

MR. CHAIRMAN : The House shall now take up clause-by-clause consideration of the Bill.

The question is:

"That clauses 2 to 16 stand part of the Bill."

The motion was adopted.

Clauses 2 to 16 were added to the Bill.

MR. CHAIRMAN : The question is:

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

The motion was adopted.

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

SHRI S.R. BOMMAI : I beg to move:

"That the Bill be passed.

MR. CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.

SHRI RAM NAIK : How nicely we have cooperated!

SHRI S.R. BOMMAI : Thank you very much.

19.12 hrs.

GENERAL BUDGET 1997-98

Demands for Grants on Account (General), 1997-98

Demands for Supplementary Grants—General, 1996-97

and

Demands for Excess Grants—General, 1994-95—Contd.

[English]

MR. CHAIRMAN : Now, we shall take up item nos. 22 to 25 together.

Shri Sanat Mehta—not present.

Dr. Girija Vyas

... (Interruptions)

[Translation]

DR. GIRIJA VYAS (Udaipur) : Mr. Chairman, Sir, today the Budget for 1997-98 has been presented. ... (Interruptions)

SHRI NITISH KUMAR : Mr. Chairman, Sir, it is a mockery of the Budget. Discussion is taking place after 7 p.m. on such an important Budget.

MR. CHAIRMAN : It has been so decided in the BAC and we are discussing it accordingly.

SHRI NITISH KUMAR : The discussion is going on in the darkness of night.

MR. CHAIRMAN : One has to do work in the night.

DR. GIRIJA VYAS : Mr. Chairman, Sir, General Budget 1997-98 has been introduced in the House bringing all guesses, estimates and conjectures to a halt. The Finance Minister faced many problems in this Budget and he, while very deftly resolving them properly, kept intact the sentiments of the various constituents of the United Front Government. I would also like to thank the hon. Finance Minister for furthering the policies of the Congress adopted five years ago and the economics of Shri Manmohan Singh.

Hon'ble Mr. Chairman, the GDP growth rate has grown from one per cent to seven per cent during the last five years. Inflation has decreased. External accounts, both current and capital have registered an increase. However, we have not been able to fulfil the 'Garibi hatao' slogan. The object, however, still remains as before.

The employees class has been pleased by providing relief in income tax, the trading class has been satisfied by giving concession in import duty and the investors by the announcement of a number of facilities. Thus *prima facie* this Budget would be called as 'a Budget pleasing all'. Even in some of the newspapers it has been hailed as a wonder Budget while in others a question mark has been put before it as to how the Budget deficit is proposed to be made up. The day the Minister presented the Budget, India reverberated with a new echo and we are marching again with the policies formulated five years ago. The special features of the Budget are as follows.

SHRI RAM NAIK : However, Mr. Manmohan Singh refuses to agree.

DR. GIRIJA VYAS : The special features are—the new scheme for voluntary disclosure of black money, more autonomy to the public sector establishments; introduction of capital board index bonds; permission for making forward deals in cotton and jute. Foreign Exchange Regulation Bill to be presented in the latter half of this year, oil exploration and industrial parks also to be brought within the ambit of Income Tax Act's clause 80 i (a); raising the rate of contribution in the provident fund by both employers and employees from 8.33 per cent to 10 per cent with effect from March 1, 1997 additional capital of Rs. 500 crores for the new NABARD to facilitate investments by foreign investment institutions and non-resident Indians, removing domestic forward trading in cotton and jute, more loans to small scale industries, relaxation in guidelines for enterprises' capital funds, measures for improvements in capital markets, double allocations for technology development fund, estimate of an expenditure of Rs. 2,32,176 crore for 1997-98, record budget of Rs. 7858 for the plan, attempt to link up the

[Dr. Girija Vyas]

Indian economy to global economy has been made by slashing tariff rates. Reduction in Excise and Customs duties will pave the way for development of industries. Items will become cheaper due to reduction in excise and, inflation would also be under control, these are the guesses made after the hon. Minister's Budget Speech.

Sir, one fails to understand how Mr. Chidambaram will be able to restrict the revenue deficit to just 4.5 per cent of the gross national product even after giving so many concessions? In my opinion he must be thinking that reduction in tariff rates will lead to increase in national income thereby reducing the Budgetary deficit in proportion to the national income.

Sir, union budget is an important statement with regard to the economic policy of the Government. Although our Finance Minister is day by day feeling helpless in maintaining balance between revenue and expenditure therefore our economic policy is not an independent one. In this context the budget for 1997-98 can be taken from two different aspects. First, whether it brings forward the economy reforms on the earlier economic path. Secondly whether the calculation made therein is authenticated? There are two main points in it. On the first test this budget definitely appears to be a meaningful effort. On the face of it this budget appears to be meaningful one but when we delve deep into it, it is not so. Important feature of it is to have reduction in all rates of individual income tax. Maximum rate of taxation is fixed at 30 per cent. With this rate of taxation India will come at par with the other Asian countries. As far as tax reforms are concerned this was a long term measure. No doubt it is a bold step but at the same time it is hazardous. It is hazardous because it is expected that there will not be a fall in the revenue. We congratulate the Finance Minister for the same. Similarly surcharge has been removed from corporate tax and double taxation on dividend has been removed. It is also a good effort towards tax-reforms. Similarly the effort has been made towards custom-duty. It is a meaningful effort to fix maximum rate at 40 per cent and to reduce custom duty on certain items. Has the Minister made any assessment regarding shortfall to be caused as a result of these steps? What is the answer in this regard? For example it will result in shortfall of corporate tax by Rs. 6,387 crores. From what sources you shall meet this shortfall of 21,196.75. In other words it will result in shortfall of income tax by 7567 and in custom duty by 17242. All of us have this question marks in our mind. The latent calculation of budget is doubtful. With regard to the expenditure the required financial discipline is not found there. The burden of interest has reached about 70 thousand crore rupees. The implementation of recommendation of new pay commission is estimated to involve an expenditure of more than ten thousand crore rupees.

The defence budget has increased many fold and it was necessary to increase the allocation in this regard. Non-plan expenditure has also been increased too much. Keeping in view all these aspects whatever estimate regarding financial deficit has been presented is highly optimistic. There is no indication found in the budget with regard to put a check on the increase in the prices. Will the Minister reply to our question on to how the rate of inflation, increased in the period of April-June 96, will come down and how more than 30 per cent increase in prices will be brought down?

All of us have this question mark also in our mind.

Mr. Chairman, Sir, now the question arises as to how the budget is taken by the common people. On the day when the budget was being presented one TV Channel asked a woman who was passing by—what profit and loss she will realize out of the budget? Surprisingly she looked towards TV Camera. They again asked—do you know about budget? The woman replied the budget means an increase in prices. For the common people the budget is meant only an increase in prices and the budget continue to be declaring in the same manner for the last 50 years. That is why all of us are having the same question mark in our mind whether inspite of all those efforts the benefits of this budget shall reach to the common people or not?

The profit of the items on which custom duty has been reduced will certainly be realised by the producer but it is difficult to say that this profit will go to the consumer. There is no such arrangement made in our machinery so as to ensure that the profit of the reduced rate in custom duty will go to the consumer.

Indiraji tried to reach the common people with her slogan of 'Garibi Hatao' and the common people appreciated her move. The Congress adopted her move for a long time. While presenting the budget hon'ble Finance Minister certainly kept this aspect in his mind that we should pay attention to the poor people and the same was always asserted by Shri Manmohan Singhji in his budget. But it seems that we did not go beyond the slogan of 'Garibi Hatao' and we have not been able to reach the base of 'Garibi Hatao'.

Inspite of being a general budget it does not appear that the common people would be benefitted by this budget at all. There is no encouraging proposals for farmers, women and for children. One point is definitely emerged and economists also believed that the most discouraging aspect of the budget is to save the Government from the responsibility of infrastructural development. Sir, I shall come to this point later on but I would like to say that the prices of those items have been increased which coincidentally, are the consumer items for the common people. These items include ball point, biri-cigarette, postcard, inland letters, envelopes, Jam, sauce, soup and sun-goggles etc. Highest increase has been made in the price of envelope. Its rate has been doubled. Two rupee in place of one rupee whereas the prices of postcard and inland letter have been increased

by 10 Paise and 25 Paise, respectively. Postal registration charges has been increased from Rs. 8 to Rs. 10. As postal material and postal services are utilized by all of us, nobody will be left without having the impact of this price-rise. If we take the price-rise of the envelope from the point of view of proportionate price rise, it does not seem to be a justified one.

It is doubtful that the benefit of these items the prices of which have been reduced will reach the common people because the consumer of these items are very less. For example take the parts of the imported watches. How many people possess imported watches? How many people use air conditioners? How many houses have glazed tiles? Barring middle class and affluent class people in the urban areas how many people use cosmetic items? Moreover, with the declaration of reduction in prices of these items, their prices shall not go down and if it happens so whether the finance minister will provide any relief to the common people by giving such concession to the few people?

It has been tried to please the service class by giving him long awaited income tax relief, service class people get relief through other means even, with the increase in price index they get increase in the rate of their dearness allowances. They get relief by way of interm relief, pay scales as proposed by the Pay commission from time to time. But the relief to this class cannot be taken as a relief given to the common people. Hon'ble Minister will have to find out some other measure to give relief to the common people.

Sir, a social deviation is likely to emerge. Among the service class a race for hoarding wealth through unfair means is increasing day-by-day. It is essentially required to put a check on it somewhere. Service class face this crisis with its increased income sources but the real sufferers are those who come under non-service class as the people of the both classes are equally consumers of these items.

Sir, from the speech of the Hon'ble Minister and afterwards his interview taken, it appears that the inflation will not be increased but if we take it from micro economic point of view, the inflation will definitely increase.

As per micro assumption tax and non-tax revenue will register 16-17 per cent increase in the next year. It indicates the economic growth of 7 or 8 per cent. It is question of monetisation of 16 thousand crore rupees. Only two aspects indicate the increase in inflation—first increase in rail fare and freight charges and second oil pool deficit. Sir, 8 per cent inflation which emerged in the second half of this year is an alarming challenge before our country. As far as any of the countries progressed its inflation rate came down to three per cent. We shall have to admit that Government ultimately will have to pay its attention towards this aspect.

Sir, if we compare our country with the other Asian Countries we find that India is far lagging behind. Economic growth in Singapore and Malaysia ranges from 8 to 10 per cent. It ranges very high in China and Japan also. If we look for transparency we shall find that the measures stated by Shri Paul Fugman deem fit in the context of India—First, employment to the maximum people, second, increase in production and third, increase in export. If we pay attention towards education, employment according to priority, which will be a social justice also, economic growth may increase to 8-10 per cent. We shall bring the rate of inflation down to 3 per cent alongwith promotion in exports but the Hon'ble Minister cannot do it alone. He will have to take the cooperation of his ministry. The RBI Governor thinks that existing inflation rate ranges from 6 to 7 per cent. During the last summer it went up from 4.6 per cent to 8 per cent. It indicates the rise in prices is certain. Rate of inflation is already increased, the height is that the Government compares inflation rate with wholesale prices whereas there is a difference between wholesale price index and retail price index. It should be taken as with the decreasing value of rupee and decrease in income, the rate of inflation will increase and it will result in the rise in the prices. If the Government considers the rise in railway freight charges and old service tax cargo which is likely to result in the price hike, it accepts the inflation rate to be about 7 per cent. The prices of petroleum products are likely to increase. With the increase in the prices of power and surface transport, it appears that the inflation rate will cross the figure of 10 per cent. Oil pool deficit alone may rise up to twenty thousand crore rupees. In such a situation how the Government will be able to check the rate of inflation? It is a question-mark before the hon. Minister? We and our party are worried because Shri Narasimha Rao and Shri Manmohan Singh had considerably brought down the inflation rate with great efforts. We were about to reach to achieve the objective of "Garibi Hatao" and not the slogan alone, by that name. If the inflation rate goes up today, we may retract back from the stage where we have reached.

This budget will encourage consumerism. In India hardly 25 per cent people can come under consumerism. We have 75 per cent people who are poor. Heavy discount in customs duty is a danger to heavy consumer goods and Indian industry. Hon. Minister should think about this aspect also. Sir, inflation will give rise to social problems as well, and these have grown as well.

The attitude of the Government is also not pragmatic. Public Distribution Expansion programme should be visualised from pragmatic point of view. Procurement further food will encourage inflation, which had increased up to 30 per cent last year. Due to difficulties in procurement there will be increase in crisis and inflation in food items will also be increased. Prices are directly related to the balance in demand and supply. Production of wheat has decreased

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last year which is a matter of concern for us. A cause of our concern is that we have not made the expected progress in agriculture. Some agriculturists have gained through foodgrains, pulses, cash crops but the production of wheat has decreased this time. Inflation has decreased but internal and external debts have increased. Rate of flow of money because of increase in production is 5 to 6 per cent more which is a dangerous sign.

Hon. Chairman, Sir, there are no such indications in the budget where check can be imposed on the rise in prices. During April-June, 1996 the rate of inflation was less than 5 per cent which increased to 8 per cent in July. In what terms it had come down? It appears that the prices will be soaring up in the near future and the main cause would be stress on the cost aspect. On the one hand there is 12 per cent rise in railway fare and freight and on the other hand the rise in the prices of petroleum products cannot be postponed for a longer time. As far as the financial discipline is concerned, a welcome step is that the Government can not borrow from the RBI by way of *ad hoc* Treasury Bill. We would like to thank the hon. Minister on this account. A discussion has been going on for this step be taken since last 2-3 years. It will have a good effect and it would be compensated. The Government shall have to take loan on more interest rate. Due to this the payment of interest in the budget will increase enormously. As I said earlier the Government will come across difficulties by payment of taxes both internal and external.

As far as the common man is concerned he will have the burden of railway fare and freight alongwith rise in prices and how he can emerge safely out of it, is a major question before us. Through you I would like to tell the Government that it should make efforts to reduce the rate of inflation.

Mr. Chairman, Sir, hon. Minister has tried his best to present this Budget in a better way. It can be called a budget of his cleverness and wisdom, but the greatest difficulty is on the expenditure side. In this sense, it has proved to be a weak budget. In the revised estimate, the central outlay is 10,000 crore rupees which is less than the previous years. It is 5 per cent in agriculture, and far too less in rural development, irrigation, electricity, energy, transport. I do not feel a need to give the figures, but one thing I would definitely like to say that when the expenditure on the means of our development will increase only by 6 per cent whereas the cost will increase by 13 per cent, you can understand that there are chances of 7 per cent decrease as well.

Mr. Chairman, Sir, the hon. Minister has mentioned about Seventh Services. We welcome it, but increasing it from 2 thousand rupees to 3 thousand rupees is a paltry rise. Secondly, a State which is completely bankrupt and if these funds are given to them they will utilise it somewhere.

I would like to request the hon. Minister that the funds of the development of Seventh Services shall have to be done by the Union Government, otherwise these funds will be utilised in paying salary to the State employees or certain other fields which do not come under the purview of the Seventh Services.

Sir, I would like to cite only two examples. Health Services, which is other Medical training has been allotted only 753 crore rupees which is Rs. 10 per person. For Education it is 4158 crore rupees which comes to Rs. 46 per person. So the Educationists have labelled it as anti-education budget.

I would like to congratulate the hon. Minister that the Government has proved itself pro-education by implementing Kasturba Gandhi Scheme especially in the field by Childrens' Education, but if you happen to go to any village of Rajasthan you will find that the womens' education even now is not more than 3-4 per cent. It is not proper to hand it over completely to the State Government. I would like to cite the examples of the area near my constituency, these are Doongarpur, Saloombar, Jaisalmer and Barmer where it is 2 per cent. As Education Minister and Finance Minister I had tried to provide some incentive there, but if you will demand the Literacy Report of Rajasthan and sit quietly in a village there where the Government has presented 100 per cent figures, you will be surprised to see that the literacy rate is still 16-17 per cent there. If we will give this scheme to the Government completely, the monitoring of the Central Government is necessary, and if the Womens' Institutions are given this work, the scheme will definitely be implemented in a better way.

Sir, last time, it was promised in the manifesto of various political parties that the Government will spend six per cent of Gross Product on Education. What is the reply of the hon. Minister in this regard? It appears that while reducing funds on education, we have arrived at a situation that education has not remained accessible to all. It is a mixed influence. Shri Sontosh Mohan Dev is present here. We always say in a good humour that the situation of Congress is just like a man sitting in the middle. Neither we can oppose Budget fully nor can we appreciate it. We are compelled to remain in the centre. I tried to present before you the mixed experience—rather, sweet-sour which I have undergone—but one thing still remains, on which I put a Question-mark and that is how to make up the budget deficit. Entire India is grateful to you for the formation of taxes, but how to compensate the deficit. You will be definitely contemplating on it, but my personal opinion is that even if we take only 5 sectors, it would be still sufficient. Agriculture is the first sector. If you see the growth rate you will see that it is 3 to 4 per cent, 2.9 per cent in foodgrains. During the Reform period it was 3.4 per cent. This means that there is no difference in agriculture between pre-reform and post-reform. Just now you have claimed that agriculture growth will increase by 3 per cent but the economists claim

that agriculture growth will in no way will be more than 1.2 per cent. We shall have to re-establish Gandhian philosophy. The previous Government also said for one year that we should follow the middle path, we shall have to find the middle path, but we have not been able to find it. That is why we are in the centre. I am presenting my pain and agony in clear terms. I would request the hon. Minister and the Government that Gandhiji was never irrelevant so while accepting him we have to frame such an economic policy for re-establishing him which will have reform and liberalisation on the one hand, knock at 21st century and your budget is quite proper for it. But on the other hand, our budget and budgetary proceedings (procedure) should have to be made agriculture based.

Twenty-seven per cent demand of G.D.P. comes through agriculture. Sixty-seven per cent of national work force is utilised in it. But there was no progress in it after industrialisation, although there is a great scope. These days the Prime Minister's attention (aptitude) is towards agriculture it should not be taken as an applause on paper or through print media, but a new Gandhian philosophy should be given a start. I would like to appreciate the hon. Minister for increasing the subsidy on fertiliser. The agriculturist will get a double credit flow within 5 years but some new efforts are to be made in this direction and one of these efforts is that export of wheat and rice shall also have to be allowed. Now-a-days in the prices of wheat are less by 12 per cent as compared to foreign countries and likewise the prices of rice are less by 34 per cent. If our agriculturist exports agricultural produce he will be benefitted, he will get a better incentive and the burden on the national exchequer will also be abated i.e., the buffer stock will be less. When the Government is thinking of a big leap in agricultural sector then incentives should be given in this sector so that big farmers also make progress by increasing the produce.

Only after meeting the requirements of our people as I have already said, the big farmers should be allowed to export. It should be as an incentive. All of you should think over it in a joint meeting. When the buffer stock is being discussed now we feel that it should be considered more especially because when we are knocking at the door of 21st Century. India can emerge as one of the biggest exporter of cotton in the world. The Government should come with some new incentive schemes about molasses and sugar, because molasses can be used as a new alternative for petrol as well. Discussions in this connection are going on with the Government. Mr. Chairman, Sir, the next source is export growth, which has increased to 20 per cent from 7 per cent. India's share in the world Trade was 0.5 to 0.9 per cent. But in January, 1996 the export growth started coming down and from 11.5 per cent it was only 6.02 in July. The Report of G.C.R. is quite frightening. Previously our position in the world was 45th, now it is 50th,

in 1994 it was 35th and now it has gone very low. So you shall have to find out a new aspect for export. The main sources of export can be granite, marble, silver, cotton and jute etc. The Hon. Minister will consider these separately because if only a few sources are attended to, we can improve the revenue earnings for the country by enhancing the exports. As far as export is concerned it has increased from 4.2 to 26.92, but in the second phase of slow down there has been an improvement. But increase in exports alone will not help us. We shall have to increase the exports for covering the revenue deficit. It is to be improved for the development of the country as well. Likewise industrial growth is also to be increased. By abolishing corporate surcharge by 7.5 there would be a great change. I would like to present the case of two sectors i.e., Tourism and minerals and mines. If the hon. Minister takes over these two sectors then there won't be any kind of deficit. Tourism has emerged as a source of financial development in 1982 as Tourism policy. In 1992, a National Action Plan was prepared on this. It was declared as an industry. It will ensure the development of the area, generate jobs and money as well. In 1994-95 it generated income of Rs. 7366 crores which increased to 10,000 crore rupees in 1995-96. But still, sufficient attention is not being paid to tourism. I would request the hon. Minister to hold a separate meeting with the Tourism Ministry, because neither India has been divided sector-wise, nor themewise. Moreover there has not been sufficient propaganda about it in the foreign countries. The dreams which the foreigners want to fulfil here do not come true in this land. A few Five-Star hotels cannot develop the Indian tourism. If we develop tourism in the right direction, India can be the number one country and we can earn maximum amount from tourism. Earnings from tourism were about one crore rupees in 1994-95 which can be further enhanced. From the point of view of Indian culture and development, tourism can become an important sector.

Now I would like to speak about mines and minerals. According to the Report of 1995-96, we have earned Rs. 32,904 whereas a target of 11% growth-rate has been fixed for it. I believe that it can easily be raised to 30 per cent, but for that it is necessary for the State Governments to enter into dialogue with the Central Government. All the same, the Government may consider the effects of environment units on the State Governments.

Now I come to the last subject. Hon. Minister, You have not given 10 marks to you, instead you have scored between 7 and 8 which speaks of your intention that where there is imperfection, you have made efforts towards perfection. Hon. Minister, Sir, you may make so many improvements, but unless the people have something to fill their bellies and coins in their pockets, all the efforts will be fruitless. So please repeat your old tradition of making efforts as a poet says:

[Dr. Girija Vyas]

"Jab pet mein roti hoti hai,
Jab jeb mein paise bajte hain,
Us waqt yeh zara heera hai,
Us waqt yeh shabnam moti hai"

(When your belly is filled and there are coins jingling in your purse (pocket), that time a small speck is a diamond and a dew drop is a pearl.)

To change it into a reality, please come here with a budget for the middle-class and with a slogan "Garibi hatao" on the basis of Gandhian philosophy and who try to look at the people who are thrown out of job in the power sector. With these few suggestions and some mixed personal experiences I welcome this Budget.

[English]

SHRI NIRMAL KANTI CHATTERJEE : Mr. Chairman, Sir, normally I make a submission before I start speaking on the General Discussion on the Budget. I would like to submit that I would abide by your bell.

MR. CHAIRMAN : I would just like to caution you towards the end.

SHRI NIRMAL KANTI CHATTERJEE : Sir, I have not completed yet. As soon as you ring the bell, I would stop. That is agreed. But the other part of the condition is that so long as I speak, please do not ring the bell.

MR. CHAIRMAN : Make a balance between the two.

SHRI NIRMAL KANTI CHATTERJEE : I would like to begin my speech with a reference to the part-B of the Budget speech of the hon. Finance Minister. It begins like this :

"I have set for myself a goal of augmenting the net tax revenues of the Central Government by a healthy 15 to 16 per cent and I believe that through the measures proposed by me, we would attain this goal".

Sir, my first submission is that for achieving this goal, the United Front Government was not necessary and secondly, a very able person need not have been at the top of the Finance Ministry. Why do I say this? The Finance Minister towards the end of the Part-A of his Budget Speech has himself stated that if nothing is done, no tax proposals are made, then on the basis of existing rates of tax, without any change, that growth rate would be achieved. He has given us the figures.

He says in Paragraph 80, "Gross tax revenue at the existing rates of taxation are estimated at", mark the words 'existing rates of taxation'. He has given us the figure of Rs. 1,53,347 crore. The net tax revenue to the Centre is Rs. 1,13,094 crore. This is on the basis of the existing rates

of taxation. Do you know what was the answer? After the Budget speech, instead of Rs. 1,13,094 crore he has arrived at Rs. 1,13,394 crore. So, this goal was not really worth setting. Not only that, Rs. 300 crore will be collected by sacrificing Rs. 600 crore of direct taxes and by collecting Rs. 900 crore by way of indirect tax, which is in the nature of excise but not on goods but services. So, even in mobilising Rs. 300 crore, he has sacrificed the golden principle that there should be more of direct tax and less of indirect tax. All this, of course, assume that the statements that are being made about the revenue collections are valid. I have doubts about that. I will illustrate it because the Finance Bill also would be coming.

I would like to draw the attention of the hon. Minister to the receipts' side of the Budget. In the receipts side, if you look at the collections of both Corporation Tax and the tax on income other than the Corporation Tax, there is something very ominous. The Revised Estimate is higher than the original Budget Estimate. The original estimate is Rs. 7652 crore and the revised estimate is Rs. 8602 crore. But, somewhere there is a shortfall and that shortfall relates to advance tax collections. What is the advanced tax collection? The advanced tax collections are made on the basis of next year's rate. The reduction already introduced last year for this year is reflected in the fact that the tax collections have come down.

I want the Minister to contradict this. There is a desperate appeal on the TV, "Please pay your advance tax by 15th of March, even by 15th night." That was shown on the TV. A fair lady, good looking, approaches her boss to say that. The fact remains that all that is included in these revised estimates.

For the corporation tax, look at this. Ordinary calculations have exceeded that of the Budget Estimates in the Revised Estimates. But it is not so in the case of advance collection. A sharp shortfall is there and that is despite MAT. This is one point. When he says that he will be collecting more, at least by Rs. 300 crore, I submit that the reduction of tax rates will lead him somewhere else. Is that the only aspect? I will illustrate. I will not be elaborating because the Finance Bill will draw our attention to it.

Let me mention another indicator, so to say. That indicator is, there is a special Customs Duty of two per cent that was imposed last year, and the revenue would be spent somewhere, say on infrastructure. Now, the collection assumption is that the estimates were placed at Rs. 1400 crore, and they are expecting Rs. 2,550 crore this year. Now this means that the import has to grow. If Rs. 1400 crore is for the whole year, the Budget was not there for the whole year.

19.57 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

There has to be adjustment for nine months' collection. But this estimate shows that imports have to grow at the rate of 35 per cent in order that the reduced customs duty and the target are arrived at. These are the two indicators. Either the imports would be so high as cannot be balanced by our export earnings and other earnings, or the collections would not be that much. That is why I said that even this effort of raising Rs. 300 crore is highly suspect. If that happens, even what the existing rates of taxation would have provided would not be in the Government's kitty.

I will submit this right now. I will open it and come back to it again. The tax concessions have been given I will come to that again a little later. But there is an impeccable source, impeccable to the Minister at least because he was considered to be one of the brilliant persons. A very insulting question was put at the CII seminar when the Prime Minister of UK, Mr. John Major was asked a question, "What would be your advice to India's Finance Minister?" He was suave enough to refuse to reply to that. But our industrialists, not having any sense of prestige, could ask such a question to the Prime Minister of UK. But what does he say? This is what I am trying to draw attention to. The GDP is expected to grow, it has been accounted, in nominal terms to be 15 per cent to 16 per cent taking into account the 7 per cent real growth rate and taking into account supposing 8 to 9 per cent.

20.00 hrs.

It will be a nominal growth of 15 per cent to 16 per cent, which he has set as a goal of growth of tax revenue collections.

As we all know, Mr. John Major is leading a losing Party in the United Kingdom. Now he says this. "The average level of public expenditure, public spending in the European Union rose from 44 per cent of GDP in 1979 to around 50 per cent of GDP today. An advanced country is spending 50 per cent of its GDP as part of Government expenditure. And he also says in relation to labour—just not exactly the preceding Government but the Government before that represented by his Party which lost in a way and have, I believe, gathered wisdom out of their loss as expressed in her speech as well as the speech of these illustrious predecessors—minus 13 days.

Mr. John Major challenges the labour. He says—on the losing side that he is trying to reduce public spending to 40 per cent or less of Gross Domestic Product. He accuses the Labour Party they are trying to raise it and we lose. If he reduces it, he is not going to win the elections. That is quite ominous. Now why I referred to this. I will come to it

when I come to the expenditure part. As we all know, everybody is pleased, initially. 'Everybody' means what? Less than one per cent of individuals in the country. Firstly, in terms of receipts. I am not sure about the income-tax figure even now. I am sure, he also does not know the figure. This figure, according to the income-tax sources, refers to—as I interrupted Shri Vajpayee to point out refers to returns—not to actual payees. Assessees who submit returns, who not necessarily pay taxes. We know the corporation tax. Returns have been submitted. Two thousand companies do not pay taxes. When he proposes to widen his tax net, he wants to net in these returnees and the net has so many loopholes that tax payees will go out of the net. Anyway, these people are pleased. They are happy and the richer, the happier. At an income of Rs. 10 lakh there is a bonus through income-tax deductions of Rs. 98,000 or Rs. 1 lakh. This is not just enough. It is not only Rs. 1 lakh. The dividend tax has been withdrawn on the basis of the false argument that it involves double taxation. ... (*Interruptions*)

SHRI SONTOSH MOHAN DEV : It is a false argument.

SHRI NIRMAL KANTI CHATTERJEE : Absolutely false argument. Nowhere in the world is double taxation defined by assuming taxes on two different entities. As far as Corporation tax is concerned, he gives the figure as Rs. 1.22 crore. Out of that, he takes Rs. 88 lakh from the individuals and rest from corporations. These are different entities.

You cannot say that because I have taxed the corporation therefore, I tax the individual. They are different entities. That is why it is present even in the country of the Almighty, that is the United States. But it has been granted. What does that mean?

Earlier up to Rs. 2,000 of dividend earned was not taxed, so it does not refer to them. Now, who has Rs. 10 lakh of income? Of course, not a salaried person. The Government salaries are to be raised, if agreed, to a maximum of Rs. 30,000. So this income of Rs. 10 lakh comes from other sources, may be speculation, primarily from this dividend. Therefore, the Rs. 10 lakh income earners, as he pointed out, are no more than only 12,000. One per cent would have been 90 lakhs or 93 lakhs. They comprise only 12,000—poor people—it is a very small group. They will come down to 5,000 because their income was primarily on such income. The net will be wider. More people will be pleased to submit returns in order to prove the point that they need not pay any tax. So the rich are happier.

Now, who are the other people who would be very happy? Those people who want to dump their goods from outside into our country, that is the importers. They are very happy, no matter what impact it has on India's economy. The multi-nationals abroad would be very happy because they will have a larger market when the customs duties were a little higher. Goods produced by the multi-nationals

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would be sold in larger volumes generating a larger profit and they will be happy.

Who else will be happy? Who else are pleased with this? There is a reduction from 20 per cent to 10 per cent on the capital gains tax on NRIs. Why? We have heard opposite argument from the Ministry of Finance. The FII's, Foreign Institution Investors, in the share market were paying ten per cent on capital gains and NRIs were paying 20 per cent. Indians also pay 20 per cent tax. Now, instead of raising the FII's to 20 per cent level, we are kind enough to our brothers living abroad that we have reduced it to 10 per cent. They, therefore, are pleased with the Budget.

The foreign investors, of course, have plenty of reasons to be happy. I will elaborate this a little later. Now, immediately, we can say that they have reasons to be happy by our policies of first restricting them to 24 per cent, then 40 per cent, moving on to 51 per cent, then 74 per cent and then take over at 100 per cent.

Multinationals will be happy in supplying goods and in being able to invest. Of course, their spokespersons in the IMF and the World Bank already have expressed their happiness.

There is another aspect. It is assumed that no matter who had raised, no matter how he defends himself in this, there is an amnesty scheme. They will be very happy, not because they have to pay but because they can generate more black money. You know this and some of you may have noticed this. It is very interesting that there is an appeal on TV for paying the advance taxes. It is almost crying hoarse. But we people, do not cry hoarse. This appeal was necessary for this reason that if they pay advance tax today, they have to pay at a higher rate of 47 per cent. If they pay it next year through the amnesty scheme, they will have to pay 30 per cent only. I am not teaching you. They will refuse to pay their last instalment on 15th of March so that they avoid 47 per cent of burden and get the advantage of the amnesty scheme for 30 per cent. This is for this year's people. How about the others? What signal has gone to all those who have accumulated, amassed black wealth and generated black income every year. Two very important signals have gone to them. One is that amnesty schemes will come. With this argument that it is one-time affair for every three years, then I am convinced that whatever the colour of the Government, the amnesty schemes will continue to come.

The second point is, please collect more because the promise is for further reduction of taxes in the coming years. If at all this scheme of things that has been introduced would generate much more black income than the amnesty scheme can ever mop up, he can say that somebody, somewhere has advised him or some Minister has advised him.

SHRI P. CHIDAMBARAM : It is not somebody, somewhere. It is the Chief Minister, Shri Jyoti Basu's speech in the National Development Council. Why is he hesitating to say that? Why is he saying somebody and somewhere? He is criticising it.

SHRI NIRMAL KANTI CHATTERJEE : It is because I wanted him to say so and nothing else.

SHRI P. CHIDAMBARAM : He is entitled to criticise it. But he should have the courage to say that that suggestion came from the Chief Minister, Shri Jyoti Basu.

SHRI NIRMAL KANTI CHATTERJEE : Yes, I do say so.

SHRI P. CHIDAMBARAM : You say that.

SHRI NIRMAL KANTI CHATTERJEE : I wanted him to say that. ...*(Interruptions)*

SHRI P. CHIDAMBARAM : You say it. Even now, he is unwilling to utter the name and the place. You utter it now.

SHRI NIRMAL KANTI CHATTERJEE : This is true and that was wrong.

SHRI P. CHIDAMBARAM : You say it and say the name.

SHRI NIRMAL KANTI CHATTERJEE : I am not going by the name.

SHRI P. CHIDAMBARAM : Then why do you say, 'somebody and somewhere'?

SHRI SURESH PRABHU : Shri Jyoti Basu is not 'somebody'.

SHRI NIRMAL KANTI CHATTERJEE : I am going by the argument.

SHRI P. CHIDAMBARAM : You say the name and place and then argue.

SHRI NIRMAL KANTI CHATTERJEE : I wanted him to say that.

SHRI P. CHIDAMBARAM : Why can't you say that?

SHRI NIRMAL KANTI CHATTERJEE : It is because you have only that defence and there is no other defence for your argument.

SHRI P. CHIDAMBARAM : That is not the only defence. I am willing to defend and I will defend it in my reply. I am taking objection to a courageous parliamentarian hesitating to mention a name and place.

SHRI NIRMAL KANTI CHATTERJEE : I am not hesitating at all.

SHRI P. CHIDAMBARAM : Even now you are not in a position to say it.

SHRI SONTOSH MOHAN DEV (Silchar) : He has said that it was Shri Jyoti Basu's speech in the National Development Council.

SHRI P. CHIDAMBARAM : Say it once.

SHRI NIRMAL KANTI CHATTERJEE : It does not matter if the Chief Minister of West Bengal has suggested it. On the basis of the argument one has to meet.

SHRI P. CHIDAMBARAM : I will meet your argument.

SHRI NIRMAL KANTI CHATTERJEE : That will help me. We should see that. Now I will come to the other argument.

SHRI SRIBALLAV PANIGRAHI (Deogarh) : After the Budget presentation, whether any discussion took place in the CPI(M) wherein Shri Jyoti Basu participated or not? You could have avoided these confusions.

SHRI NIRMAL KANTI CHATTERJEE : I will help you to understand that.

SHRI SRIBALLAV PANIGRAHI : You help yourself and your Party.

SHRI NIRMAL KANTI CHATTERJEE : I will help you when I will be able to indict you.

MR. DEPUTY-SPEAKER : Please address the Chair.

SHRI NIRMAL KANTI CHATTERJEE : The other thing that I want to point out is the argument for tax reduction.

This is the kind of tax reduction that is revealed. I had mentioned it elsewhere. Let me mention this in the House.

What have I got here? I have got a rate schedule of income-tax of different countries. The maximum rate mentioned—it will be surprising to the House because not many would be knowing this—is for Australia. The highest rate in Australia is 47 per cent, not 30 per cent. The highest rate in Austria is 50 per cent.

SHRI SONTOSH MOHAN DEV : Agriculture is exempted there.

SHRI NIRMAL KANTI CHATTERJEE : You know about agriculture in Austria. I am talking of income-tax first. The picture of corporate tax is probably not very dissimilar.

In Belgium the highest tax rate is 55 per cent, in Denmark it is 40, in Ireland it is 48, in Italy it is 50, in Japan it is 50, in Netherlands it is 60 and in Spain it is 56. For Norway it is not given here.

These are the highest rates of tax.

SHRI SONTOSH MOHAN DEV : What about Russia and China?

SHRI NIRMAL KANTI CHATTERJEE : They do not exist us! So, these are the rates in the respective countries.

In fact, it is the same story in the U.K. when he says that after the Second World War there was a tendency not only in India but also everywhere that in order to finance the wars, rates of taxes were increased to incredible heights. We do not support that. Ours was, it was called a confiscating levy. It was 97 per cent. Then it began coming down. But today the argument is of a different quality altogether. Because that was continued, that was necessary to the emergency of the war. Today on the basis of the arguments pointed out if the Minister of Finance does not tax, or if the tax is not very low he will not collect taxes. There is an example here also. At least there is one country where the minimum rate is one per cent and the maximum is 13. It is on this that the amnesty people hinged that our very able Ministry of Finance would be tempted to move towards that. Therefore, he may go on generating black income and accumulating black wealth.

I do not want to go into the details of the custom duties because they will go on. But a few general observations can be made. The most astounding one is, what economic function that serves—one wonders—by Indians going abroad and coming back with baggages. It is a terrible function! Going abroad and coming back with satisfaction. Therefore, it is reduced from 60 to 55 per cent. It was 210 per cent at one time, 130 per cent later, then 80 per cent, 60 per cent and now it is brought down. For whose satisfaction is it brought down? Whom does he want to bring in his tax net? Anybody who has gone abroad once in a year is brought in, for his satisfaction. I do not know. He wants to spread his net so that more people are encouraged to come together because the baggage rate is reduced. And then, there are some—I just mentioned about this—the duties proposed are terrible. What does the hon. Minister examine and where does he increase?

I know that many Members of Parliament would be happy about this proposition, but why?

It is because the duty on the parts of cellular telephones and pagers has been reduced from 30 to 20 per cent. It is, of course, to subserve the cause of the people below the poverty line. ...*(Interruptions)*. The colour television has become very popular. Therefore, its rates have been reduced from 20 per cent to 10 per cent.

We have passed the Anti-Pollution Authority Bill. Delhi is a very polluted city. Who does not know about it? It may be for so many reasons. Therefore, in order that the richer section of people who owned these modern cars and yet not pollute the poor, the duty on the catalytic converters has been reduced from 25 per cent to 5 per cent. Is it a service to the country? The rich is not allowed to pollute and, therefore, a concession is given.

Now, I would like to say something about hotels. The duty on the specified food items imported by approved hotels

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has been reduced from 50 per cent to 25 per cent. Perhaps we all love to see our talented Minister of Finance, Shri Chidambaram's face—a very likeable face—and we would like to have a photograph of him. Therefore, the duty on the photographic goods also has been reduced. ...*(Interruptions)*. The Common Minimum Programme (CMP) says that if at all growth is there, we are for the poor. That is what we proudly say that we distinguish it. There were many funny things in terms of excise duty. I do not understand why a Tariff Commission is there. What was the hurry not to refer the whole set of customs duties to the Tariff Commission instead of introducing it in this manner? There is no such thing for excise duty, but the Tariff Commission can look into that also. They can look into this inconjunction so that there is some degree of protection and some threat of competition. That is a story. This has not been done in terms of excise duties. It is a very peculiar thing. I do not understand their logic. He will certainly make me understand that. The excise duty rates are 8, 13 and 18. There must be some logic somewhere as to why these numbers have been preferred and not 10, 15 or 20. There must be some logic. I have failed to fathom it. He will certainly explain it. ...*(Interruptions)*. In doing that the small scale sector have also started complaining that the kind of duties which have been imposed on them would create problems. I will tell you the reasons. A part of the small scale sector can take the help of MODVAT, a part cannot. Now, in those areas where it is 10 per cent labour and 90 per cent materials brought from outside, it does happen in certain sectors that the larger one who will pay MODVAT instead of paying taxes gathers more. The MODVAT credit he gets, say 13 per cent or 14 per cent and pays a duty of 8 per cent. So, somebody has to look into the arithmetic which may have escaped his attention. As far as small scale sector is concerned, we know that the policy of dereservation is also there. I shall not dilate on the receipt side any more because we shall come back to receipt side when the Finance Bill is considered.

Let me now turn my attention to the expenditure side. That is very interesting. I think I should preface with the Approach to the Ninth Five Year Plan, which is very interesting. The Planning Commission focuses our attention to what has happened in the course of the Eighth Five year Plan. There is a neglect of agriculture. This is an astounding statement! I was surprised. Look at paragraph 1.21. The *per capita* income in U.P. and Bihar has come down over the last several years in real terms. Can you imagine? Perhaps these kinds of realisations have led his illustrious predecessor minus thirteen days to rethink.

With regard to employment opportunities, the Planning Commission's Approach says—once again that magic fifteen number comes up—that in real terms there must be 15 per cent growth. This is in real terms, not in nominal terms, as

is his anticipation. And then, of course, they refer to the weaknesses of the basic minimum thing. They say that public investment in the infrastructure area, particularly in the irrigation sector, has dropped. Then, in the employment sector also, they say, it has dropped. I do not know if they are aware that there are fewer salaried persons and there is more and more casualisation in the economy. About the social sector, of course, we all know the poverty line story. Whether it has grown or not, that is not the point. The point is that the estimate has been revised to say that about 35 per cent of the people still live below the poverty line

[*Translation*]

MR. DEPUTY-SPEAKER : How much time would you take? You have already spoken for 40 minutes.

[*English*]

SHRI NIRMAL KANTI CHATTERJEE : That is, I think, almost the opening sentence.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : Sir, what is the time allotted for his party?

[*Translation*]

MR. DEPUTY-SPEAKER : That is why I was asking.

[*English*]

SHRI NIRMAL KANTI CHATTERJEE : I shall come to the expenditure side now.

SHRI P. CHIDAMBARAM : Sir, nobody else is speaking from his party apparently.

SHRI NIRMAL KANTI CHATTERJEE : Sir, why should he feel uncomfortable, I do not know.

SHRI P. CHIDAMBARAM : I am not feeling uncomfortable. He has to wind up because others also have to speak.

SHRI NIRMAL KANTI CHATTERJEE : Let me conclude.

Sir, they have noticed a decline in the share of the States. In the course of the Eighth Five Year Plan, public investment has squeezed. It is in this context that we have to assess the pattern of expenditure that has been proposed. I will not say that one has drawn no lesson from this. The best example, of course, is the Targeted Public Distribution System. Let us pay our homage to the States. It is they who started. Let us remember N.T. Rama Rao in this House for his 'two-rupee campaign' which was considered to be populism. It is that kind of an idea which has come up by saying in a refined way that give to the targeted group, to those who are below the poverty line, at half the price or near about that.

It is also true that in the social sector, more has been given.

There is no doubt about that. It is also true that there are two very important programmes like accelerated irrigation and accelerated water supply.

[*Translation*]

MR. DEPUTY-SPEAKER : Shri Chatterjee, I have checked up your party got only 26 minutes. You have spoken for 40 minutes. This way, no member of your party can get a chance to speak.

[*English*]

SHRI NIRMAL KANTI CHATTERJEE : Sir, I know that. That is why I am raising above the Party. ...(*Interruptions*) I am coming to that. I know it. The point is that these are the positive orientations of the Budget. However, the point that I am making is that in order to do that and in order to pay, the expenditure has grown from the Budget Estimate of Rs. 2,04,000 crore to the Budget Estimate of Rs. 2,32,000 crore. I do not want to compare the Revised Estimate while comparing with the next year's Budget Estimate. They are not comparable. You can have the Budget Estimate and then do not spend and have a different kind of Revised Estimate; or spend more and have a different kind of Revised Estimate. The comparable entities are Budget Estimates. Looking at that, these accelerated programmes also do not seem to be as high as is the case. All the same, it helps through that this has been done. What has happened in the process? Some extra expenditure of Rs. 8,000 crore was there. An amount of Rs. 16,000 crore goes for Defence and for interest expenditure, additionally. So, what remains? An increase of Rs. 28,000 crore has been proposed from the Budget Estimate. Of that, Rs. 16,000 crore is taken away. The growth is only for the rest which is only 7 per cent. In one broad view one can immediately see that that means that the expenditure is being cut in other areas in real terms.

This is as simple as daylight and this is what has happened. Even within the social sector, when we check the figures we will see that in order to give one more there are two kinds of things which have happened. In real terms, it has come down or even in nominal terms, in certain cases, it has come down. It is here that my initial point is relevant.

There has been less expenditure for public enterprises.

[*Translation*]

LT. GENERAL SHRI PRAKASH MANI TRIPATHI (*Deoria*) : Mr. Deputy-Speaker, Sir, whether there has been a decision to increase the time allotted for discussion on the General Budget.

MR. DEPUTY-SPEAKER : Not for the time being.

LT. GENERAL SHRI PRAKASH MANI TRIPATHI : If not, then all the people should speak at the proper time.

otherwise the people whose names are towards the end of the list do not get time. We are compelled to speak quickly and we are asked to finish within 5 minutes. It is, because the Hon. Members do not speak within the time allotted to them.

SHRI NIRMAL KANTI CHATTERJEE : Sir, I will try to conclude. Our time was cut because of the Bill which took one-and-a-half hour's time. The discussion on the Budget ought to have started at 6 p.m. ...(*Interruptions*) I will now mention one infrastructure. Irrigation has been given; but to the surprise of everyone the most important infrastructure, which is the Railways, is neglected. We went through the debate on the Railway Budget. The Plan expenditure, in real terms, for Railways has come down. We talk about robberies and dacoities in Bihar and Uttar Pradesh where the *per capita* income is less. People complain that the Railway Minister has provided more for Bihar. I would have loved to give more to Bihar because it is through the Railways, by opening up and by giving more employment and by generating more income that we will be able to control it.

MR. DEPUTY-SPEAKER : Shri Chatterjee, you are talking on General Budget. Please confine your speech to it. You have taken double the time allotted to your Party.

SHRI NIRMAL KANTI CHATTERJEE : Sir, I am referring to Railways because this part is mentioned in the General Budget. It is mentioned here. ...(*Interruptions*) I am illustrating that in trying to emphasise one infrastructure we have denied the most important infrastructure of the country, the Railways its share.

It is there that I want to suggest. Not only that. Look at the concern for the small-scale sector. The subsidies provided to handloom and *khadi* have come down in real terms. Even the subsidies provided to food and fertilizers have also come down in real terms despite the targeted PDS. It is in this context that I was quoting Mr. John Major. Unless you collect more, you cannot spend more. You emphasise on this, but not at the cost of some other item. The country has no future if the Government expenditure does not rise as a proportion to the General Budget. In terms of employment, he has mentioned the question of prices. Prices are bound to rise for the simple reason that if you give this targeted PDS at a lower price, you enhance the prices in the rest of the market.

MR. DEPUTY-SPEAKER: Please finish now.

SHRI NIRMAL KANTI CHATTERJEE: I am concluding now. If you do that, the market which is reflected in the Wholesale Price Index would rise. Even, it may go beyond two digits.

The whole approach of the Budget, it seems to me, is to give the plea that the Government can do no more, India's countrymen can do no more. Therefore, the outsiders

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must help, be they multinationals or World Bank or International Monetary Fund.

You look at the approach to petroleum products. Today, it has been mentioned that there is a shortage of petroleum and we are opening it up, but there was not a single word to say that the petroleum consumption should be cut down, as suggested, even alternative days or odd number of days. They have talked not of cutting down the consumption because the entire approach is to generate a market where multinationals can flourish. It is this aspect which is also reflected in the opening up of the insurance sector. Therefore, I say that the whole purpose of the Budget, in spite of the fact that it does a few good things, only declares the weakness of the country in order to invite the foreigners.

SHRI SURESH PRABHU : Sir, let me start my speech with some welcome changes in the Budget. I am speaking immediately after Shri Nirmal Kanti Chatterjee. So, I think, probably, I am saying something which is said 'is not good'. I feel that I must congratulate the Finance Minister.

SHRI DATTA MEGHE (Ramtek) : You are supporting the Budget.

SHRI SURESH PRABHU : I am yet to come to that stage. You are there in good number to support it. Why do you need our support? ...*(Interruptions)*

Firstly, the reduction of tax rates for both the sectors—corporate as well as individuals—is really a welcome step. This is because it is better to prevent than to offer a cure. As Shri Nirmal Kanti Chatterjee was saying, if you want not to have Voluntary Disclosure Scheme in future, it is better to provide for it now by reducing rates of tax and bringing them at a level which really meets with some sane thinking.

Sir, there was a time when 97.75 per cent was the highest individual tax that the people had to pay. From there, we have come down to 30 per cent now and I really congratulate the Finance Minister for being so bold and innovative in offering such a tax rate both for the individuals as well as the corporate sector. Of course, the rates for the corporate sector are different, but I really congratulate him for reducing these rates.

Sir, the second point on which I, again, wish to compliment him is for removing the tax on dividends. While introducing that measure, he said that he wants to end the controversy. But I do not think that the controversy has really ended. Probably, Shri Chatterjee was trying to revive the controversy has to whether the tax on dividends is a double tax or not. But, I think, it is very clear in the minds of those who receive the dividends that it was a double tax and I really congratulate the Finance Minister for removing it.

There are various issues on which one will have to really find fault with the Budget. But I am aware of the fact that Finance Minister was acting in a very unenviable situation in which he had a problem of resources. On the one hand, he had the problem of lack of financial resources which he had to find somewhere and on the other hand, he had enough resources in terms of many parties offering him political resources by saying as to what should be done and what should not be done. So, may be, one is the lack of resources which has prevented him from doing the things and the other is the abundance of resources which was available to him in terms of advice. In that situation, I think, probably he had to do certain things which he, otherwise, would not have done in a normal situation.

Sir, I will fail in my duty if I do not point out one fundamental weakness that, I have seen, is there in the economy. We often make a reference to it and in fact, everybody, who talks about the Indian economy, makes a reference to it. But I really do not know as to why we are not attempting to, at least, take a first step to bring about a solution to this problem. The debt servicing this year is Rs. 1,42,632 crore and our total revenue receipts are Rs. 1,53,143 crore. So, probably, in the year 1998–99 or definitely in the next year after that, our debt servicing obligations will be more than the revenue receipts, as is the trend now. I think, we are really entering into a very serious situation and I do not know as to how one could salvage this situation.

SHRI P. CHIDAMBARAM : Mr. Deputy-Speaker, Sir, I have placed a paper on the Table of the House about our external debt.

SHRI SURESH PRABHU : I am not talking about external debt; I am talking about the total debt.

SHRI P. CHIDAMBARAM : Just a moment. When you talk about debt servicing, please read the paper about external debt. We are not into any kind of debt trap.

SHRI NIRMAL KANTI CHATTERJEE : While increasing the prices we can, always, reduce the proportion.

SHRI SURESH PRABHU : Sir, whether we are into a debt trap or not, if we really see the figures, this year Rs. 1,42,632 crore is the debt servicing obligation as opposed to the total revenue receipts projected at Rs. 1,53,143 crore. This is a very serious situation that the gap is Rs. 11,000 crore. So probably, if not next year, the year after the next definitely we will be having a serious problem. That is my apprehension. I am very glad that the Finance Minister has something else to feel about it and it is very nice. This is a matter of very serious concern that almost 42 per cent of the total revenue receipts are now eaten away by way of interest which is to the tune of Rs. 68,000 crore and only 58 per cent of the income of the Government is left for something else, out of which a part is also going into Non-Plan expenditure like subsidy and other areas. But what is

important is, if we are really going to continue with a situation like this, how much amount is going to be left with us for developmental works? If that situation continues, our people who are going to pay the taxes will realise that nothing is going to be used for them in any form of developmental expenditure. So, a very serious situation might arise and, I think, this is a point of serious concern for all of us to really ponder over.

[*Translation*]

MR. DEPUTY-SPEAKER : One thing I would like to bring to your notice. According to this schedule, only one minute is allotted to your party.

[*English*]

SHRI NIRMAL KANTI CHATTERJEE : Sir, imagine the farce about this time schedule.

MR. DEPUTY-SPEAKER : But you have taken more than double the time that was allotted to your party. As I did allow you, I am allowing him also.

SHRI SURESH PRABHU : Sir, as you allowed him, I hope that you would allow me also.

MR. DEPUTY-SPEAKER : Yes.

SHRI SURESH PRABHU : Sir, the other area of concern is the point about the infrastructure. The Common Minimum Programme has talked about \$ 200 billion of investment that is needed in the infrastructure sector. It says that an amount of \$ 200 billion investment is necessary to go into the field of infrastructure at today's prices, of today's requirement and to be implemented in the next few years' time.

Sir, the committee which you appointed for commercialisation of infrastructure has also anticipated the same amount in another five years' time. The CMP is also talking of putting six per cent of GDP in infrastructure in the next five years. Keeping that in view, how much amount we have really invested this year into infrastructure is something which is really a cause of concern for all of us. This is a very important thing because the Finance Minister is projecting very high on the premise that there is going to be seven per cent growth. To bring about seven per cent growth of economy, if the infrastructure investment this year and also in the years to follow are not going to keep pace with the envisaged requirement of 2000 billion dollars as mentioned in the CMP, I really do not know how are we going to avoid a situation which is not going to be alarming.

The other issue of concern is the cost of governance. Every year our cost of administration is going up and after the adoption of this report of the Fifth Pay Commission, it is going to go further up. What steps are you really going to initiate to reduce the cost of governance, there is no talk about it. There was only a talk about this expenditure in the

last Budget. But I think this year again we have really not thought about it at all.

Sir, the other issue is about employment and the new jobs created during the year. There is no specific mention of it. This is also an area of concern in a country like India where the thrust should be more on employment than on any other thing. Apart from giving figures of the growth of GDP—which is necessary—we should also start giving figures in the Annual Plan about new jobs created during the year. It is important for us to assess the performance of the economy in that year.

Sir, this year we must make an attempt to create more jobs in manufacturing sector or in services sector which create more stable jobs. The United States is also saying that we do not want MAG jobs but we want manufacturing jobs. So, some stable job should be created in the economy on an on-going basis which is very important. This is more important because we are now going in for a highly automated types of operations in the economy for more jobs. May be, there will be loss of jobs than new jobs created. So, I think such type of figures need to be given.

Sir, another assurance or another milestone that the CMP wants to achieve is the abolition of poverty by the year 2005. An amount of Rs. 2466 crore have been provided this year in this Budget. I think, the figures of people going below the poverty line during the year as has been suggested even by the CMP are really alarming and there is not much improvement in this.

Sir, the other point of concern is the deficit under the oil pool account. But I will not blame the Finance Minister for it because when this new Government came there was already a deficit in the oil pool account which was not recouped for the last so many years. Probably the supporting parties want that it should not be recouped immediately. They want that some time should elapse between the time the deficit in the oil pool account and the time it is recouped. So, I think they are waiting for some more time on the advice of the parties which are supporting them.

Sir, another area of concern is the decline in capital expenditure. I think this is a direct cause for which core sector of industry is really suffering. Sir, the cement and steel industries are going down and the reason is that the Government's capital expenditure is on decline continuously for the last few years. Sir, the last budget also mentioned that there is going to be Foreign Direct Investment (FDI) of 10 billion dollars. This year, I think we have got just a little over about one billion dollar.

SHRI P. CHIDAMBARAM : We have over two billion dollars.

SHRI SURESH PRABHU : I think, two billion dollars is the sanctioned but what is the actual?

SHRI P. CHIDAMBARAM : I am talking about actual.

SHRI SURESH PRABHU : All right, it is two billion dollars. So, it is 20 per cent of what we are really targeting.

SHRI P. CHIDAMBARAM : I have said that a target of 10 billion dollars cannot be achieved in one year. It is like trying to go from step one to the top step of the flight of stairs. You have to take one step at a time or two steps at a time. We have done in terms of foreign exchange inflows into the country much better than last year. In fact, the problem is really how to sterilize the foreign exchange inflows. By the time March 31 is over, it will reach the highest foreign exchange reserves ever in this country. So, the real issue is how do you get FDI? FDI this year is more than that of the last year. The GDR is much more than last year. It is running at 50 per cent higher than last year.

SHRI SURESH PRABHU : I agree with you but I was just talking about FDI alone.

SHRI P. CHIDAMBARAM : I am talking about FDI plus GDR. GDR is also FDI.

SHRI SURESH PRABHU : Even then it is not more than two billion dollars.

SHRI P. CHIDAMBARAM : Sir, FDI is over two billion dollars, FII is over two billion dollars and GDR is about a billion dollar.

The total foreign exchange inflow, I am talking from memory, is about seven billion dollars, this year. Last year, we ran down foreign exchange of three billion dollars. This year, by March 31, we would have built up foreign exchange of four billion dollars.

SHRI SURESH PRABHU : So, you are going to get this ten billion dollars over a period of time. How much time will it take because two hundred billion dollar investment is necessary in infrastructure alone? So, it will take a long time.

SHRI P. CHIDAMBARAM : It is a good debate, I wish, we could enter into. Two hundred billion dollars is not going to be foreign money. The bulk of that capital will be raised within India. Foreign capital is only at the margin. It is about four per cent of our requirements. So, when we talk about two hundred billion dollars, it is only to give an idea, not merely in crore terms but also in billion dollar terms, about the size of the investment. Please read Rakesh Mohan's Report. Nobody is saying that two hundred billion dollars will come from outside the country. The bulk of it will be raised in India. The Indian capital market will provide it; the Indian savings will provide it. At the margin, we require foreign capital because it brings in technology.

SHRI SURESH PRABHU : I was reading from Mohan's Report "Commercialisation of Infrastructure".

Sir, the other point is about education and health. The CMP said that six per cent of the GDP is going to be spent

on education. As opposed to that, the provision this year on education is Rs. 4,158 crore, and on health care, it is Rs. 755 crore. Probably, the CMP was talking about minimum amount that could be provided. It is not six per cent, but less than six per cent.

SHRI P. CHIDAMBARAM : Six per cent of GDP is what this country should spend on education. You must add the State Governments' expenditure on education and the Central Government's expenditure on education. You must aim at a target of spending six per cent of GDP on education. The State Governments are also spending on education

SHRI SURESH PRABHU : Sir, in animal form, the U.F.'s manifesto is supplemented by various supplementaries. I think, the CMP also has some supplementaries.

SHRI P. CHIDAMBARAM : You must read it carefully.

SHRI SONTOSH MOHAN DEV : You should be happy that the Minister is giving answers to all your queries.

SHRI SURESH PRABHU : I am happy about it.

SHRI P. CHIDAMBARAM : I am willing to answer if you have got any genuine doubts.

SHRI SURESH PRABHU : Sir, the other issue is about widening of tax net. There are about 13 million assesseees, and it should definitely increase the number of assesseees from 13 million to 400 million because we are always saying that India has a middle-class of 400 million people comparable to probably Europe. That is why, foreigners should invest in the country. If we really have that type of a critical mass, who could be assesseees, then probably this is a good measure to tax them or to bring them under the tax net. If he meets one of the four conditions, he has to pay tax.

SHRI P. CHIDAMBARAM : If a person meets two of the four conditions, then he has to pay the tax.

MR. DEPUTY-SPEAKER : Please try to wind up.

SHRI SURESH-PRABHU : Sir, this is unfair.

MR. DEPUTY SPEAKER : I am not including the time taken by the Finance Minister for his interventions. You have already taken more than ten minutes.

SHRI SURESH PRABHU : Sir, everybody has taken 40 minutes or 45 minutes or one hour. I should at least be given some more time.

SHRI PRITHVIRAJ D. CHAVAN (Karad) : You can take up the rest in the discussion on the Finance Bill.

SHRI SURESH PRABHU : Sir, I have a query to the Finance Minister. Suppose an agriculturist having an agricultural income satisfies two of the four conditions, will

he be required to file a tax return? Otherwise, his income is not taxable. So, the logical step to take is, whoever is fulfilling one of the four conditions, even if his income is from agriculture, he should be taxed. But there is no provision for that. It is not really provided in the Budget. I think, this is the time that we should really go for it.

The other sector that has not been met with the Prime Minister's attention is the cooperatives. The cooperatives contribute significantly to the welfare of the economy also. There is a provision in the Income Tax Act, Section 80 (P), which needs to be amended. Otherwise, there are some cooperative societies whose profits are getting taxed even though it is a concept of mutuality between the member and the cooperative society. Despite that, it is getting taxed, and also the reaservers created by the institutions, if they are invested and the income arising out of that is also getting taxed. Probably, the Finance Minister would certainly look into it.

Sir, the last Five Year Plan never had a chapter on cooperation, and probably this approach to Five Year Plan is not even talking about it. Probably, we will have an exclusive chapter on cooperation, as was there right from the First Five year Plan, in this sector also.

Sir, the Seventy-third and the Seventy-fourth Amendments have now given a different type of constitutional rights to local self-Governments. I think the same type of rights need to be given to the cooperatives, if at all we want them to function in a proper manner.

I am happy that the Finance Minister has taken very bold steps to provide autonomy to the RBI. The real function of the RBI should be to control the prices, to control the inflation and also to control the price of the rupee—what should be the value of the rupee. This should be the responsibility of the Central Bank. This year, the Central Government has taken Rs. 6,000 crore of profit of the RBI into the credit of your Consolidated Fund.

A sum of Rs. 16,000 crore of monetised deficit has also been attributed to the Reserve Bank of India as per the document. I will show the figure of Rs. 16,000 crore here. I would like to know about one thing. The Central Government is going to borrow from the RBI, not through the Treasury Bills but only through the ways and means advances. When the State Governments are getting such ways and means advances, if there is a default, the RBI does not allow them to draw one rupee more. Is the same rule going to apply to the Central Government when the Bank is acting as the banker to the Government? It is something about which I would like to know from the hon. Minister. Then only we will really know whether the autonomy of the Reserve Bank is a reality or not.

The Common Minimum Programme has also talked about the sick companies. There was a proposal saying

that the SICA would be totally revamped so that the BIFR could work in a proper manner and the small scale sector would be brought under the purview of the Sick Companies Act. There is no such provision. In fact, that is something which needs to be done immediately so that probably all the money that is blocked with the sick companies would really come into productive areas. Even the banks would have reduced the Non-Performing Assets.

About agriculture, there is a provision this year. Last year, the plan outlay for agriculture and irrigation was Rs. 1242 crore with the actuals going to Rs. 815 crore whereas in 1997-98, the provision is Rs. 323 crore with a substantial reduction. I think the Minister will really try to do something about it. Girls' Education Programme has been started. I think the mid-day meals programme of the Prime Minister is discontinued.

SHRI P. CHIDAMBARAM : No, that is there. It is not discontinued.

SHRI SURESH PRABHU : I think the other point which is really important is: How are we going to raise our savings in the Indian economy? The individuals and the non-Governmental sectors are saving the most. How are we going to really bring about increased savings because as the Finance Minister has said the bulk of \$ 200 billion has to come from savings? What are the incentives offered to the household savers who are really the biggest contributors to the savings, who will really replace possibility of the FDI not coming into the country? How are they going to benefit? If you are going to offer so much of incentives to the FDIs and others, what incentives are you offering to the household savings? It is something about which we would like to know from the hon. Minister.

I will make three suggestions to the hon. Finance Minister for his consideration. One, we need to have a debt redemption fund. Probably, the proceeds of the PSUs should be directly credited to that. Also, we must have some sort of a swap of equity of the PSUs with some sort of a debt.

Another point is about telecom fee. Telecom fee is a one-time gain for the Government. You are giving away the monopolies of the State in respect of certain sectors and in lieu of that you are receiving certain compensation from the operators. We have taken a credit of Rs. 3700 crore this year as licence fees from the telecom sector. Really speaking, even from normal accounting standards this money is something like a windfall gain and should not be treated as a revenue receipt in the hands of the Government. There is need to use this money. Since it is a one time receipt, you should use it for something more than just using it to meet the revenue expenditure of the Department. I think there is a need to have a policy on how we are going to use the money which we receive one-time on account of such receipts.

[Shri Suresh Prabhu]

We need to have a backward area approach in a properly articulated manner. As per the CMP, you have already said that hundred districts, which are most backward districts of the country, are going to be identified and you are going to target some money towards this purpose. So, various types of programmes are there. Some areas never get the benefit. There is the area of Konkan in Maharashtra which is not receiving the proper attention of the Government. We are not really identifying the areas and articulating them properly and trying to direct the investment towards them. So, I think there is need to have some sort of a proper planning in terms of targetting them.

A lot of investment on infrastructure is needed for the areas which are more backward than the others. In fact, unless we really remove the backwardness of the areas, we should not target investment towards other areas. There is a need to provide more funds for Mumbai. You are not really giving anything to it. People from all over the country are staying in Mumbai. So, there is a need for providing more money to the development of Mumbai.

Sir, we have dispensed with the licensing system. Where an industry has to be located is no longer decided by the Government. Unless you provide certain fiscal benefits whereby the industries will be directed to go or tempted to go to a particular place, they would not really go to such places.

21.00 hrs.

Sir, I earnestly request the Finance Minister to, at least, have his attention on these issues that for backward areas he needs to have a different approach and different fiscal policy so that we can really get people going into that area.

MR. DEPUTY-SPEAKER : Now, Sardar Surjit Singh Barnala.

SHRI SONTOSH MOHAN DEV : Sir, I bow down to your decision for calling Shri Barnala very rightly. But my point is that out of 140 Members of our party, only one has spoken. So, please after him, at least, allow two Members from our side to speak. It is because yesterday, I agreed to the request of the hon. Speaker and allowed Shri Sharad Yadav to speak although it was the turn of our Party to speak.

[Translation]

MR. DEPUTY-SPEAKER : Next turn is of B.J.P. but I am calling him first.

... (Interruptions)

SHRI SANTOSH KUMAR GANGWAR (Bareilly) : Only one person from our party has spoken. ... (Interruptions)

[English]

SHRI SONTOSH MOHAN DEV : What is our position? (Interruptions). ...It is too much. ... (Interruptions)

[Translation]

SHRI DATTA MEGHE (Ramtek) : How long will the sitting continue today.

MR. DEPUTY-SPEAKER : Upto 10 p.m.

SARDAR SURJIT SINGH BARNALA (Sangrur): Thank you for giving me time. I have listened to Finance Minister's speech with rapt attention. ... (Interruptions)

[English]

SHRI P. CHIDAMBARAM : Shri Sontosh Mohan Dev, how many Members have spoken from the BJP side? From their side also only one Member has spoken so far.

SHRI SONTOSH MOHAN DEV : If from the BJP only one Member has spoken, then I agree. ... (Interruptions). I have got the name of a lady member also who is waiting to speak.

[Translation]

SARDAR SURJIT SINGH BARNALA : The terminology used is excellent. ... (Interruptions)

[English]

MR. DEPUTY-SPEAKER : No interruption, please.

[Translation]

SARDAR SURJIT SINGH BARNALA : While listening you can't make out in whose favour it is going. ... (Interruptions)

[English]

He has used soft and illusive language.

[Translation]

In whose favour it is going and against whom. It is going on. There used to be a lot of hue and cry after the Finance Minister's speech. There is immediate reaction. Some people are of the opinion that it is a pro-weak budget, while some say it is anti-poor budget. Some people say that it is anti-farmer budget while some say it is pro-industry budget. ... (Interruptions) we have not heard these words. I have not come to listen to these words. One thing is definitely there, that it is a pro-liberalisation budget. This trend is prevailing throughout the world. Pro-liberalisation was not a bad thing. Even after that it so happens that people usually start pitching their tents after the budget speech. Some people carry red flags while some carry other kinds of flags. This way there are so many camps. Some sit on hunger strike that it is not our job. Budget should be alright. It goes on. This time, it is not the case. It appears that some people have accepted this budget.

I was looking at it from a different angle. It was a difficult task for the Finance Minister because there are 14 parties. All these 14 parties have different philosophies, varied thinking. Somebody looks to the left and some to the right, while somebody adopts the middle course. It was a difficult task to go along with two parties which are supporting from outside. It was difficult to go along with them.

[English]

SHRI P. SHANMUGAM (Vellore) : Sir, will the debate go on beyond 10 p.m. also?

MR. DEPUTY-SPEAKER : No.

... (Interruptions)

MR. DEPUTY-SPEAKER : Please keep quiet. Order please.

[Translation]

SARDAR SURJIT SINGH BARNALA : They deserve praise. They have done a commendable job. Some people are happy with it. Stock market, corporate sector, foreign investment—all these are flourishing. ... (Interruptions)

I have listened to the speech of Shri Vajpayee. He could not taurt so much although he was attempting to do so, because while sitting in the opposition one has to speak something. We are receiving deputations very often. Previously they would come for this and that. This time only two deputations have come. One from Induction Furnishes, Steel Industry especially in Govindgarh, Punjab.

[English]

It was a tight rope walking and he walked the rope very well. I give credit to him for that.

[Translation]

People came from there because duty on the install capacity has been levied on induction furnishes. They say that our production is not so high. We shall have to think about it that duty should not be levied on installed capacity. It is better to be levied on the production. It may be checked. Is there any way out. If they are evading it can be done in a better way. There was a gentleman whose name Shri Vajpayee made during his speech that he created circumstances of quarrel. A war is declared between jute bags and polythene bags. They had come to us. I am mentioning this because I have a little knowledge of it. When I was Food Minister in 1978, during that time there was the procurement period as it is now. For procurement we required gunny bags. We required 8 crore bags but we got only 4 crore. We were in a fix what to do. We could decide nothing. Meanwhile we received a demand for some rice from Bangladesh, and also for some rice seeds. We had it, so we at once talked to them that we can provide them if they require, but give us jute bags. You will be receiving these commodities when you will be sending jute

bags to us. We had to import jute bags from Bangladesh. So there should not be monopoly. When there is monopoly, there is exploitation. I would not go into the details that who gains or who does not. In some cases, polythene bag is of a great use, whereas in some cases jute bags are of a great help. I am not against them.

We have some apprehension and that is this budget is silent. Nothing has been said about the petroleum prices. Everybody feels that petroleum prices will go up very soon. And it will have its impact. It appears to me that when the petroleum prices go up, the prices of all commodities start going up. Everybody feels that when petroleum prices go up there will be inflation. They have to watch these things.

There are certain things for which there is minimum provision. Just now my friend was saying that the funds allocated for irrigation are not sufficient. In Punjab there is an old irrigation project named Theen Dam Project. It helps in irrigation, and generates some power as well. But there is delay. Initially, the project cost was 84 crore rupees, now it is of 3000 crore rupees, but it is not completed. I was in Punjab when Rajiv Gandhi was Prime Minister. I led him to that place. Foundation stone was laid in 1986. Funds were provided for 1-2 years for this and there was good progress. Tunnel is constructed and the work is almost accomplished. Some funds are still required there, which it is not getting. If the total funds are given in one year, then next year the irrigation will commence in the power sector, power generation will start within one year. So, I would tell the Finance Minister that he should make provision for it. We have tremendous power requirements and the supply is not sufficient. We have got two thermal power stations—one is in Ropar and the other at Bhatinda. Coal does not reach both of these stations. We have to discuss coal every now and then. When the coal is left for 2-3 days then it is lifted with great difficulty. There should be some provision for their smooth functioning. According to me we should get an atomic power plant alongwith it. It is an old demand from Punjab, and we have to get the coal from a long distance, so we should get atomic energy we have been trying for it for the last 15 years, but nothing is being done. Now we only ask that an atomic plant is established anywhere in Punjab. Site has also been visited but what remains is the sanction. It is not being constructed yet. There is a need to do it. I would like to mention one point in general about Punjab, and that is about special term loan. There is some dearth of funds in Punjab since the terrorism increased there over the last ten years from 1985 to 1995 Punjab is in the grip of a debt, because Police is required to combat terrorism, we require equipment and so many other things all the same whatever funds we were getting those were given to us in the name of special term loan. It went on increasing upto 5600 crore rupees by 31 March 1995. There is interest on this amount. Shri Narasimha Rao went to Punjab, and he said "yes" it would be written off. But it was not written off. Mere 800 crore were left, after he left, rest of the amount is still as it is. Punjab problem is not the problem of Punjab alone, it is a national problem. It was a

[Sardar Surjit Singh Barnala]

proxy war which was fought by the people across the border, and Punjab was fighting with them.

[English]

But this was a national problem. Punjab was fighting for the nation.

[Translation]

We fought successfully, we sacrificed a lot, there was heavy loss of life and property, loss of every kind. Now the term loan has accumulated to such an extent that Punjab cannot pay it back. We have been impressing upon the Government time and again for the same. A few days back, Chief Minister had met the Prime Minister, then a deputation from our side also met him. This term loan should be written off, Punjab cannot pay it back. If Punjab will begin paying this money, its progress will stop at once.

Now, I would like to speak about food production. Food problem has acquired a bigger dimension. Now, situation has arrived where we have to import foodgrains. We are importing 2 million tonnes this year and if the present state continues, we shall have to import foodgrains every year. The import which had once stopped shall have to be resumed again and it costs a heavy amount of money, foreign exchange reserves are left minimal which creates many problems. First of all, what we import costs much. We are importing wheat at the rate of Rs. 662 per quintal. Here it is provided at the rate of Rs. 415. Its landed cost will increase further which will go upto Rs. 675-680 nearly and here it will cost Rs. 680 at the port. The farmer here will get it at Rs. 415. I had requested the Food Minister here in the Parliament also. This way I feel there won't be less procurement in the next year also. So we shall have to think about it, the Government shall have to pay some incentive, then the farmer will give foodgrains for procurement otherwise he won't give. This way procurement will come down. The Government shall have to think about it right now, because the season will commence within 15 days. Foodgrains will come into the market in Punjab whereas it will start coming in the markets of Haryana. You shall have to think about it just now, so that there is maximum procurement. The country faces heavy losses because of lack of procurement and problems also multiply. There should be some incentive so that procurement could be increased.

Same has been the case with the rice as well. There are two varieties of rice, one is fine and the other is superfine. The same variety is graded in Haryana as superfine, it would cost 20 rupees more. This rice was taken in Punjab after making it fine. We got the money less by Rs. 20. We continued to protest but nobody listened to our plight this way we had to bear a loss of Rs. 150 crore. This continued for 3 years, but it has not been solved. Sometimes, some Punjab peasants somehow reach Haryana and sell the foodgrains in the market of Haryana because he gets

Rs. 20 more. When there was a hue and cry in Punjab and when Shri Brar was the Chief Minister, a decision was taken by the Central Government that Rs. 5 would be given as bonus. Although Rs. 5 is a paltry amount, but the farmer did not even get that bonus. So what I would like to say is that all these things are to be taken into account, because if the food production goes down due to any reason, it becomes a subject of discussion. I mentioned it when there was a discussion on fertilizers.

Likewise there is the question of cotton. The prices of cotton are not taken into account. Last year the price of cotton was Rs. 2200. This year, in the beginning we expected a little increase in the price, but later on it came down and the farmer had to sell it off at Rs. 1500.

There is no settlement in this regard. Cotton Corporation came in the field at a time when the farmer had already sold his commodity in the market. That time he took it up, and then the export policy was framed, that we are going to do so and so. Whereas this policy ought to have been framed earlier that there would be so much export of cotton and so much cotton will be purchased by Cotton Corporation or NAFED or any other agency. For that, it was better to go to the market at the proper time. Then alone the cotton grower would be benefited.

The dispute in regard to sugarcane is in the entire country, but it is more so in Punjab. We have got 20 sugar mills, 6 are in the private sector and 14 in the co-operative sector. The farmers have an arrear of nearly 147 crore rupees. Nothing is being done. People are sitting on dharna and are protesting. We are producing fruit also, but the facility of processing is not available. The State Government is doing something, but that is minimal. The Government of India should look into it and provide more processing facilities. The grapes are being produced in Punjab but this has been reduced to a sort of table fruit and its sale has gone down.

Many times these get perished. It perishes in the field itself. Sometimes the grapes are sold at the rate of 2 rupee per kg in our area. People take it in bulk for sale in mandis.

In our area one more dispute is there. It relates to river water. This dispute has been there for a long time. The share of canal irrigation in Punjab is not up to the required level. Canal irrigation constitute 35 per cent of the whole irrigation in our area and rest of the irrigation is provided through tubewells. It is a small state. The people satirically call it 'Punjab subji'. There are 8 lakh 50 thousand tubewells in this region. Due to this large number of tubewell, they consume too much electricity and also ground water is being used. So the level of ground water is receding which is resulting in the creation of lot of difficulties. Some parts of the area are turning to be gray. No further tubewell can be installed there because this installation will not bring out any water. All this is happening due to the fact that the

people want more and more irrigation. River water does not fulfill their requirement. Therefore we strengthened the channel which resulted in stoppage of underground recharging. It is also causing a lot of difficulties. 1.5 lakh tubewells are being operated through diesel. When people don't get electricity or its connection, they operate their tubewell through diesel, when the prices of diesel increase, it affects the cost of production. The cost of production of wheat in Punjab is more than that in other states because we use superior quality of seeds, use more quantity of fertilizer that is why we have been requesting you time and again to take these facts into your consideration. Now a days the agriculture is not profitable. Therefore, the Government should think about it. I would request the Finance Minister to keep all these problems in mind and try to find out some suitable solution.

[English]

SHRI I.D. SWAMI (Karnal) : Sir, I thank you for giving me an opportunity to speak on the General Budget. Every Budget creates a hysteria in this country. This year also some hysterical statements came. One of the stock brokers in Mumbai wanted the hon. Minister of Finance to be nominated for the Nobel Prize. This appeared in the newspapers. One industrialist from the same city of speculators even went to the extent of saying that he gives 9.90 marks out of 10 marks to the hon. Minister of Finance.

It is all because of the fact that he had offered good sops to shareholders and businessmen which is something that all the Finance Ministers normally do because they need their help. But I think, the stock markets will realise very soon that a few sops to shareholders do not make a Budget at all, at least not in a country like India where they constitute a very small minority.

Corporate earnings will not matter much if the total economy does not improve. The hon. Finance Minister claims to have brought down the fiscal deficit from 5.9 per cent last year to five per cent; and it will further come down, according to him, to 4.5 per cent in the coming year. This may perhaps satisfy the IMF or the World Bank or the business community. But the fact remains that Rs. 65,000 crore deficit is the highest ever in this country which is there in this Budget. Out of this amount, 'monetisation' to the extent of Rs. 16,000 crore will be met through the printing of currency notes. Never before has the Central Government gone in for such a massive printing of paper money. What would be its effect?

SHRI P. CHIDAMBARAM : Sir, let me intervene. I think, it is time to dispel this misconception about Rs. 16,000 crore. For the first time, quite transparently, we had indicated the extent of RBI support to the Government's borrowing programme. That figure is being described as 'monetised deficit', that is the maximum support which the RBI will give to the Government's borrowing programme. That is not equal

to the net RBI credit to the Government which is the monetised portion of the deficit. The net RBI credit to the Government will be Rs. 16,000 crore at the maximum minus RBI's open market operations. Therefore, for the sake of transparency, in order to moderate interest rates, we have declared that this is the maximum support the RBI will give to the Government's borrowing programme.

It is also not correct to say that there has never been a high of 'monetised figure'. In 1995-96, that is the last year of the previous Government, the year for which full figures are available, the 'monetised deficit' in terms of net RBI credit to the Government was Rs. 19,855 crore.

SHRI I.D. SWAMI : You are lagging a little behind this year.

SHRI P. CHIDAMBARAM : After this explanation also, if you still say that I am lagging behind, I am sorry, my explanation has fallen on deaf ears! The figure of Rs. 16,000 crore is the maximum support that they will give. The net RBI credit will be available only at the end of 1997-98, after we come to know of what the RBI's open market operations are. For example, in 1996-97, until day before yesterday, the 'monetised deficit' is only less than Rs. 6,000 crore. There was no reason to assume that next year, the 'monetised deficit' will be Rs. 16,000 crore. That will be known only next March, after the RBI's open market operations. What we have done is we have introduced a new measure to indicate the RBI's maximum support to the Government's borrowing programme. Therefore, the figure of Rs. 16,000 crore is not the 'monetised deficit.' The 'monetised deficit' will be RBI's net credit to the Government which will be available only at the end of 1997-98.

SHRI I.D. SWAMI : What about the deficit of Rs. 65,000 crore?

SHRI P. CHIDAMBARAM : That is fiscal deficit. In nobody's case the absolute fiscal deficit has come down; and in nobody's case, it can be brought down also. The absolute number will come down only when you tackle the revenue deficit. Today what we are trying to do is to compress fiscal deficit as a percentage of GDP. When Dr. Manmohan Singh took over, the fiscal deficit was 8.3 per cent. When he laid down the Office, it was about 5.5 per cent. We have brought it down to five per cent; and we hope to bring it down to 4.5 per cent. It is my hope that whichever is the Government, we will bring it down even below that.

SHRI I.D. SWAMI : Anyway, I was mentioning about the Budget estimates of the Central Plan outlay. In 1996-97, it was Rs. 87,000 crore. Out of these, only Rs. 77,500 crore have been spent and the balance has been shown as saved. And sector after sector has found it hard to spend the money allocated to it not on current account but even on capital account. There are big shortfalls under petroleum,

[Shri I.D. Swami]

atomic energy, rural development schemes, agriculture and even power which is very crucial.

It is really shocking that an administration that complains perennially of shortage of resources could not manage to meet the moderate Budget targets last year. These savings are then used to show a lower deficit. How? The amount saved is almost one per cent of the GDP and would have been raised to six per cent. The deficit would have been six per cent. But that one per cent saving has come down to not five per cent as claimed in the Budget speech. In fact, if one per cent saving is added, it would be six per cent deficit. The allocations in the coming year are, in many cases, lower than those of the last year. Even in nominal terms, allocation under one sector alone, that is, power, is Rs. 6,943 crore, that is, Rs. 150 crore less than that of the last year. In real terms, it may be much less. If a power crisis is to be avoided by the end of the next Five year plan, the power generation capacity has to be increased by at least 40,000 MW out of which 30,000 MW will be in the public sector. This calls for an investment of Rs. 1,50,000 crore in five years, about Rs. 30 crore per year. Wherefrom would this money come? It has not been shown anywhere in the Budget. The provision in the Budget is less than Rs. 7,000 crore. We need Rs. 30,000 crore.

Even in Haryana, we want to have some more plants like that in Punjab, as Shri Surjit Singh Barnala has mentioned. We need a lot of more plants. We have the sixth plant at Panipat for energisation of which we need about Rs. 600 crore. We had requested the hon. Prime Minister also. All the MPs had gone to him. We launched upon the prohibition policy in Haryana, which, in fact, is the bounden duty of the Government of India as per the Directive Principles of State Policy mentioned in the Constitution of our country. Had it been done, perhaps we would not have asked for it. We had asked for an aid of Rs. 600 crore because ultimately we will be adding this energy. We borrow from Orissa. We borrow from Himachal Pradesh also. But even transmission lines have to be updated. For that, in Haryana, we need about Rs. 600 crore. Only for four or five paddy-growing districts like Karnal, Panipat, Kurukshetra, Kaithal, etc., in my constituency, we need about Rs. 250 crore for building up or for updating the infrastructure of transmission and distribution. I am not talking of generation at all.

We request the hon. Minister of Finance that at least a small State like Haryana, where the total Budget is very small, a loss of Rs. 600 crore on account of prohibition is much more. It is an obligation of the Government of India as much as ours. That decision has been hailed by the people as a very good change. The crime has come down. Accidents on the roads have come down because of prohibition. The ladies, the elderly people and even the

younger ones have accepted it very happily. We would like to request that at least for power generation, Rs. 600 crore may kindly be given to this small State.

Even at macro level, there is a very little attempt to curb the revenue expenditure and boost the capital outlay. How? During 1990 to 1995, when the new economic policy was launched—Shri Manmohan Singh's era—the Government spending went up by just over six per cent. But now the current spending went up by 13 per cent. And capital spending, the kind of spending which is concerned with the growth, has fallen down by 19 per cent. No wonder, there are shortages of power and petroleum products as also at most levels of infrastructure.

Sir, the most important and the most vital sectors which are the bedrock of our economy and provide employment to our people and constitute about 90 per cent of our labour force, are agriculture and the small scale industries. Both these sectors are stagnating, if not sinking. Foodgrain production has been growing at 1.7 per cent per year since 1990 while the population has grown at 1.9 per cent per year. This is a dangerous situation for a country like ours where almost half of the populace subsist on one meal a day. As has been pointed out by Shri Surjit Singh Barnala, the State of Haryana can produce more but last year, the production has gone down all over the country. Procurement has also gone down. After the Green Revolution, we have been boasting about the country's self-sufficiency and exporting abilities. But today it is the same square one position for us. We have come back to the same point from where we started. Procurement prices should be increased or some bonus should be given to the surplus States—as some other States are given, like there are some other incentives for minerals for some of the States—we produce wheat and rice, particularly rice which is exported and is liked very much in the foreign countries.

Sir, as far as the small scale industries are concerned, I was amazed to read in the part A of the Budget speech of the hon. Finance Minister that 14 items have been taken out from the purview of manufacture in the small scale sector. Some recommendations have been received in this regard. What does the de-reserved items include? They are rice milling, dal, poultry seed, vinegar, biscuits, synthetic syrup, icecream, a variety of automobile parts and corrugated paper and paper boards. It is expected, the Finance Minister says, that new investment and new technology would flow into these businesses. For biscuits and icecreams, what new investment Technology do we need? These things should be left out for the small scale industries. Otherwise, the multinational and big industries will eat into the small scale industries, like the Tatas and Birlas, they are being taken over by the multinational companies. The small scale industries would die and stagnate if such things are allowed to happen.

I would only like to quote one particular instance. I had the privilege of mentioning this aspect to the hon. Finance Minister before the Budget last year also. The Indian Woollen and Shoddy Mills Association has been crying hoarse for the last one year because of excise duty. Central excise has been imposed on the shoddy woollen yarn. Cotton yarn is exempted from paying excise duty. What is this shoddy yarn? This shoddy yarn is meant only for the poorer section of the society. Panipat is the only place in the country where there are hundreds of these small shoddy yarn units and they are engaged in the manufacture of blankets which are sold at a price ranging between Rs. 50 to Rs. 150. These are meant for the common men and the poor people. It is a labour intensive industry. Custom duty has been reduced from 35 to 30 per cent last year but central excise has been imposed.

Sir, there is another danger of corruption as well. It is not an apprehension or danger but it is a fact. Many times when the rags are imported, the officers of the custom and Central excise Department tell them that goods made of cotton are exempted from paying any excise duty but these rags contain more synthetic yarn, woollen yarn and less cotton yarn and so they would have to pay duty. They pay under the table so as to save this duty and thus it has become a source of corruption as well. I would like to request the hon. Minister, last time also some delegation had met him and I requested him if he could sort out this problem. But this problem is still continuing this year also. This is what is happening in regard to the small scale industries.

I have mentioned just one small scale industry in Panipat. There are hundreds of labourers in those small scale units. Those are labour intensive units and are not capital intensive units at all. There are hundreds of such units.

Now, a word about voluntary disclosures. It looks like an eyewash. This scheme was tried in the past from time to time. The last time it was attempted, as far as I have been able to read, was in 1975. What did it yield? It yielded a total of only Rs. 1400 crore which is nothing but peanuts. Tax arrears have been estimated at three to four times the tax collections or about Rs. 1,00,000 crore a year. It would have been a big thing if the Government was able to collect even 10 per cent of this amount every year. I suspect that even this much will not come. The scheme has to be a mixture of stick and carrot. Hoards of black money stashed in foreign accounts of Indian businessmen are supposed to be anything like 100 per cent to 150 per cent. We should have to bring that money into our country. Seven times of our foreign reserves and one and a half times of our foreign debt will be cleared from that money alone. What we can do about it should certainly be the worry of the hon. Finance Minister and the Government of India.

The reduction in personal income tax as well as corporate tax is welcome. But an improvement in corporate

earnings alone does not necessarily translate into high GDP. For that, you need a firm hand on budget deficit, ban on printing of paper money, sharper focus on agriculture and small scale industries, bigger outlays for infrastructure, and drastic overhauling of public sector units. Instead, I think the hon. Finance Minister is relying excessively on foreigners to bail us out. I hope it is not resorted to.

In this context, the whole of the Budget seems to be inflationary, anti-poor, anti-masses, and anti-farm. One lakh hectares of irrigated area needs Rs. 800 crore as special expenditure but it is coming down. In the rural development side also, many schemes like Indira Awas Yojana, Jawahar Rozgar Yojana really look very bright and beautiful. But if you take the total allocation of Indira Awas Yojana and the number of people living below the poverty line, in my constituency, I have gone round and I find not even one house in one village. If 150 names are sent by the Panchayat, only one house is constructed. That is because the total allocation is so meagre. Unless the allocations are bigger under Indira Awas Yojana, or Jawahar Rozgar Yojana, these things are not going to improve the conditions in the rural areas.

Before 1947 we always used to blame the Britishers for all our failings, for all our shortcomings, for all our difficulties in the villages.

[*Translation*]

The dream of Mahatma Gandhi for the development of rural areas could not be realised till now.

[*English*]

That is because nobody has cared for the rural masses. Even today wherever we go, a small water tap is needed, a small road is needed, a primary school is needed to be upgraded, a small dispensary is needed. After fifty years of freedom, after half a century, we face the same problems that we used to face before 1947, before freedom was won at the huge sacrifice of the countrymen of this land of ours. Unfortunately this has happened, and we cannot blame the Britishers today. The Britisher had come to rule over us. He had come from a foreign land. He had no love lost in our countrymen. He had nothing to do with our people or with our rural masses. He never looked into our problems. But after fifty years also we are stagnating in the rural areas and 6,56,000 villages are still starved of water, of a road, of a primary school, of a dispensary. Talk of the social sector and allocations will not feed their empty stomachs. What is needed is, more allocation, more saving and not the corporate sector and big business sector alone.

[*Translation*]

SHRI DATTA MEGHE (Ramtek) : Mr. Deputy-Speaker, Sir, the Hon'ble Finance Minister Shri P. Chidambaram has presented a good budget. It is good for the business community in particular. The present finance minister has presented this budget in pursuance of initiatives

[Shri Datta Meghe]

taken by Shri Manmohan Singh ji as the finance minister. Shri P. Chidambaram is basically a Congressman and believes in Congress ideology and that is why even today we consider him as a Congressmen. I think the budget presented by him will lead the country on the path of development and it will prove in particular to be a good budget for the poor people of the country. It also includes to some extent, seven points identified in the meeting of the Chief Ministers for the development of rural masses and for providing basic facilities to the people in the rural sector. The provision to provide tax concession has been made in the budget which would provide relief to middle class and service class people. But still there are many loopholes in the tax structure and I believe, as the Finance Minister was saying about the budget, he would definitely remove them. The people of this country have high hopes from the Minister. In the budget a substantial amount has been provided for subsidy and adequate provision has been made to provide subsidy to the poor people wherever it was necessary. It is a good thing but subsidy has also been provided on such items where it can be misused. Investment expenditure in rural areas has also increased. No attention has been paid towards the improvement of banking and insurance sector which was included in the common minimum programme. The problem of increasing prices of edible items and increasing oil pool deficit have been ignored in the budget. Petroleum oil pool deficit is increasing day by day. People of this country also know that the prices of essential commodities may also go up. The fare and freight charges of railways have also increased and now if the prices of petroleum products are also increased, the prices of all other commodities shall also go up. Therefore we should deliberate upon this problem in the House. It is also claimed in the budget that PDS system would be revamped which is a good thing. It has been mentioned in the budget that wheat, rice and other essential commodities would be provided to the people living below the poverty line at half rates. It is also a good thing. It involves expenditure of crores of rupees from the exchequer. It should be ensured that the benefits of this scheme should reach the poor. We have seen in Maharashtra and in many other parts of the country that the beneficiaries of this scheme have not yet been identified. I would like to know as to when they would be identified because the announcement of this scheme have provided great relief to the people and they are looking towards Central Government for further speedy action. The rural and urban people living below the poverty line are eagerly looking towards the Government as to when this scheme would be implemented. It is also necessary to pay attention towards the states which have not yet identified the beneficiaries of this scheme. The first budget of this Government had badly affected the share-market. And now in second budget many tax concessions have been given. The benefit of tax-concessions should also reach the

unemployed people of this country but how they would be benefitted by the proposed concession. There are so many cotton mills in Vidarbha Region of Maharashtra. It was assured by the previous Government that all the cotton mills would be modernised and they would be provided with new machines. The then Labour Minister formulated the modernisation plan of Rs. 2500 crore but in this budget, the provision of one lakh rupee only has been made whereas it is a very big plan for modernisation and reorganisation of textile mills all over the country. I think it is negligible amount and the Hon'ble Minister should think about it and provide sufficient funds for this purpose.

In the PDS system also there is not proper monitoring by the Government as a result of which the benefits of this system is taken away by the blackmarketeers. Under this scheme the Govt. have to provide ration on subsidised rates and for that purpose it has to procure the foodgrains first. From where you would get foodgrains to supply. Just now Shri Barnala ji was saying that if the Government do not procure foodgrains in sufficient quantity, it would not be possible to implement the revamped P.D.S. scheme and the poor people would not get the benefit of the scheme. The misuse of this scheme by the middlemen cannot be ruled out. You have entrusted the states with a big responsibility to implement this scheme in the interest of the poor people. But today there is a rampant corruption in its implementation. You shall have to check it. We demand that rigorous punishment should be given to the guilty persons. You should make provision of vigorous punishment in the Act because they don't care for imprisonment of one day, 15 days or one month. When subsidy is given on a large scale it falls in the hands of those people who misuse it. Therefore, it is necessary that guilty should be punished vigorously.

You have liberalised the taxation in your present budget so as to bring out black money. But in this liberalisation we shall have to be careful about the tax evasion. Special attention needs to be given towards this aspect. We want black money to come out. Such announcement was made earlier also. But the people takes this announcement in their own way—to hoard as much as you can and declare whenever required—which resulted in disappearance of black money. I don't know when your scheme would be implemented but your department has done a very good job for the last 6–8 months. It is fact that we have been talking about the corruption through the country and some of the facts were brought forward by some leaders, some businessmen. It is also a fact that we cannot put a total check on the corruption, even then your income tax Department should do its job of bringing out the black money meticulously irrespective of the status of black marketeers. This department has done a good job. Now we should pay more attention towards bringing out black money so that more and more black money could be brought out.

You have given some concession in custom-duty in the budget but I feel that it will leave adverse impact on the small scale industries in the country.

You have made provision of 700 crore rupees for education in your budget and said that some provision would be made by the State Government also. But as far as higher education is concerned I want that equal recognition be given to the higher education whether it is given by any private educational institution or by a Government college. Just now our Hon'ble member was saying that out of the educated people in our country only 2 per cent women are literate. Keeping it in view it is necessary that more and more provision should be made for primary as well as for higher education in all the states. If you can give any help for higher education, state government cannot give any help, it is necessary to formulate such scheme under which private educational institution may give better training, better education to the desirous persons.

There is a medical council, dental council in our country. All these councils say that at least the amount, as much as is spent by the Government in the name of higher education, should be given to them. If such amount of expenditure is not given to them, the education given by them would not be recognised equally. It is necessary to put surveillance on the big educational institutions so as to check them from engaging in malpractices. But we should encourage those institutions which perform well. We should try to strengthen those institutions which are not in a position to function. We should not leave each matter on Supreme Court. If we move as per directive of the Supreme Court how shall we be able to build a good structure for higher education. If all these things are to be attended by the Supreme Court, then what will be left for the Government to do? In such a situation we cannot pay more attention towards the primary and higher education. Proper arrangements need to be made so as to persuade each institution to impart the best education.

We have not reached our destination in uplifting the people living below poverty line. As was said here just now which bring clear picture of the villages that whenever we go to the villages, there are 2000 villages in my constituency, I find that the some of the villages are still lacking the facility of potable water. No road is found there. We could not provide the basic facilities which are being sought by the people living there. In Maharastra, the people pass satirical remarks against Congress. They say that the legislator at least should do the work which is assigned to them. But the works which could not be done in 40 years, can now be done within one or two years. It is not a magic. When we discuss the budget leaving the political discussion aside, we should see as to what actually we are going to give to the people in the budget and who are those people that are going to be benefited by this budget. This budget is going to benefit the businessmen. And if the business-

man is benefited you also shall get more capital but you shall have to see who is going to be benefited by this capital. You should ensure that maximum benefit goes to the poor people.

We find that revenue has been curtailed to a large extent in this budget. By giving concession, income will be reduced by 536 crore rupees. Similarly curtailment in taxes will also reduce the income by 98 crore rupees. An amount of 3000 crore rupees has been curtailed out of the total earnings in the budget. The main reasons behind this curtailment is that the funds are not being mobilised through resources and investment. Due to this factor 575 crore rupees will be received against the target of 5100 crore rupees. A deficit of 2684 crore rupees is likely to emerge in revenue budget and capital budget. This deficit is due to the concessions given by you but you have to think about the money which will come to the Government in sufficient quantity—how it will be spent on the development of villages as well as for providing basic facilities to the villagers.

Mr. Chairman, the interest rate on the loan which our country gets is very high. The interest in our country is upto 17 or 18 per cent whereas in foreign countries it is 3 or 4 per cent. Unless you reduce the rate of interest, no youth, unemployed person can set up any industry. The industry cannot flourish. Major part of the income earned in the industry goes to the bank as interest and in this the industry does not flourish at all. The attitude of bank employees towards the industry is a big reason for making it sick. Mr. Chairman, Sir, I would like to tell my experience of a bank. I have seen how corruption prevails in the banks. It is my own example. I would like to refer Punjab National Bank. I would like to name the Chairman of Punjab National Bank in the House and tell you that in all big loans, whatever granted from there, percentage is taken and that percentage is distributed among all the members of the board. No loan is granted without percentage. The Hon'ble Minister, I am disclosing this fact before you in the House and I would like to request you to conduct an inquiry into the loans granted during the last two years and find out the persons to whom these loans were granted and how much percentage was taken by the Chairman therein. The outcome of the inquiry will reveal the extent of corruption prevailing in the banks. I myself went there. I was told that the loan would not be granted without percentage. I was surprised to listen as to how the Chairman of the bank is openly asking for a percentage from a Member of Parliament for grant of loan. I want to say that there is rampant corruption in Punjab National Bank. That is why I request you kindly to conduct an inquiry into the corruption practices being adopted by the Chairman of Punjab National Bank and find out the person to whom loans were granted during the last two years. When the Chairman of Punjab National Bank dares

[Shri Datta Meghe]

to ask for percentage from a Member of Parliament, you can just imagine the fate of a common person, a poor person. I would request that an inquiry be conducted into the property held by the Chairman of Punjab National Bank. When we raise some issue in Parliament you should take it seriously, you should get the matter inquired so that you may come to reality.

Mr. Chairman, Sir, it appears that coal mines of our area are going to be privatised. Now privatisation of every thing is being talked about. Indira ji had nationalised coal mines because in private sector coal mining was not being done properly, mine-labourers were not getting their wages regularly. Good profit was accrued from the coal mining as a result of its nationalisation. Private sector is facing shortage of funds to develop its own coal mines. You have allowed some concessions to the private sector coal mining but even after that you have left some problems for this sector. I find particularly in Vidarbha, that mining work is not being done properly. When we demand a small state, our colleagues ask as to why we are demanding a separate state for Vidarbha? I want to say that in a small state, more development takes place and from administrative point of view also it is conducive to the functioning of the state. We were already having Vidarbha state. Today they are demanding a separate Vidarbha state because of much potential existing there. No action is taken for the development of our village Khare by any of the officer or by the Chief Minister of Maharashtra if they pay any visit to this place. Even from the administrative point of view no proper attention is being paid towards this village. Punjab, Himachal Pradesh and Haryana made good progress. Every village has been developed therein. But Maharashtra is a big State but development could not take place there. Uttarakhand in U.P. is being talked about and you are going to form a separate state of Uttarakhand. Until you form small states in the country in real sense you cannot provide justice to the poor people, farmer, labourer and unemployed youth living in the villages as well as to the industry set-up there because we face shortage of funds in comparison to the big area of the state. From this point of view we cannot do justice to the people living there. Our demand for Vidarbha is justified. Not only Vidarbha but small states should be formed throughout the country. It will be good thing for the country. Nagpur also is a capital in our Vidarbha. Assembly also exists there. The importance of Nagpur was diminished by the formation of new capital. Mines, fertile land, water etc. all these things are available in Vidarbha. All these things are being exploited to full extent. Keeping all these aspects in view, small states should be formed in the country so that more concessions could be given to the people. It appears to me that it will not involve much expenditure of the Central Govt. Moreover it will fulfill the desire of the masses.

Today, main problem in the country which industrial and agricultural sector face is the problem of providing employment. We are not able to provide employment to the people whether they live in slums or elsewhere. I would request the Hon'ble Finance Minister, who is very successful and able leader, to formulate such a scheme which may provide employment. ... (Interruptions) We think that he is working better than Shri Manmohan Singh. Whatever data he presented they are convincing. We are happy. He is a new man. We hope that he will present a good budget.

Hon'ble Minister, Sir, please bring forward a comprehensive scheme. You give them employment who are sitting idle because they feel very uncomfortable without employment. It should not happen. You give remuneration to that person who works but don't give money without work. There was an employment scheme in our Maharashtra. You give money to that person only who works but don't give money to anybody without work.

Today there is unemployment all over the country. You should formulate a scheme to solve these problems. You give them money but after the work is done. For this you shall have to make more provision in the budget but it will not bring any loss. You formulate a scheme to provide a job. ... (Interruptions) we did not find any such provision in the budget. Don't leave this aspect to the banks only. ... (Interruptions). They should be given the opportunity to work. They are doing well. If all raise hue and cry, they shall do their work in the same way. ... (Interruptions), you give them work for 8 days, for 15 days but they must be given work. They should have right to live with honour in this country. No such provision is found in the budget but we want that the 13 parties coalition Government should rise to the occasion in providing basic facilities to the people living in the villages. Till now no coalition Government was formed by such a number of parties. This Government is doing well. We should cooperate with the Government for the welfare of the poor people. You should work keeping this aspect in your mind.

[English]

MR. DEPUTY-SPEAKER : Shri L. Balaraman.

... (Interruptions)

MR. DEPUTY-SPEAKER : The House stands adjourned to meet tomorrow at 11 am.

22.00 hrs.

The Lok Sabha then adjourned till Eleven of the Clock
on
Wednesday, March 19, 1997/Phalguna 28, 1918 (Saka).