. Why is it impossible for him immediately to announce that every tax assessee shall give a comprehensive return? This is what Dr. Kaldor has said. How much is the income, how much is the expenditure, that was the kind of proposal. Why are we shying away from that? I raised two questions on this gamut of tax. Why have you shied away from what Prof. Madhu Dandavate tried to do in terms of gift tax? He tried to make it a donee tax. That Bill lapsed. Why did you reject that?

That is more equity than in other cases.

I would also like to raise the question as to why is that our statute do not include the inheritance tax? I am more in favour of inheritance tax rather than estate duty. The inheritance tax is levied taking into account the persons who have inherited that. It is much better than the estate duty in that sense. All these really indicate that if this is an emergency, all these things should have been attempted in order to ensure that we are not into the debt trap. This could have been avoided. Despite all my respects and my non-questioning of his integrity, I do believe that he has become, given the parameters, helpless tool of the International Monetary Fund. He will be a laughing stock after some months. What has he offered? He has offered to the holders of black wealth saying that you come and deposit your money in a particular bank and only 40 per cent of the deposit will be taken out. Why have you not levied 40 per cent tax? That is what they were avoiding up till now. The effective rate of tax is not even 40 per cent today. Why will they come? I have a story which somebody has written to me telling that the purpose for which this 40 per cent has been taken is very laudable, which is for housing the poor. He further says that why can you not them more laudable by bringing in other things also like old age pension etc? I had to write back to him very politely asking him whether he would pay more, if that is included, and whether he would devote more of his black wealth. These are unrelated things. There could be other way. There is the stick. Your warnings are useless warnings, as useless as the paper. He bemoaned before the House that he cannot force his exporters to deposit legally earned foreign exchange within the country. He issues a threat to those who are really in power in our economy. You have given them three more months saying that will be the last chance. But, they have seen so many last chances in their life. Therefore, the other things has to be there and that other things is not a carrot but the stick. It has been very correctly raised in this House.

Shri Ram Naik and other Bombayites

may be offended when I say that when Kirloskar was caught, there was a furore saying that he was a citizen supposed to be more equal than others. Why? Because he was Kirloskar. Unless you have this kind of sticks, nothing will come. In order that these sticks are well utilised, I repeatedly tell them to save on other heads but not to save under the revenue department. It is very easy. Anybody, even if that person is not 100 per cent honest, ask them to survey. You add your fleet strength to survey and then follow it up with search and seizure and then hold the carrot. I differed with Shri V.P. Singh when he was Finance Minister and also when he was the Prime Minister on some of the foreign policies. But on this point, he was right. You make it difficult for all those who tried to escape. There is nothing in that.

Let me conclude instead of disturbing so many colleagues of mine. There is a report in the Press - I do not know if their figures are correct - that because of the break-up value calculations, the collection would be not what has been postulated by the Finance Minister but some Rs. 800 crore. That was the estimate. If that is so, I will be one of the happiest persons. My fear is, he may retreat from that when that is the figure because that will be hard on the rich.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): What is this Rs. 800 crore?

SHRI NIRMAL KANT CHATTERJEE: That break-up value.

SHRI MANMOHAN SINGH: When the tax collection is much less, how can it be Rs. 800 crore?

SHRI NIRMAL KANTI CHATTERJEE: That figure has been given to us. They say that all your collection is a tip of the iceberg.

SHRI MANMOHAN SINGH: I am sorry.....(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE: You are sorry! We permit you to be sorry. But

[Sh. Nirmal Kanti Chatterjee]

why make us sorry? Why make the country sorry? If he cannot do that, if he cannot hit at wealth accumulated legally and illegally, if he cannot hit at income generated legally and illegally, and if he talks of emergency, that can only come from the voice of International Monetary Fund and not an honest voice. Thank you.

SHRI BHERU LAL MEENA (Salumber): Mr. Speaker, Sir, I thank you for giving me an opportunity to speak.

I am not going into the details of the suggestions given by our hon. Members. They have proposed so many good things, and given several suggestions according to their political affiliations. But, I would like to draw the attention of the Government towards poors of this country. Whatever has just been said by a Telugu Desham Member, was completely correct and I am eye to eye agree with his point of view. I have come from poor workers' class. It is correct that the situation of the country has been worsened. Why did it happen so? Why has it been allowed to go on like this? Why does the crisis develop? Why the poors are not allowed to march ahead. It has never been thought. We merely discuss these things here but never realise sincerely as to why it is so. I would like to submit if our hon. Members and Ministers would work honestly and keenly and keep the interest of the country above all, no power on earth can worsen the situation of the country.

As a representative of the people, whatever I did, I did it sincerely and properly and I got success in and the people also felt happy. Therefore, first of all, I would like to point out that for getting political benefit everybody utters that the situation of the country has been deteriorated, the Budget has increased the prices, etc. It is always said by all of us many a time. But we have to think over the reasons as to why this situation has been created. The ruling party has ruled the country as long as 40 years whereas

the opposition party ruled for one and a half years. Merely levelling allegations against each other can't serve the poor people. It will not help them. I would like to request that we should have a check on the expenditure being incurred on us. We have been elected to Lok Sabha and are getting a salary of Rs. 5000/- per month. But the farmer, who works in the field hardly gets Rs. 300/-. The daily expenditure being incurred on us amounts to Rs. 100/-. Similarly, the Ministers and other people spend the Government money extravagantly. I want to suggest to contain this expenditure. My submission is that whosoever does wrong he can be set right through social or legal measures. One who is a thief, an official who does not work properly, a representative who does not perform his duties efficiently are all residents of India. But we always level allegations and counter-allegations against each other. If somebody commits a crime and is apprehended he comes to us for recommendation. The people have an opinion if we recommend his case, he would be released. This is the way the terrorism is spreading not only in the States but through-out the country. The reason behind all these disturbances is that a man who is poor feels uneasy and distressed, due to poverty. When he becomes annoyed of his condition he indulges in anti-social activities. Therefore, I would like to draw your attention towards some loopholes in the Budget which have been referred to by me as well as by other colleagues too.

Mr. Speaker, Sir I hail from Rajasthan. I am fully aware of the situation of Rajasthan. Majority of tribals lives in Rajasthan. A commission was set up in the name of tribals and special fund is allotted to that commission. Despite the allocation of funds nothing concrete has been done in that area. The people of backward classes could not be able to get the opportunity for their upliftment. Thus, I would like that the Government should pay this attention towards the upliftment of poors.

Mr. Speaker, Sir, I and some other hon. Members have already pointed out that in-

justice is being done to workers. You have increased the price of petrol, in the budget. It affects their mode of transport whether it is motorcycle, tempo or two-wheelers. No relief has been given to the income tax payers. He has to spend more from his pocket due to rise in petrol price. Besides, he has to pay income tax. Therefore, I would like that the exemption limit of income tax should be increased. The salary has increased by sixteen times. The price of petrol has been hiked by 20 per cent. So the exemption limit of income-tax should positively be raised. I would not ask to withdraw it in-toto. But it may be reduced at least by 10 per cent so that the people may get relief.

You have given subsidy on fertilisers to the small farmers. You have done a good deed. I went to my constituency a few days earlier and saw entirely a different position there. The small farmers have no money to purchase fertilisers. The big businessmen or some other persons purchase the fertilisers in the small farmer's name and store it in their godowns. In this way, needy persons do not get fertilisers. When he requires fertilisers for his field, he has to purchase it on a very high prices. Thus, the farmers are being exploited.

Besides, I would like to request that proper attention should be paid on the means of irrigation. I had already raised this issue earlier. Now I want to reiterate that the provision may be made for the same in the budget. Though, the poor people have land yet no irrigation facility is there. The Government should make arrangements to provide irrigation facilities for them. A master plan should be formulated to provide irrigation facilities to the farmers so that people could be able to get benefit.

Mr. Speaker, Sir you have rung the bell. I abide by the discipline strictly. Therefore, I conclude and thank you for giving me an opportunity to speak.

[English]

MR. SPEAKER: Shri Anna Joshi.

SHRI ANNA JOSHI: You may please allow Shrimati Vasundhara first. Then I will speak.

MR. SPEAKER: I would have done that. But I was told that she wanted to speak only at the end.

SHRIMATI VASUNDHARA RAJE (Jhalawar): Mr. Speaker, I thank you for having given me an opportunity to make a submission. And I also thank Shri Anna Joshi for kindly allowing me to speak first. I have had the privilege of being able to listen to a most comprehensive debate, for the most part, a very enlightening and enjoyable debate. I do not believe that I am an economic genius and that I can add much more to this. But I have risen today to underscore a point which my colleagues before me, viz. Prof. Dhumal and Lakshmi Narayanaji have already made.

The hon. Finance Minister is sitting here today. I do appreciate the fact that he has just granted many concessions. But as my hon. colleague has said, those concessions have just not been enough and there are some areas which have been left out. I speak mainly about the glass container industry.

I would like him to appreciate the fact that other packing materials like tin, plastics, etc. are not cheap vis-a-vis glass. But the glass containers have been made more expensive because there is a huge excise of 44 per cent slapped on them. And when you add sales tax to it, there is an enormous burden of almost 58.4 per cent taxation which is quite a killer. Normally, this kind of high rate of taxation at the rate of 44 per cent would be applicable to most luxury items. But Sir, even some luxury items are subject to a lower rate.

I would like to put before you just briefly the comparative rates of various packaging materials. The excise plus sale tax on plastics is 8 per cent, on tetrapack it is 10 per cent, on tin, 28.15 per cent, on PET bottles 8 per cent and on glass containers 58.4 per

[Smt. Vasundhara Raje]

cent. Our country imports basically 55 per cent of its requirement of plastics, and 80 per cent of its requirement of tinplate. Glass industry and glass itself is 100 per cent indigenous and it does not use any imported raw material either. The other materials like plastics, PET bottles, tetrapack, etc. not only use imported raw material but also imported machinery. At a time when the country is facing an acute balance of payment problem, the tetrapack industry has spent about Rs. 100 crore on the import of machinery. The total investment on tetrapack is about Rs. 200 crore, of which only 20 per cent capacity is being utilised. Such industries are encouraged by levy of low excise or 16.5 per cent duty *ad valorem*!

Glass is the least energy intensive industry compared to other packaging materials. I have a table here before me which tells us as to what is the typical gross energy required to produce a kilo of various materials. For low density polyethylene resin, the total energy used to 104.35 MJ. PET resins to which the hon. Finance Minister has just given 20 per cent concession, use about 83 MJ of this. The glass containers on the other hand, use only about 21.7 MJ. The glass container industry, apart from all these things, is labour intensive and it provides employment to almost 1.2 million workers. It is a non-polluting packaging material and it is completely recyclable.

Prof. Dhumal mentioned about a factory in Thailand. Thailand produces almost 350,000 tonnes of glass. India's total production is about 600,000 tonnes. Thailand has got about three such factories and other small factories and it exports to Malaysia, Middle-East and various other countries around it. It is quite shameful that we in India are not being able to give an impetus to the glass container industry as a result, it is almost a sick industry due to this unequal competition. Keeping all these things in mind, it is important that the Government reduce this Excise Duty on the glass containers from the present 44 per cent *advalorem* to

at least about 16.5 per cent so that this industry may not only survive but prosper. I want to mention to the hon. Finance Minister that I have been waiting for a very long time and I enjoyed this debate tremendously.

MR. SPEAKER: It is being noticed.

SHRIMATI VASUNDHARA RAJE: But I would like him to listen to me because I have waited for quite some time.

Sir, I would like to once again underscore this point and I would like the hon. Finance Minister to give his attention to it so that this industry does not fall sick which it is doing. I hop, very soon, he will make the concessions necessary to let it prosper. I am sure - since I am the only lady at 11 o'clock in the night waiting...

PROF. SAVITHRI LAKSHMANAN: No. You cannot treat me as a man. I am a mother of two children.

SHRIMATI VASUNDHARA RAJE: I am the only lady member from this side who has waited for quite some time to put my point of view, so that the Finance Minister will give the necessary attention and make the necessary changes that are required.

Thank you very much for giving me this opportunity to speak here.

SHRI ANNA JOSHI (Pune): Sir, I rise to oppose this Finance Bill and I would like to put forward some points here.

When a discussion was taking place here regarding the transfer of gold from India to foreign countries, the hon. Prime Minister intervened. It was raised by Shri Vajpayee in this House. The hon. Prime Minister said: "Yes, we have done that." By supporting that step, he had quoted in Sanskrit: "*Sarvnashe Sumuttpaney Ardham Tejati se Panditah*" So, the question arose, why the country has arrived to this position of *Sarvanash*? For that Shri Vajpayee has rightly told that "We would not quarrel about debt, the interest you are paying but at least

let us know why this much debt has been created? Where have you spent this money? The answer was not there. But in the last ten years, most part of it was ruled by the Congress party- you can easily find out how much expenditure they have incurred. You can find out the answer. It is very alarming because the expenditure that we have incurred were on such items which were unproductive and which are not giving anything to this country.

23.00 hrs

I will cite some examples where you have spent crores of rupees for nothing. The loan *melas* organised by the various nationalised Banks. We have paid nearly Rs. 3000 crores from these loan *melas* and achieved nothing.

A lot of corruption was involved during the Asian Games. If we have to account for that, it has deprived us Rs. 1, 600 crores nearly.

Then there was a meet of the Commonwealth Heads of Governments including their three-day tour to Goa. That has cost us nearly Rs. 300 crores.

Then there was a meeting of the Non-Aligned countries. Then we had to spend on the Indian Peace Keeping Forces in Sri Lanka. We were spending daily nearly Rs. 4 crores, and that too for two years.

We had spent there nearly Rs. 4000 crores and lost one thousand military men. We have got nothing from that.

AN HON. MEMBER: And also Shri Rajiv Gandhi.

SHRI ANNA JOSHI: That is the greatest loss. Then we had to spend some crores of rupees on Bharat Utsav which we celebrated throughout the country. Like that, we have spent crores of rupees.

Our esteemed friend, Shri George Fernandes said that frauds worth crores of rupees

have been committed in the Nationalised Banks plus public undertakings. In those frauds, we have lost money worth crores of rupees. If we take all these things into account, then they can give us an answer.

We have brought from abroad as debt crores and crores of rupees and we have spent all that money on some thing or the other without getting anything. So, before we pass these Budget proposals, you must account for all this expenditures that you have incurred; and whether you are ready to keep away from that and want to adopt some other course.

Even you have declared concessions worth Rs. 29 crores. Out of Rs. 29 crores, you are giving to the film industry Rs. 20 crores and only Rs. 9 crores will go to the poor people or the needy people. That shows what is the attitude of the Government. This shows that there is no change in the attitude of the Government regarding the priorities for the expenses or for the concessions so far.

The new era starts right from the third of July, 1991. The new industrial policy has increased the rate of interest and this has put the small scale industry into trouble. Since you have allowed them to charge interest at any rate, they are now free to charge interest at any rate they like.

Now the industries which have got some standing in the market, they will get as much loan as they want at a concessional rate of interest. But these industries which are new or the tiny industries or the cottage industries which do not have any standing, in the market, no establishment, they will have to pay more interest with the result that they will get less loan. Therefore, due to the new industrial policy and the increase in the interest rate, the small scale industries, the tiny industries and the cottage industries are in trouble.

There second point which I would like to bring to your notice is regarding the Urban Cooperative banks. The restrictions you are

[Sh. Anna Joshi]

imposing, or the interest you are going to charge on the deposits which are there, have landed them in two-fold difficulties. On the one hand all the deposits will be taken away from the banks and on the other, they will be required to pay tax.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Where will the deposits go?

SHRI ANNA JOSHI: That, you can find out yourself.

SHRI NIRMAL KANTI CHATTERJEE: They will be shifted to black channels and some other channels. You know about them.

SHRI ANNA JOSHI: They will be facing many difficulties. I have got so many representations from the Cooperative Banks which have been submitted by Professor Kapse to you also. There depositors will be inclined to take away their deposits, they will not be encouraged to keep them there and at the same time the banks will have more work. Thus, these cooperative banks will have to face difficulties. Therefore, it will be better if they are exempted from this tax.

Then there is one more provision on which I have given my amendment. That is about these depositors who are earning an interest of more than Rs. 2, 500/- who will have to pay some interest. At least you may give them one concession, that if they produce the advance tax receipt, in proof of having paid that much amount, then, at that time only, they may be given exemption from this tax. This provision should not be applicable to them.

With these suggestions, I retire.

SHRI NIRMAL KANTI CHATTERJEE: Sir, please permit me to make a correction. I had mentioned Rs. 20,000/- as the *per capita* income. I really meant *per family* income. That may be corrected accordingly. I do not want to go wrong on this point.

Thank you.

MR. SPEAKER: All right.

SHRI B.N. REDDY. Absent.

SHRI AYUB KHAN.

[Translation]

SHRI AYUB KHAN (Jhunjhunu): Mr. Speaker, Sir, I am grateful to you for giving me an opportunity to speak at this juncture. First of all, late Mahatma Gandhi had a dream about the country and late Nehruji realised that dream. Late Smt. Gandhi and late Shri Rajiv Gandhi nourished it by sacrificing their lives, and took the country to a path of progress and glory. Under the leadership of Shri P.V. Narsimharao, our Finance Minister, other Ministers and the officials of all the Departments deserve to be appreciated for the Finance Bill which have been moved in the House. I would like to emphasise that we, the Indian's, can lead a life of poverty but we can never compromise with the prestige of our country. It means that once upon a time late Prime Minister, Shri Lal Bahadur Shastri had given a slogan 'Jai Jawan Jai Kisan'. Today the time has come when we have to adopt this slogan in our life. If we would not have allowed the gold to be sent out of the country and did not take assistance in turn from outside, it would have been the better service, for the country. In my opinion, the people should come forward to serve the country. I hail from Rajasthan. It is a backward areas from the development point of view. But there are many villages in my Jhunjhunu district where a number of billionaires reside. If these people are granted exemption in this regard, they could have helped the country a lot in this matter. In my opinion, the new industrial policy will lead to the country to the path of slavery again. It would not be proper if outsiders come and misuse our poors for their own benefit. Today, the business groups have created another party that has created a lot of disturbances in the country and can play a dangerous role in the set up of the country. I would request that some restric-

tion should positively be imposed on outsiders so that the workers participation in the industry may be ensured for the purpose of containing the profit of big people as well as due profit to the workers.

Mr. Speaker, Sir Jhunjhunu is my constituency in Rajasthan where drinking water is a terrible problem. Indira Gandhi Canal is the only source of drinking water. No Government in the State is capable to run that project. If you provide more financial assistance then only we would be able to commission the project. I think that not only irrigation but drinking water also would be made available by commissioning the project.

Mr. Speaker, Sir, I would like to request that the income tax ceiling must be raised as military officers and jawans who are serving the country are also paying the income tax. On the one hand, the Government is increasing their salary and on the other hand, it is taking back the amount in the form of income tax. It is very surprising that even lower class employees are also paying income tax. Please look into it.

Now there is an issue of gas sylender. In this respect people have a lot of complaints. If you happen to go to villages they will talk about gas sylender. I request you please pay attention to this matter also. The second issue is that of diesel and petrol. The present prices of petrol are very high and general public cannot travel on taxi or scooter. Please pay attention to this issue too. You have given concession on Kerosene oil but there is so much difference between the prices of petrol or diesel and kerosene oil that it will lead to corruption.

Mr. Speaker, Sir there is so much hike in the prices of fertilizers that it requires a board to be constituted. The farmers can not get relief because a heavy amount is invested in the production of fertilizers, so I request you that in respect of the fertilizers it is better to give more subsidy to the farmers. As you have fixed a limit for land holdings, similarly there should be a limit for the rich people that they can not have

assests more than rupees one crore. I would urge you that if there is more assests than this limit it should be treated as the assests of the nation. Provide more and more facilities to my constituency. It is so much backward that till now people have not seen train.

MR. SPEAKER: Leave it. It is not covered by the Finance Bill. This matter may be raised with the Minister for Railways.

SHRI AYUB KHAN: I appeal you to provide more money for the development of Rajasthan so that the problem of drinking water can be solved. My last submission is that provide a pass of Girdavari to the farmers and give loans to them on the basis of that pass book. Patwari, Tahsildar and Sarpanch should not go to inform the farmers but banks should provide loan to them on producing that pass book. They will produce that pass book to the bank officer and on seeing that pass book he will give them loan. If any farmer has an entry in his pass book to the effect that he has already taken a loan then he should not further be provided a loan. If he has repayed the loan it should be renewed, otherwise not. Bank should not ask for any witness because he has a large property of land. So there should be such an arrangement that he can get a loan. Thanking you.

SHRI RAM NAIK (Bombay North): Mr. Speaker, Sir, I have no objection if Shri Khandelwal wants to speak first.

MR. SPEAKER: Well Shri Khandelwal speak first.

SHRI TARA CHAND KHANDELWAL: Thank you Mr. Speaker, Sir, I want to know that how much time has been allotted to me.

MR. SPEAKER: Five minutes.

SHRI TARA CHAND KHANDELWAL: I will have to speak in the telegraphic language.

MR SPEAKER: If you speak on the issue you can tell a lot.

SHRI TARA CHAND KHANDELWAL (Chandni Chowk): Mr. Speaker, Sir, kindly increase my time limit to proportionate to the percentage of inflation and price rise due to this budget.

MR. SPEAKER: Speak on good points. The number of points you will speak, your time will be increased accordingly, highlight such new points which have not been mentioned by any other member and speak on the finance bill only.

SHRI TARA CHAND KHANDELWAL (Chandni Chowk): Mr. Speaker, Sir, while opposing this finance bill I, want to draw the attention of the Finance Minister on an important issue other than the issues of taxation. It seems to me that the businessmen are neglected in this finance bill. No attention has been given towards business and businessmen. I accept that there is a lobby of capitalists and industrialists in our country but I want to state that businessmen are backbone of the economy of the country. There are approximately 8 crore small, medium and big businessmen in our country. Our Government always neglects the role played by the businessmen in business, economy of the whole country and in the distribution system. My submission is that where there are so many ministries, there should be a separate Ministry for trade. If it is not possible to do so immediately then there should be a Department of Internal Trade under this Ministry. When our country got freedom Jawahar Lalji included a Ministry for Trade Affairs in his first cabinet. This is my submission that there must be a Minister for trade affairs.

Mr. Speaker, Sir, when the Government announced that it would check price rise with in 100 days and will bring it to the level of July 1990, at that time people who have political skill knew that it is a fraud. It was mentioned in the manifesto the misguide the countrymen, but innocent people of this country were pleased to know that a new Govern-

ment is being formed.

[English]

MR. SPEAKER: That point is already made by other Members.

SHRI TARA CHAND KHANDELWAL: Every Member has repeated, why are you checking me? I will finish within a time-limit.

[Translation]

Don't interrupt me again and again, it will take more time.

PROF. PREM DHUMAL: Please let him speak fluently for sometime.

[English]

MR. SPEAKER: There is no point in repeating the same thing again and again.

SHRI TARA CHAND KHANDELWAL: This is my maiden speech at the fag end of the day of this Session. You should take care of it.

[Translation]

I had forgotten this. That is why I was making a request. The innocent people of the country had a belief that this Government would really check the price-rise. But the prices instead of coming under control within 100 days have gone up. Now the people who were once all praise for this Government are criticising it severely. The hon. Finance Minister issued a statement that checking the price rise was not possible. If the Government has no formula. I have a formula which would help contain price-rise. According to my formula, the Government should make an announcement today that it would not enhance the administered prices of the essential commodities for the next five years. If that is not possible, let it be for next two years only. Even then, the prices will come under control, they will not go up... (Interruptions)... you have again interrupted me... (Interruptions)... No, they are

our friends. There will be no price-rise if the Government makes such an announcement even for two years. The Government itself enhances the prices of commodities under its control and thereafter shifts the blame on the businessmen and industrialists. The Government who is itself responsible for rise in prices has no right to blame others. It has taken over all sorts of business in its hands. An economist or an intellectual once said that:-

"Jo sarkar bane vyapari
Uski praja bane bhikhari."

(Interruptions)

Yes, Chanakya once said, if the Government does business itself, its subjects turn beggars. Today, the Government is unable to manage its trade properly. Performance of all public undertakings and other institutions under its control is very dismal. 80 percent public undertakings are running at loss.

It is like the thief threatening the policeman. The Government is exactly doing this. It has increased the prices of several commodities itself. The price-rise certainly would come under control if it sticks to my formula.

Now, I come to the point of taxation. I would not say more in regard to raising the exemption limit of income-tax from Rs. 22,000 as many of the hon. Members have already spoken a lot on this point. However, I would like to request the Government to yield to the popular demand all over the country and raise the limit further from Rs. 22,000 in the public interest if it really believes in the democratic set up. Although in our manifesto we have promised to raise the exemption limit of income-tax up to Rs. 48 thousands, I will compromise with my demand if the limit is raised to Rs. 40,000. Exemption limit in respect of a firm is Rs. 15,000. It is ironical that when the exemption limit in respect of individual income is 22,000, for a firm which does business, it is Rs. 15,000. The Government should raise exemption limit in respect of firms to Rs. 40,000. Secondly, the people

are very much distressed over double taxation. It is also ironical that taxes are levied twice in our country. Firstly, tax is levied on the firms and thereafter on its partner's. I demand that the dual taxation policy should be done away with.

Thirdly, I would like to submit that firms having an annual turn-over of Rs. 40 lakhs are supposed to furnish an audit report. When the rate of inflation has gone so high, I demand that this limit should be raised from Rs. 40 lakhs to Rs. 75 lakhs.

A new provision has been incorporated in clause 194 (h) which is very harmful and has been opposed everywhere. The exemption limit for the purpose of T.D.S. on income accruing from interest, commission and brokerage has been fixed at Rs. 2,500. Now I would like to tell the hon. Minister of Finance that if this limit is fixed at Rs. 2,500 per annum, that means people making a deposit of Rs. 200 per month would come under its purview. In our country, there are petty brokers or commission agents who earn only Rs. 300-400 as commission or brokerage per month. There are widows who keep their entire savings as fixed deposits in banks. The salaried class people, the teachers for example keep their small savings in the form of F.D.R. The Government servants who retired from service and get lump-sum amounts as their retirement benefits also deposit the same in the banks. The Government wants to levy tax on that amount also. I demand that the provision of T.D.S. on the above incomes should be withdrawn. And if our hon. Finance Minister is not in a mood to completely withdraw it, he can at least raise exemption limit of interest amount from Rs. 2500 to Rs. 10,000. Under sub-section 2 of section 143 a facility of self-assessment was given to small traders. The basic intention was to give them relief. There was a provision under it that if an income tax officer was not satisfied he could open the case within six month. Now the provision is for twelve months. I would like to know whether Government does not have adequate means for the screening on the income tax returns within six months. Some Inspectors of In-

[Sh. Tara Chand Khandelwal]

come Tax try to blackmail the traders and tell them that their case is going to be reopened within six months and then stike a deal under the table. I, therefore, request the hon. Finance Minister not to be swayed by the suggestions of Government officials and do by his own sagacity. He should seriously think in this direction.

Mr. Speaker, Sir before concluding I would like to submit that for the last 17 years there has been a long-standing demand for the abolition of sales tax. Almost all the Parties have mentioned about the abolition of sales tax in their manifesto in one year or the other. It involves two things-generation of black money and corruption. Every customer wants that he should not be charged 7 or 10 per sales tax and that is why he is not interested in taking a bill for the goods. As a result black money is being generated and therefore, there is urgent need to abolish sales tax. Here, I would like to submit that this demand is not only of the traders but also of consumers. Government is allergic to traders. As they are organised they can raise their voice but the consumers are not organised and, therefore, they cannot raise it. The consumers are the worst affected. I, therefore, demand that sales tax should be abolished. It is stated here that it is a state subject but I would like to ask what prevents the Central Government from abolishing the Central Sales tax. I, therefore, demand that the Central Sales Tax should be abolished immediately.

Mr. Speaker, Sir, with these words I conclude. I am sorry for having transgressed the time limit - though it was for a minute or so.

SHRI RAM NAIK (Bombay North): Mr. Speaker, Sir, there is a shaloka in Sanskrit:-

"Vinayakam Dakuvamam
Rachayamas Vanaram"

We are celebrating the function of Ganapathi these days and we started making the idol of Ganapathi but instead the final

shape of the idol came out to be that of a monkey. They were talking of bringing down prices within 100 days. A new economic resolution was brought forward but the prices went up instead of going down and if we compare the present whole sale price index with that of June, there has been a 15.20 per cent rise in it. In August 90 the whole sale Price Index was 180.3 per cent whereas today it is 207.7 per cent. That means there has been an increase of 28 per cent in prices. It was said that prices would be rolled back within 100 days but it is not known as to where would the effort, being made by Government, take the country to. That is why I have certain apprehensions, whenever there is steep rise in prices we say that the prices have touched the sky. I think the prices have now pierced through the sky and hit an all time high. In this way, the wholesale Price index is going up. The BJP volunteers did an experiment in Bombay in this regard. When the Finance Bill was likely to be taken up for discussion, they sent printed postcards with a questionnaire to the people in the city and sought signatures of those people if they thought that the demands made in the questionnaire were justified. They told the people that these post cards would be sent to the Finance Minister and the Hon. Prime Minister. Sir, you would be surprised to know that within seven days I received 40,000 postcards whereas the discussion on the Finance bill began the day before yesterday. I delivered those post cards to the Hon. Prime Minister along with a letter. Four demands have been made in that questionnaire. I would like to mention them here as it is related to the Bill. The first demand is that the income tax exemption limit should be raised to Rs. 48,000. I have with the figures of Consumer price Index of 1982. If we treat it as bas year with the value of rupee as 100 paise, it was just 53 paise in July 1990 and today the value of rupee is merely 46 paise. The value of rupee has eroded so much during the last ten years.

[English]

SHRI A. CHARLES (Trivandrum): May I ask a question with your permission?

*(Interruptions)**[Translation]*

SHRI RAM NAIK: Please ask. Questions should ordinarily be asked from the hon. Minister, but if you ask me, I have no objection. I will reply to it.

[English]

SHRI A. CHARLES: You said that you have received 40,000 cards and the questionnaire and you have suggested that the income-tax upper limit should be raised to Rs. 48,000/-. What is the percentage of the people of the country that will be benefited by it?

SHRI RAM NAIK: There may not be many persons, but you are wasting your energy, the administrative machinery, just to collect a few crores of rupees.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): 90 per cent of the assessments are summary assessments, no administrative expenditure is involved.

SHRI RAM NAIK: You are giving exemption upto Rs. 22000. What is the value of the rupee? On Rs. 48000 limit I am not going to say more.

[Translation]

I was simply saying that the income tax exemption limit should be raised to Rs. 48,000. Second demand was that the price of LPG should be brought down to pre-Budget level. The third demand which has been mentioned...

*(Interruptions)...**[English]*

SHRI MANMOHAN SINGH: There are 870 crores of rupees subsidy on L.P.G.

SHRI RAM NAIK: Ultimately, whom are you punishing and for what?

[Translation]

The middle class and factory workers who toil hard are being taxed whereas incentive is being given to black marketeers for disclosing the unaccounted money. You will have to seriously deliberate upon your role... *(Interruptions)* I do not have any objection if film industry is given some incentives. If a trade or profession is granted the status of industry, it should be treated as industry. That is my personal opinion. They are facing some problems and if they have been given some incentive that is good.

About Railways, I would like to submit that the fare of suburban railways should be reduced and these should be rolled back to the level of July 1990. I have said this because people are agitated and you should bear it in mind. If you want to witness the display of their agitation, you may go to Bombay where women propose to hold a rally on 27th September when 100 days of Government are going to be over.

[Translation]

You can go and see how anguished the housewives are.

SHRI VILAS MUTTEMWAR: You launch most of the programmes on women.

SHRI RAM NAIK: Earlier, these people thought that we were not with the farmers. We launched programmes in the interest of the farmers. Shri Sharad Joshi thought that the farmers were with us. The Government should take stock of the people's reactions on its Budget. If it does not take these into accounts, people will naturally express their anger through agitation. And when people express their anger in such a manner, it will not be useful for the country, for the people and for the society.

Secondly, I would like to speak about the Finance Bill. At the time of retirement a Government employee or a factory worker who works in cities like Delhi, Calcutta or Bombay receives about Rs. 80,000 to Rs. 1

[Sh. Ram Naik]

lakh towards gratuity. It is the earning of his whole life and he gets more than Rs. 2500 interest on it. The value of money is going down. Now, how can these retired pensioners who get this type of gratuity be excluded from the scheme terming them as a salaried class. If the Government does not give them exemption from tax on the interest money they would be getting this salaried class will continue to be exploited. Their pension does not increase with the increase in dearness allowances. My demand is that the Government must understand the hardship to be faced by these people as a result of this decision.

Several Hon. Members spoke about urban Co-operative Banks. So I would not like to repeat them any longer. The policy the Government framed for the Urban Co-operative Banks, which are mainly located in Maharashtra, Gujarat and Madhya Pradesh, is as good as a death knell. Earlier, no income tax was being levied from these co-operatives but today income tax @3% is being levied on gross income directly. The Co-operative Banks functioned in the areas where the nationalised banks did not function. These banks were very helpful to ordinary people, small businessmen, petty craftsmen and small scale industries. (*Interruptions*)

The Government proposes to levy 3% income tax on the gross income of these Co-operative Banks. These banks Mobilise resources and give loans in places where nationalised banks do not function. Earlier, the difference between the rate of interest of the nationalised banks and urban banks was 1%. It was helpful to urban banks in their competition. Now, the Reserve Bank reduced it to 1/2%. Earlier, that was also not there. When we made representations and explained the position to the Hon. Minister, it was made 1/2%. Why such miserliness? Urban co-operative banks do a commendable work in the urban areas. As such the existing stance under which trends of weakening the co-operative banks are visible,

should be changed. Many Hon. Members like me and Shri George Fernandes have connections with many co-operative banks. Their deposits have began to recede. Of course the concessions which have been given now through an affidavit will be beneficial to them to some extent, but not to a great extent. I request you that as in the past, the co-operative banks should be kept beyond the perview of income tax.

The Hon. Minister made some submissions about the hotel industries. We live in a hot country and in such a country air-conditioned hotels are being treated as a luxury. I can understand the justifiability of levying taxes on such places where residential arrangements or hotels are there. Because one who visits these place will be required to pay more. But what about the person who only takes meals from a 'dhaba' on the highway. (*Interruptions*) Leave the case of Bombay. You go to Madras and Calcutta. You will find this situation there. Our country men are fortunate that providing two toilets in a hotel appeared to be a case of luxury for the Government.

[English]

TO WHAT EXTEND IS THE Government thinking perversely?

[Translation]

There should be no separate toilets for men and women.

[English]

SHRI NIRMAL KANTI CHATTERJEE: He has moved an amendment for that.

SHRI RAM NAIK: But only after complaining about it, he did it.

[Translation]

It is an illustration of how the Government thinks. The Government should not

expect levying more tax from eating house where air-conditioner have been fitted.

Finally, I would like to make one point only. A mention about the glass industries was also made. I have close connections with these industries because there are three or four big glass factories in my constituency. I feel that it is a labour intensive industry. It must be considered from all angles. People are likely to meet the Hon. Minister and discuss the matter with him. As such, I do not want to take much time on it.

Now I would like to make a submission about the overall development process. During the question Hour there was a proposal to create an M.P. Constituency Fund. We discuss about the development and plans of the whole country but there are certain special requirements for which the people of our individual constituencies are interested. While we discuss about the whole development process, our local requirements are not covered by that. We construct long roads and big bridges. But there is a small rivulet in my constituency and we have been demanding for last 10 years for the construction of a bridge on it. But or demand is not being conceded to. There are a number of other minor things which are no way directly linked with the national planning. But it is a problem with the representatives of individual constituencies. The Hon. Minister assured that he would re-consider these local demands. But perhaps due to his pre-occupations in connection with the Finance Bill, he could not make time for all this. But I would like to tell him that the public representatives who come here as M.Ps have a special responsibility towards their individual constituencies alongwith their contribution to financial set-up of the country.

[Translation]

There is a scheme in Maharashtra under which Rs. 21 lakh are reserved for each legislative assembly Constituency and district planning Council prepares plan. In

Bombay Rs. 10 lakh are given for each Corporation ward for carrying out development works in the ward. On the same lines, if you provide Rs. 1.5 corer for one constituency and it will cost about Rs.750 crore as there are 6 state Legislative assembly constituencies in a Lok Sabha Constituency in our Maharashtra and 7-8 in Madhya Pradesh. If I am not wrong, it is 0.3% of your total budget. Members of Parliament can suggest some schemes according to the local needs. In this way they can associate the common man in the whole planning process and in the work process. Honourable Minister of Finance please think on these lines and do the same. With these words I conclude.

*SHRI V. KRISHNA RAO (Chikkabalapur): Mr. Speaker, Sir, The Hon'ble Finance Minister has presented a balanced finance Bill despite financial crisis in the country. I heartily congratulate him and other related persons. I welcome the Finance Bill and give certain suggestions for the kind consideration of the Hon'ble Finance Minister.

Food, clothing and Housing are the basic amenities which are very essential to each and every citizen. The Govt. should take the responsibility of providing these basic amenities to all persons in the country. We should have special plans for this and the Govt. should come forward with innovative schemes.

The rural poor, especially, Harijans and Girijans do not have proper housing facilities. So far we are not able to wipe out their tears. The gap between rich and the poor is widening day day. This has to be stopped immediately and the poor should be provided better housing facilities. The Hon'ble Finance Minister, Shri Man Mohan Singh is capable of doing this.

Our country has not progressed as expected. The progress is meagre when compared to the progress achieved by other countries like Japan, Germany, America etc.

[Sh. V. Krishna Rao]

We have talented and intelligent persons in our country. We have abundant natural resources in the country. Even then, the progress that we have achieved is negligible. We have the potentiality but unfortunately it is not being exploited properly. Hence, the Hon'ble Minister should come forward with new schemes for the benefit of the poor people of this country. is capable of doing this.

Our late lamented leader, Smt. Indira Gandhi nationalised most of the Banks for the noble cause of helping the poor. But what is happening in these banks? I want to know whether these banks are assisting the poor people or the managers and other officials of banks. What is the condition of the Rural banks today. I born and brought up in a village and I know the problems of villagers. These banks have to be modernised and the working of these banks has to be monitored.

How is the industrial development in the country? How many industrial units in the country have become sick? Where our plans have gone wrong? Our Hon'ble Finance Minister should do some introspection and find out solution for the sickness of these industrial units. Sickness should be avoided completely and production has to go up. The Govt. should take all necessary steps to increase the per capita income.

It will be like putting butter milk worth six paise in the mouth of Ravana if the family planning programmes are not implemented strictly. In the absence of family planning all the progress of the country would be worthless. It will be like pouring milk in mole hill. There is no other alternative before the Govt. than making family planning compulsory.

Sir, the Hon'ble Finance Minister is a very intelligent person. But I do not understand why there is a dual policy regarding fertilizer subsidy. This has to go. The farmers have to struggle to get fertilizers. There is black marketing and other malpractice in

the sale of fertilizers to the farmers. The farmers has to be the village accountant and the agent to get fertilizers. This has to be rectified by the Hon'ble Minister as early as possible. Institutions, industries and other organisations, have the facility of insurance cover. Unfortunately there is no crop insurance Scheme in our country. Insurance cover is a must to the farmers without which their progress is impossible. Similarly support price also is very essential for the farmers.

I request the Hon'ble Finance Minister to clear the following projects in Karnataka:

1. Vijayanagar Steel Plant;
2. Mangalore Refineries;
3. Raichur Thermal Power Plant IInd Unit.

The Gold mines in Kolar Gold Fields are being closed and about 14 thousand workers are on the roads. It is reliably learnt that the clay which is dumped around the mines like hillocks (after extracting gold) contain good percentage of gold. This has to be found out as it not only solves the unemployment problems but also fetches gold to the Government.

Neither there is electricity nor sufficient drinking water in Karnataka. The cattle do not have fodder. Therefore, may I ask the Hon'ble Minister the approximate time by which the Kaiga atomic power plant would start functioning.

Most of the irrigation projects in Karnataka are pending for the last several decades. They are:

- (1) Upper Bhadra;
- (2) Kabini;
- (3) Harangi.
- (4) Hemavathi.

I appeal to the Hon'ble Minister to

complete these vital projects and help the farmers of Karnataka.

Huge money is being spent for the implementation of Nehru Rojgar Yojana. Crores and crores of rupees are being spent but the poor villages get nothing what is happening in village Panchayats and mandal panchayats. The villagers and the farmers are suffering. If this situation continues the farmers will be on war-path. I urge upon the Hon'ble Minister to send a team to inspect all these happenings and to take corrective measures.

My constituency is reeding under severe drought. Most of the coconut trees have withered away. The Hon'ble Deputy Speaker, Shri Mallikarjunaiah is here and he knows the condition of farmers very well. Drought situation is prevailing in Kolar, Tumkur, Bangalore and Chitradurga districts. I, therefore, request the Hon'ble Minister to set up a permanent Board for providing relief measures to these drought prone districts.

The people of Karnataka are looking forward for the centre's assistance. I hope that the Hon'ble Minister of Finance would do his best to help the people of Karnataka.

Sir, I thank you for giving me a chance to speak and with these words I conclude my speech.

24.00 hrs

[English]

SHRI RAM NAIK: Sir, I have got two tablets of codopyrin and aspirin. If anybody wants them, I am ready to give.

AN. HON. MEMBER: Were you ever a doctor? (Interruptions)

MR. SPEAKER: We have all the time been talking about the atrocities on Harijans...

(Interruptions)

[Translation]

SHRI RAMASHRAY PRASAD SINGH (Jahanabad): Mr. Speaker, Sir, it is going to be 12 o'clock. The discussion in going on Finance bill. Our hon. learned members have given very good suggestions on it. It is an important thing of our country. It is difficult to speak on it. After all the budget and the Finance Bill have been prepared and presented by our Hon. Minister of Finance who is a great scholar of Economics. He has prepared both budget and Finance bill. He has brought both these things with a view to improve the economic situation of our country which is going bad to worse. This is also true that we have to identify the causes and our wrong policy that have brought our country to such a situation. It is very essential to think over it, lest we should not take the country to the worst situation by following that wrong policy again. The people have talked about and given their comments on the budget that has been presented recently. It is not that the opposition does not appreciate the good policies. Opposition appreciates. So I do not agree that we will not appreciate the good steps taken by our Government. Certainly I will say that it is a very good step. It will benefit the country. But can you tell me what benefit will we get from this Finance bill. It has caused price hike. You have promised to control price rise. Yesterday, I purchased two kg mustard oil. It cost me Rs. 92.80. Now you can think this budget was brought to provide relief to the poor, farmers, labourers, small traders etc. and not to cause harm to them. It points out the shortcomings in this budget. Why is it so that we have failed to control price hike?

Secondly, Mr. Speaker, Sir a number of suggestions have been given during the course of debate of Finance Bill. We cannot give any more suggestions in this connection. But one thing is clear and everybody accepts that India is an agriculture based country. It is a hard reality. In fact people say that it is an agriculture based country. 75% of the dependants of this agriculture based country are farmers and labourers. They are the people who help to strengthen economy

[Sh. Ramashray Prasad Singh]

of the country. An hon. member has said that businessmen are the backbone of our country's economy while we think that farmers and farming are the backbone which make our economy more strong. We can earn more and more foreign exchange and we can use it in running our country and making it better. So we want to say that no attention has so far been paid to the development of agriculture. If agriculture had been developed, we would not have reached the present economic situation. We would have been in better situation. But today agriculture depends on rain. And this dependence shows our backwardness in the field of agriculture. Now we do farming with the faith in God that is why farmers do not get any benefit from agriculture. This is because you have not paid any attention towards the agriculture. Secondly, I would like to draw attention towards the economic condition. You have taken loan from International Monetary Fund to bring about improvement in the economic condition. Will it improve the situation or not? It is a rural saying that one who takes loan to meet one's essential requirements of food etc.

can, not prosper. You have taken loan and have accepted the conditions of interest. You had to accept because position was very bad. But where will it lead to the country? It is matter to be considered. I want to state that hon. members have given very good suggestions. You have not done anything wrong in taking loan. You have to think in nation's interest. You make amends in national interest so that we are able to strengthen the national economy. Please do not repeat our wrong economic policies as they may deteriorate the condition further.

[English]

MR. SPEAKER: I think we have earned our bread today. Well, I thank you for your cooperation. The House stands adjourned to meet today at 11 AM, the 14th of September, 1991. After completing the formalities, there will be reply on Finance Bill. There will be no speeches as such.

00.07 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Saturday, September 14, 1991/Bhadra 23, 1913 (Saka)