

to provide STD facilities at Amba and Barun in Aurangabad district of Bihar immediately. Telecom Services should also be improved.

**(vi) Need for early Construction of an Over-Bridge at Durgapur Railway Crossing in West Bengal**

[English]

SHRI SUNIL KHAN (DURGAPUR) : I would like to draw the attention of the House as well as the hon. Railway Minister towards a railway crossing at Durgapur in West Bengal on Bankura-Sagarbhangra Muchipara Road.

The main road which is coming from Midnapur, Purulla and Bankura districts of West Bengal goes through the G.T. Road and connect Burdwan and Birbhum districts of West Bengal through that road but due to frequent closure of railway crossing, the people are not able to reach their destination in time resulting in inconvenience to those people as also wastage of petrol and diesel worth crores of rupees.

Therefore, I request the Central Government to construct an over-bridge on the railway crossing as early as possible.

**(vii) Need to Improve the Condition of Approach Roads to Bandra Railway Terminus for the Safety of Passengers**

SHRI MADHUKAR SARPOTDAR (MUMBAI NORTH-WEST) : Sir, the railway terminus has been established at Bandra East Mumbai for the last few years. However, the infrastructure required for free movement of the passengers to and fro the railway station have not been sufficiently provided. The approach roads to the said railway station are very narrow. A number of hawkers encroach upon these roads. The encroachment of the hutment dwellers on the railway land has caused obstacles to the traffic. The surrounding area of the railway station is unhygienic and dirty. The commuters find it difficult to reach railway station even on their feet. This has been brought to the notice of Western Railways on a number of occasions, but no corrective action has been taken so far.

I request the Union Government to look into this burning problem and clear all the approach roads, provide security and improve unhygienic conditions on war footing in the interest of railway passengers.

14.48 hrs.

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MR. CHAIRMAN : Before we start discussion on the Finance Bill, I must caution the hon. Members that five hours were allotted for the general discussion. We have already taken three hours and thirty-five minutes and two-and-a-half hours are hardly left.

(Interruptions)

MR. CHAIRMAN : Why do you presume that I am going to scuttle the Members' right. We will have to finish it. All the discussion should finish today itself. Therefore, I only seek cooperation of all the hon. Members. I have got a very long list of names. I will try to give the maximum time. At the same time, I seek sincere cooperation from the hon. Members. Let us take some ten minutes. The senior Members, who have already prepared, are there. They are waiting. They will get some more time. Now, I will call Shri C. Narayana Swamy. He has already taken ten minutes. And he will have to conclude with a couple of sentences.

SHRI C. NARAYANA SWAMY (BANGALORE NORTH): Mr. Chairman, Sir, yesterday our hon. Minister of Finance had come out with certain proposals relating to withdrawal of levies proposed earlier. These included withdrawal in respect of increased tax on tread rubber and also concessions amounting to more than Rs. 100 crore. One important aspect to be noted here is the thrust given by the Government, especially the hon. Minister of Finance, for improving the basic infrastructural facility, especially the increased subsidy on the power sector of an amount of nearly Rs. 900 crore mainly for hydel power generation.

Now, most of the basic minimum services to be provided to the people, especially in the rural areas, will, under the present set-up, be implemented through the Panchayati Raj institutions. The Constitution provides for the establishment of local bodies which should function as autonomous and self-governing institutions. There is a stipulation and also a provision for devolution of powers and functions to these bodies.

Unfortunately, even after the Constitutional amendment, in many States of the country, with a few exceptions, the States have not devolved, through respective State enactments, sufficient powers and functions to these bodies. In many States requisite administrative powers are not given to these local bodies so that they could implement these very programmes. Even though they have the powers of planning, the States have not established Planning Committees at the district level which are mandatory under the Constitution.

I would like to call upon the Government to see that this anomaly is set right in consultation with the State Governments and that these representative bodies of people, the people at the grassroot level, are allowed to implement the programmes entrusted to them efficiently without giving any room for any anomaly.

Similarly, financial allocation and the provision for implementing various programmes relating to poverty alleviation and self-employment implies the cooperation of financial institutions including commercial banks, regional rural banks and the cooperative institutions involved in this field. There was a proposal for establishment of a national cooperative bank at the national level and that entailed some amendments to the relevant statute and the matter was pending before the Government. I would like to urge upon the Government, especially the hon. Finance Minister, to see that this issue is sorted out without any delay and also enable the cooperatives to function in a democratic

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[Shri C. Narayana Swamy]

manner so that Government may also initiate steps to bring in constitutional amendments so as to incorporate cooperatives as a mandatory provision of the Constitution on the lines of the Panchayati Raj amendments.

MR. CHAIRMAN : You will have to conclude now.

SHRI C. NARAYANA SWAMY : Sir, this is my last point. We have a vast stretch of dry land in our country. While we are giving thrust for improvement in irrigational facilities to the rural masses for development of agriculture, I feel that we are not giving equal importance that is due for development of dry land farming. This would involve increased allocation of finances and funds for rehabilitation of minor irrigation tanks, construction of ground water storage tanks and the like. The Government and the hon. Finance Minister has taken steps to streamline the fiscal aspect of governance through the Budget. He has also laid stress on the development of infrastructure. In more ways than one, the Budget presented by the hon. Finance Minister is a model in the country and unprecedented in many respects. I would like to congratulate him for his efforts. I am sure, the objectives set forth in the Budget would be achieved by the Government and the hon. Finance Minister.

[Translation]

SHRI SUBHASH CHANDRA (BHILWARA) : Mr. Chairman, Sir, thank you. I am quoting what the hon. Finance Minister said while initiating discussion on the Finance Bill, yesterday—

[English]

"When this Budget was presented in Parliament 69 days ago, it gave a strong boost to the confidence in the India economy both in India and abroad. Let me highlight some of the gains."

[Translation]

This has been stated by the hon. Finance Minister. I am quoting what he stated further—

"The open market price of wheat which were ruling at unusually high levels at an average of Rs. 713 per quintal in Delhi in February, 1997 has since come down to the range of Rs. 510 - Rs. 525"

[Translation]

Mr. Chairman, Sir, this Finance Bill does not mention as to what happened due to which the prices of wheat came down. It came down because it is crop season. The hon. Finance Minister says that it came down due to Budget but I did not see any such provision in the Budget due to which the prices of wheat came down. He stated in the last as to what happened to the Budget—

[English]

"In one area, industrial production data that has become available since the presentation of the Budget shows sluggishness in industrial growth".

[Translation]

In fact, this is the result of this Budget that the industrial growth is falling and the prices did not come down as a result of this budget as the hon. Finance Minister is claiming. He stated that the object of this Budget was—

[English]

"Lower tax rate, broader area and better tax administration".

[Translation]

He told these three points today, nobody likes to go to the department of revenue due to fear of officers of this department. The fact is that no tax payer wants to face the officers of the revenue department because of their behaviour. The assessing authority takes everybody to be as thieves. They behave like police officers. I am talking of my parliamentary constituency Bhilwara. The Assistant Commissioner of Income Tax of Bhilwara abuses the assessee. Once I advised him on phone to improve his behaviour but instead of listening to me, he started harassing me by reopening my cases. If this is the condition of an MP, what will happen to the common tax-payer. The hon. Finance Minister can tell better. I shall tell the hon. Finance Minister separately, in writing as to what reply did I receive when I complained to higher ups. In such a situation, one can imagine whether anybody would like to go to his department after so much of harassment. The assessment is not time bound, the first assessment is time bound but if the assessing authority commits some mistake then there is no time limit for its appeal. I had requested the hon. Finance Minister earlier also that assessment as well as appeal should be time bound so that the honest tax payers may get some relief.

The ex-Prime Minister, late Shri Rajiv Gandhi had said that rupee one released by the Centre is diminished to 15 paise when it reaches the village. Therefore, I have one suggestion to make that if anybody wants to undertake development work through Panchayat, be it for water or road, his donation should be eligible for exemption under 80 (G). Suppose, one villager donates and if he gets relief under 80 (G) then entire amount would reach the Panchayat directly, it will be used directly and the collection agency and distribution agency will not come in the way. Rebate should be given under 80 (G) to the donation to village or district Panchayats or Panchayat Samities.

15.00 hrs.

The Government has given relief in double taxation on dividend in Direct Tax Proposals. Many thanks for this act but 10 percent extra tax has been imposed on the dividend given by companies. This is improper and this must be withdrawn. If any company earns profit, it pays tax on it. It distributes its profit amongst its share holders and also pays tax on it. Thus, this dividend is subjected to double tax action. Tax should be imposed at one point. On the one hand, the Government says that it should be on lower rate but here he is imposing double tax on it.



It has been stated that profit of the sale of the retailer will be presumed at 5 percent and assessed accordingly. But no trader earns 5 percent in this age of competition. They do not earn profit more than one or two percent. Therefore, instead of 5 percent, it should be one or two percent.

Now I take up central excise. The Government has reduced the custom duty on imports but has increased the excise duty on Indian products. My colleague from Kerala was speaking on retread rubber. The type of retread rubber used in aircraft is imported. The Government has reduced custom duty on it from 30 percent to 3 percent while duty on retread rubber produced indigenously has been increased from 15 percent to 18 percent. The Government wants to destroy the local industry. When retread tyre is manufactured in India, people get employment but the Government has reduced duty on the import of retread tyre. What intention it has behind this move? The manufacturing of machinery in India is in very poor condition. Import duty as well as custom duty on the import of machinery has been increased from 25 percent to 30 percent and excise duty on local general machines has been increased from 10 percent to 14 percent. The argument behind it was that the Government wanted to fix these rates of excise duty viz. 8 percent, 13 percent and 18 percent. Previously it was 10 percent while the Government could do with 8 percent but instead of 8 percent, it fixed the duty at 13 percent. Does the Government not want a better quality of testing equipment is necessary for R & D and improving the quality. Entry duty on all the testing, measuring and analysing equipment has been increased from 10 percent to 13 percent. Even after that it decided three rates viz. 8, 13 and 18 percent. Excise duty on poor farmers has been increased in this budget while the excise duty on the goods which are used by the rich like refrigerator and air conditioner has been reduced from 40 percent to 30 percent.

[English]

Increase in the excise duty on card paper and paper board used for the manufacture of cartons for taking horticultural products.

[Translation]

Tax burden on the goods produced by the farmers has been increased. On the one hand, the Government claims that it wants to do the welfare of farmers and on the other hand, it is increasing the burden of tax on them. This is not justice. This budget is not in the interest of the poor. This budget is pro-rich since they can afford air conditioner, fridge etc. but no provision has been made for the farmers in the budget ...*(Interruptions)*

MR. CHAIRMAN: Do not be taken in by their words otherwise your time will be cut.

SHRI SUBHASH CHANDRA: Mr. Chairman, Sir, I am taking less time, still I am aware of time constraint. I would

like to speak on two-three small points. I hail from Bhillwara a big synthetic manufacturing city and a big fabric manufacturing centre. There are several independent processors unit there. The hon. Finance Minister had started MODVAT on textile in the previous Budget. It was stated that the implementation of MODVAT will reduce the tax evasion. In this process credit is given on the basis of Input in independent processors on national basis. I want to say that there is no possibility of reduction in excise duty by implementing MODVAT because 10 per cent excise duty is imposed by assuming 50 percent MODVAT and not on the proof of duty payment while in the national context it is taken on estimated goods produced. Duty is being imposed by assuming the value of 60 percent while the input is supposed to be 70 percent. In this way the Government has increased 1.5 percent tax on the poor's cloth. Is the Government protecting the handloom sector in this way? If the Government wishes to protect the handloom sector, it should not behave in this manner because handloom sector is a source of employment in rural areas. Hankyarn is being provided duty free at present. More hand yarn handloom present in India is going duty free at present. It shows that tax is being evaded in this process.

Mr. Chairman, Sir, I shall conclude by saying that this budget on the whole is anti-poor and anti-entrepreneurs. Wrong picture has been presented in the Finance Bill, the rate of excise duty has been reduced and custom duty has been increased. In such a situation the budget is not acceptable and hence I oppose it.

[English]

SHRI A.C. JOS (IDUKKI): Sir, I am thankful to you for having invited me to participate in this debate. This year's Budget is coming to a happy end. I am happy that Shri Chidambaram is back in the saddle. Anyway his coming back was slightly delayed, and it also pained slightly bitter. The mother had undergone caesarean. Now, both the mother and the baby are very much safe. We thought that the body may become orphan. Ultimately the mother got back the baby and both are safe.

SHRI SANAT MEHTA (SURENDRA NAGAR): I want to know whether Shri Chidambaram is the mother or the father.

SHRI A.C. JOS: Shri Chidambaram is, now, both mother and father. Sir, passing of the Finance Bill after a full-fledged discussion is the most important responsibility of this august House. Debates on each Ministry would have taken place but, unfortunately, due to various preoccupations, we have not got enough time to discuss various Ministries. I do not blame the Finance Minister for that. It is our own defect. We have approved this Finance Bill. In order to give life to the Budget proposals, this Finance Bill has to be passed today. Sir, we have guillotined a bit and we are also passing it.

Sir, the Finance Minister is extremely lucky this time because it has become a fashion in this country now to

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talk in favour of the Budget. If anybody dares to talk against it, he will become a sort of non-progressive or something like that. It is primarily because of newspaper owners, reporters, commanders of the corporation who are paying income-tax and who have got the benefit from this Budget. So, the man on the street become simply mute. He does not know what to say because everybody is praising the Budget cutting across differences. In that way, all the criticisms against the Budget have started disappeared.

I am not criticising the Budget as such. But when I look at it and analyse it, I have a serious pain because this CMP which is supposed to be Magna Carta, the Bible or the Quran of United Front—I have gone through it. In the last year's Budget also, the hon. Finance Minister has stressed it. Generation of employment is one of the paramount responsibilities of the United Front. When I go through the policy on private investment, there is no priority for abolition or eradication of unemployment in this Budget. The hon. Finance Minister's contention is, growth will eradicate unemployment. But what is the statistics? The Planning Commission estimates based on Current Weekly Status data indicate that unemployment rate in India has raised from 4.29 per cent in 1991 to 5.51 per cent in March, 1995. Privatisation is not the panacea. It will not generate employment. If I understand the report, about Rs. 35,000 crore have been invested in the private sector. But the statistics on unemployment is rising by 4.2 per cent. It is because private sector is not for generating employment; they are investing not to go to the heavens but to make money. They do not want to generate employment. So, employment generation can only be made by public investment. But for the past four or five years, we have not made any public investment. He has said, growth with equity. That also you have to look into it. Private sector is totally for making money. They do not look at this aspect. Public investment alone has to be made to take care of these things.

Now, over the past five years, our public sector units are under fire. Everybody is criticising it blindly. I see, they have faulted at some place. But can you decry it like that? What are the services they have rendered to our country? The present changes that have taken place are because of public sector. They have created employment. They have obeyed our labour laws. They have showed how the management should function. They paved the way for ideal industrial relations. They have given a status to Indian workers. The Indian worker is at par with anyone else. That has been given by the public sector. If you want to eradicate unemployment, public investment has to be there.

Regarding our growth, the report of the UNDP on Human Development says that our growth is jobless growth. Is it a healthy growth? Our country is a very vast country with multitude of problems, regional imbalances. Unless we have a growth with equity and regional balance, the principles of national integration will be denigrated. If you keep on harping on private sector, there would not be any regional balance because when you look at the

private sector, they concentrate accumulate around the metropolitan cities. They are not going out to other places.

I am coming from my State, Kerala. Our industrialisation is still in the rudiment, elementary stage. It is because private sector is not coming. It is not only because of various reasons but primarily because of geographical or longitudinal difficulties. All the Chief Ministers have gone abroad to invite the industrialists to come and invest in Kerala. Our Chief Minister has also gone. Our elder Marxist people from Bengal have got the industries. But our Chief Minister has come back with his personal percepts.

My suggestion is that the Government should come forward with public investment. Though the hon. Finance Minister has emphatically reiterated yesterday that as and when time comes, they will invest money but I do not know where he is going to find money for public investment. Unless public investment is made, generation of employment will not be there. Unless generation of employment is there, growth with equity will not be there. Ours will be jobless growth.

My submission is, the hon. Minister has to give a serious thinking about it for more and more public investments. Privatisation has become a global *mantra*. But I feel, too much emphasis on privatisation will only kill our own industry that has been repeatedly mentioned here. My submission is, in that matter, we have to emulate the examples of China. Though China have opened their doors for private investment, they are only allowing people with passes. They say, these are the places where you can start industries; these are the only industries where you have to concentrate. Such prescriptions, we need to have given. We have never thought of giving such prescriptions. We have allowed the private sector to do whatever they want. They can do whatever they like. That is a dangerous situation. We have to give incentives to a private sector unit which generates employment. We have to give priority to the private sector unit which brings foreign technology to our place. That kind of control and prescriptions are to be made for the private sector.

Another difficulty is, the private sector not only discourages small scale industry but even kills it. Many of our small scale industries are now dying. Unless the Government comes forward in a very big way to support our small industries, they will not be able to sustain the onslaught of the bigger industry. They are all large industries. They will finally strangle the chords of the small industries. Many small industries are breathing through the oxygen mask. I request that a serious thinking should be given to save our small industries and to give life to our small industries. The Government alone can do that.

In the Budget proposal itself, I am talking about the Ayurveda medicine. Ayurveda system is very popular in Kerala. Ayurveda medicines are manufactured in about 600 to 700 units. The present budget proposals bring excise duty to Ayurveda preparations. It is a very complicated one. Ayurveda medicines are prepared in a process. There is no intermediary. But the Excise Department has construed

it in such a way that the Ayurveda industry take intermediary and so it could tax the Ayurveda medicines. I would say that the Ayurveda manufacturers as such will have to be exempted from these things. You have to exempt the Ayurveda medicines totally from the excise net. That industry is a question of poor man's health also.

I request the hon. Finance Minister to give special consideration for Ayurvedic medicines.

I would like to draw the attention of the hon. Minister to another item which is manufactured in the small scale industry, that is *bidi*, specially in Kerala and in Karnataka. In Kerala, we have a very successful cooperative society which manufactures Kerala Dinesh Bidi. It employs more than 50,000 persons. If you start imposing some duty on it, that industry will die. Of course, the hon. Minister has imposed duty on bigger cigarettes, so I would request him that instead of imposing duty on *bidi*, he can impose it on smaller cigarettes also. I request him to save the *bidi* industry. Unless you save the *bidi* industry, the ordinary people will be in trouble.

Many of our major industries are also in trouble. For example, Titanium Products of Trivandrum. That is one of the oldest industry which started production at the time of Sir C.P. Ramaswamy Iyer, who was *Dewan* of our State. Now the import duty on titanium dioxide has been reduced, with the result even bigger companies or multinational companies like Dupont are dumping their products. This will harm the industry in our State.

Another point that I have to mention is that Kerala has got the least public investment as compared to other States. We have 3.6 per cent of the population of the whole country but if you take the percentage of total investment in the country, it is less than 1.5 per cent. Even factories like Hindustan Paper Corporation, because of the product inventory, are on the verge of closure. FACT is finding it difficult to maintain.

My submission is, I am not against reducing import duty and bringing it on the global level, but when the Government reduces import duty, it must think for a moment which are the other industries which are going to be affected by that. That has to be taken into consideration.

Sir, I have another point to bring to the notice of the hon. Minister, apart from industry. I have gone through the Budget Proposals. The money allotted to the Ministry of Human Resource Development does not have an element or content of sports. In this country everybody is saying that we do not get any medal in sports. I would like to know what encouragement is given to sports. I overheard in the discussions that Rs. 200 crore, which has been allotted to the Human Resource Development, will be given to the Sports Department.

My submission to the hon. Finance Minister is that even if he cannot give it from his pocket, he can give some income-tax concession to the persons who are coming

forward donating money for making stadia or for making federations, etc. We have about 36 sports federations. They are all in trouble. They do not have enough money to train sportspersons. Without training, they cannot do anything. Therefore, some concession has to be given by the hon. Finance Minister, either as income-tax rebate or exemption from income to the donations made for the cause of sports. I say that even the persons who sponsor sports should also be given concessions. The hon. Minister has to make all out efforts for the sponsors of sports.

Sir, I come from a constituency which produces 70 per cent of the pepper of this country. Foreigners came to this country for purchase of pepper. That pepper is in trouble because of root, the pepper is getting deceptive, the plants are dry. There is a submission before the Government and there is a Pepper Technological Commission. It is sealed in the cold storage of the Agriculture Department. I request the hon. Minister to take it out and give a life to these pepper cultivators.

I do not have to talk about rubber now. In the morning and even yesterday, everybody had been talking about it. Rubber is our bread and butter, that is why we become very emotional, sentimental about it. I agree that the hon. Minister did nothing against the rubber this time. We are manufacturing sponges with the natural rubber latex and because of the reduction in the import duty of polyurethane artificial sponges are now made.

With the result, more than two hundred to three hundred latex factories are in trouble. Before making the rubber sheets, the agriculturists, the cultivators sell it as latex. We call it as 'milk'. And latex has become rather too much in the market because nobody wants it. That is the problem, which we have to look into.

On Polyurethane he has reduced the tax to 30 per cent. With the result, Polyurethane and Isocyanide are being imported. Unless it is controlled, latex factories will be in trouble. I agree with him that slowly the prices are coming up. I am thankful to the Minister of Finance for taking away the restrictions imposed on umbrella manufacturers and taking away the restrictions placed on tile manufacturers. These are helping. But our request is that import duty on this should not be reduced to this much.

Another thing which I have to bring to the notice of the hon. Minister of Finance is that 90 per cent of cardamom, as I said earlier, is being produced in Idukki. Our Indian cardamom is supposed to be the best quality cardamom. But what is the position now? The position is that not even a single piece of cardamom is moving. Why? Guatemala cardamom, which is a lesser quality cardamom, is being smuggled into Calcutta in order to take it to Nepal. But it does not go to Nepal. From the Calcutta port or even after reaching Nepal, it comes back and it comes back even to Kerala, which produces the best quality cardamom, at a cheap price. My submission is that this has to be looked into by the hon. Minister of Finance. The Enforcement Directorate will have to take care of it and

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this practice has to be stopped.

Sir, tea is also in peril. Why? I had mentioned about it several times in this House. It is because of the glut in the export market. Sri Lanka is giving one year's credit with the help of America and Sri Lankan tea has become endeared in Europe. My submission is that we too have to help the tea cultivators in this matter.

Now I come to cash crops. The very word 'cash crop' means that it earns foreign exchange for us. So, in the case of pepper, rubber, cardamom and tea, he has to take it up. Sir, adding insult to injury, we know what happens now. The Commerce Ministry has taken a decision to canalise cloves and cinnamon. Everybody is talking about free enterprise and free movement. Now, suddenly it has become canalised. Because of canalisation, our cultivators are in difficulties. I explained it to the Commerce Ministry but the bureaucrats are governing now and they prevail. My submission is that this should be decanalised. The *status quo* of importing against export should be revived. Otherwise, the cultivators of cinnamon and cloves will be in difficulties.

Finally—Sir, you will also be interested in this—he knows that Kerala is a State which has got invisible export.

MR. CHAIRMAN: Shri Jos, you were the former Speaker of Kerala Assembly and you know the difficulties of the Chair. Please conclude your speech.

SHRI A.C. JOS: Sir, I know your difficulties. I will be concluding my speech shortly.

The people of Kerala are going abroad. They are making money and sending it back to India. Yesterday, the hon. Minister of Finance has very proudly said that our foreign exchange balance has come up. I would very conveniently say that this money has come because of the NRIs, especially from Kerala people, who have put the confidence in the Minister of Finance. ...*(Interruptions)*

SHRI SANAT MEHTA: We are also paying it. ...*(Interruptions)*

SHRI A.C. JOS: You are also paying it but ours is a major share.

He gives incentives to all sorts of exporters. He gives incentives to everybody. But here the people who are going there, making money and sending it, for them he is not giving any incentive. We have seen this in all the Budgets. At least, some welfare measures are to be done for them. Some insurance measures are to be taken on behalf of them. These things are to be considered by the hon. Minister of Finance.

I am concluding. In general, I have to accept this Budget but this Budget is, of course, for the commanders of the corporations. The corporations are commending it more and I support this Finance Bill.

SHRI SURESH PRABHU (RAJAPUR): Sir, this is the

first year of the Ninth Five Year Plan and the Finance Bill for the year 1997-98 happens to be the first such Finance Bill under this new Plan. So we have an Approach Paper for the Ninth Five Year Plan. It also projects a growth rate of seven per cent which is also the growth rate that is contemplated by the same Budget. The whole Budget exercise inches on the seven per cent growth rate. I genuinely feel that we should be able to attain the seven per cent growth rate but considering our past and also the bottlenecks that our hon. Minister of Finance himself is talking about and also which has been apprehended by the Approach Paper itself, I am afraid whether the bottlenecks of infrastructure will really make it possible for us to attain this seven per cent growth rate. And if we do not do that, the entire collection of excise and collection of income-tax which are based on certain growth parameters may not really realise.

Sir, the Ninth Five Year Plan is estimating a saving rate of 26.2 per cent. 28.6 per cent investment rate is also contemplated under the same Ninth Five Year Plan. But this Finance Bill has done very little to promote savings. Maybe, once they have savings, reducing corporate tax will also help the corporations to save more but there is also an incentive to distribute more profits by way of dividends because now dividends are tax free. So probably, in the savings rate, there should have been a more meaningful contribution. There should have been some direct incentives for people to save in this Finance Bill which, I am afraid, is missing.

I will definitely like to confine myself to the Finance Bill and I would not like to speak on the Budget. Sir, again coming back to the same Approach Paper, we are contemplating a high export growth of 14.5 per cent in this Plan period. I am sure that when they are contemplating seven per cent growth rate, we are also taking into consideration this growth rate in exports. In the current year, our export growth is only four per cent. I am sure everybody is worried about it. There should have been some measures, some incentives that should have been provided in this Finance Bill for promoting exports.

Sir, our inflation is seven per cent now. I am sure by the end of this year, it will definitely be a double digit figure if our oil pool account deficit is tried to be recouped. Even if we take that as seven per cent, the inflation of our trading partners in Germany, in the U.S.A. and in Japan is lower. So certainly to promote exports, there should have been some more incentives provided in the Finance Bill which unfortunately are missing.

Another important sector on which a great reliance has been stressed is the small scale sector and which is supposed to contribute significantly. Again, if I refer to the same Approach Paper, more than 45 per cent of our GDP from manufacturing is supposed to be coming from this sector. This year, we are taking a lower Incremental Capital Output Ratio (ICOR) of 4.08 per cent in this and I think, they are again relying on the small scale sector for having it from 4.24 to 4.08 per cent. I think they are relying more on small scale sector. Again, here I find that there is very



little which has been provided in the Finance Bill to promote the small-scale sector.

Another area which is missed is some provision for sick companies. A large amount of capital has been blocked into sick companies. The money of public sector institutions, financial institutions, the private money and the disguised employment which we see on paper which again are available only on paper because the companies now have turned sick.

Sir, the measure that the Finance Minister has initiated like the Voluntary Disclosure Scheme for income, I think, needs to have a one time settlement situation for sick companies like this whereby this could be turned around. And probably this capital which is now locked would come out and probably this would also help in bringing it to a productive use.

Another point which, I think, should have been given more prominence in this Finance Bill is pertaining to employment. There is no incentive in the economy to create more jobs. In fact, there used to be a time when the Corporates had to reinvest their money into plant and machinery and to put it into a more productive use so that they could qualify for better deduction from payment of tax. But, now the investment allowance has been taken away many years ago. Now, there is hardly any incentive for creation of more jobs.

The hon. Minister of Finance has said yesterday on the floor of the House that 42 per cent of the G.D.P. is now coming from Services and the Services which contribute significantly to provide more jobs, in fact, were sought to be penalised for creating more jobs by taxing them in the form of Service Tax. But I am glad that the decision has been deferred. Of course, I am aware that when 42 per cent of economy cannot pay any tax, the hon. Minister of Finance will always find it difficult to match his resources. But, at the same time, we must keep in mind that this sector which contributes so significantly towards job creation than any other sector, should not be penalised for doing so.

Now, I would like to make one reference to the Voluntary Disclosure Scheme. I am glad that it has been partially amended. But there is always a temptation for any Minister of Finance to go in for a Voluntary Disclosure Scheme, which may be for 10 or 12 years. This is not for the first time that the hon. Minister of Finance has done it. The other Ministers of Finance have also done it in the past. It is high time that instead of bringing this Voluntary Disclosure Scheme every 10 or 12 years, we take preventive measures to make sure that there will not be any incentive for people to evade tax and for that, I think, there is need to have a comprehensive legislation. Most violations take place in terms of property. There is no point of giving amnesty under the Income-tax Act. But it is an incentive for people to evade tax because there is a high incidence of stamp duty also on such transactions. So, what is really necessary is that we really have some parameters to determine a transaction cost for such transactions. The

transaction cost must include all types of taxes paid— income-tax or stamp duty, etc. I am sure they will help prevent in evading certain taxes in future.

Let me briefly come to the provisions of the Finance Bill. Clause 3B was deleting Section 10(15A) of the Income-tax Act. The hon. Minister has mentioned that now it is going to be prospective. But, this is very necessary, if we really feel about the open-sky policy that we talked about and also to protect our own national flag carrier and also some other airlines.

My State, Maharashtra State, has started its own airline. Is it possible for new airlines to buy aircraft on an outright basis? They will have to necessarily resort to leasing and if they are going to resort to leasing, such type of benefit which was given for so many years, may not be removed. In fact, deferring it by a year and making it applicable prospectively may not really be the right thing to do.

Clause 25 is about Section 80 (1A). It is regarding the new exemption which he is introducing. He is giving certain benefits to hotels started in hilly areas. Sindhudurg district is the first district in India to be declared as a tourism district, for the first time, by the Union Government as well as by the State Government of Maharashtra. So, probably, all the hotels will be coming up in this district and should qualify for this deduction under Section 80 (1A). I think that is what the hon. Minister of Finance should really incorporate. This is my humble request.

Clauses 12 and 13 deal with Section 11AD and 11AE. There is a real mischief which is being played by this amendment. The civil contractors and transporters were told by C.B.D.T. circular No. 684 dated 23.2.1996 very clearly that salaries paid to partners and interest paid to partners will be deducted for the calculation of presumptive tax. Now, suddenly, you are making an amendment with retrospective effect overruling that CBDT circular. So, the assesses rely on a circular specifically issued by CBDT. If he tries to overrule that circular by making an amendment to the Act with retrospective effect, I think, he is really defeating the very purpose of the CBDT.

We are asking the C.B.D.T. to deal with many of the delegated legislations. If those delegated legislations and certain rules and circulars issued are going to be changed by Parliament by making an Act retrospectively, I think, it will be very unfair.

The drafting in Clause 40 dealing with Section 115(0) needs to have a re-look. The words "addition to" and "additional income-tax" give an impression that a company which is normally not supposed to pay any income tax will not be liable to pay income tax under this Section 115(0) I think this needs to be looked into. The words are not necessary and could be deleted. This will really avoid undue litigation in times to come.

There is another point which is a welcome thing. welcome this measure of abolition of tax of dividends.

[Shri Suresh Prabhu]

was in our opinion and the confirmed opinion of ours is about the double tax—that is tax charged twice on the same income in different hands. If you really take this principle forward, then if the dividend is paid by one company to another company which is in the hands of the same company, and if that company is going to distribute the same income as dividend to their shareholders, probably the 10 per cent additional tax will again be attracted and the very principle which you are trying to follow of double taxation will be affected and the real purpose will not be served. I think there also it needs to have some amendment.

The income of Mutual Funds also needs to be exempted from income-tax. If you do not do it, again the very purpose for which this amendment is brought will not be served.

I am sure the hon. Minister will definitely like to move his amendment regarding Clause 27, which is very unintended. Clause 27 seeks to amend Section 80(L). In fact, Clause (4) of Section (L) is sought to be deleted from the Assessment Year 1998-99. But only the dividends declared after 1st of June are going to be exempted. For the first two months of April and May, whatever income will be received in the hands of the assessee, will not be getting exempted under Section 80(L) unless you keep that Section for some more time in the Statute Book. Otherwise, this will also really not serve the purpose. We are already going to continue to tax dividend as defined in Section 222(E). In the absence of that, if you do not keep this Section there, it may not be serving the purpose.

I am happy that there is an amendment being brought now through Clause 14 of the Finance Bill to Section 44(A)(f) which was brought for retail traders. There is really a need to define these retail traders properly to avoid undue harassment in the hands of the Income Tax Officers, to the retail traders in the districts and small towns.

I think the hon. Finance Minister would really like to apply his mind to Section 145. This Section 145, which was not amended during this Financial Year 1996-97 but was done so earlier, is going to come into effect from 1.4.1997. It makes it obligatory on the part of the assessee to declare his method of accounting. As you know, normally in India we follow the hybrid method of accounting. Any assessee receives his income and he pays his outgoings and depending upon the nature of it he accounts for it either on cash basis or on mercantile basis, but many a time on hybrid basis. But, now, it is mandatory for a person to declare it as cash or mercantile. This very method which is sought to be introduced now is also appreciated by this High Powered Committee which was appointed to simplify taxes. They also appreciated it. So, probably, from 1.4.1998, they may themselves recommend to abolish this. The Chief Commissioners of Income-tax also met and thought that probably this is also not in the interest of revenue. I think this amendment of Section 145 which is to come into force from 1.4.1997 needs to be re-looked.

Section 80(0) introduced by Clause 29 of the Finance

Bill, 1997 intends to tax patents of inventions and designs which are sold outside India. Again, this is something which the hon. Finance Minister really wanted to do because in his Budget Speech he said that he has great belief and great regard for the patriotic spirit of all the technicians. The income earned by them is sought to be taxed and this may not be serving the intentions that he has had in mind.

I am not referring to an amendment but something which should be introduced to Section 80(P). My illustrious colleague Shri Sanat Mehta who is sitting here would share my views that the cooperatives are exempt from tax under Section 80(P) of the Income-tax Act because of the concept of mutuality. A member joins hands with others and carries on activity. The income in the hands of the members together cannot be taxed because members themselves are contributing together. In case of certain federal societies it is done. In the hands of Primary societies we are not taxing it, but in the case of federal societies such income is sought to be taxed which is really defeating this concept of mutuality. I am sure the hon. Finance Minister would really have a look into this.

Then, the income earned on the reserves invested by the cooperative institutions is again taxed which is really defeating the purpose.

Sir, I actually welcome the amendment to Section 4 (a) for the simple reason that there was really an evasion of tax on a large magnitude on that. But the manner in which it is made is something which is not right. On the one side, we are talking of Value Added Tax. We are saying that we assess the value of a product and every tax will be added from that onwards. So, now we are going backward and saying that the retail price will be the starting point of assessing how much tax should be paid. On the other side, we are talking about taxing all income on the basis of retail price. I hope that the Finance Minister would certainly have a better way of doing it. But the definition given in the Bill is so terrible and it says that "under the provisions of the Standard Weights and Measures Act, 1976, or any other Act or under rules made thereunder other than that". It could have been defined more positively and I think that would have really helped in reducing probably certain litigations which, I am sure, are going to come. However, there is a great potential to tax income there, because I know that many companies are hiking the retail price and paying excise duty at a much lower price than what it should be.

Sir, the small scale sector is really suffering in the hands of excise authorities. Yesterday, the Finance Minister had given figures stating that only 47,000 of the total small scale industries are really subjected to this. The previous Finance Minister always used to talk about removing the 'Inspector Raj'. His 'Raj' had gone, but the Inspectors still remain and the Inspectors still harassing the small scale industries. The small scale industries may not object to payment of tax, because that is what they should be doing.

But the way in which it is collected and the administration of the tax are wrong. The excise collection machinery itself needs a total revamping and I am sure that the Finance Minister would certainly look into this aspect.

MR. CHAIRMAN: You have taken more than your time. Kindly conclude now.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): He can mention the points and give his notes to me.

MR. CHAIRMAN: That would be better.

SHRI SURESH PRABHU: I will do that.

Now, I will make one or two suggestions. There is a provision for advance ruling for Non-Resident Indians. There is a need to have the same type of an Advance Ruling Commission which could be started not only for income tax, but for excise and customs also and that Commission's ruling should be binding, probably, on all income tax as well as all the other revenue machinery so that there could be a better understanding about it as to how it needs to be done.

There was a suggestion made and it becomes more valid after the 73rd and the 74th Constitution (Amendment) Acts. According to these two Acts, the local self-governments have to raise their own resources. For them to raise the resources, there is a need to have tax-free bonds which they will be able to issue and those bonds, probably, will help them to raise their resources. If we do that, the spirit of the 73rd and the 74th Constitution (Amendment) Acts could really be attained.

With these words, I am just concluding without completing my speech, as per your desire.

SHRI N.S.V. CHITTHAN (DINDIGUL): Mr. Chairman, Sir, I am very much thankful to you for giving me an opportunity to express my views on the Finance Bill.

We are at the last stage of clearing the Budget for the year 1997-98. My concern is that the Finance Minister should consider some of the reasonable requests made by the cross-sections of the public, particularly the small scale units. I would like to congratulate the Finance Minister for announcing concessions to the tune of Rs. 111 crore yesterday and I do hope that while concluding his speech tomorrow evening, he would also further announce certain concessions as we expect.

Sir, at the outset, I would like to congratulate the Finance Minister for giving a 'dream Budget' to the nation.

Sir, the TMC is committed to national interest and that is one of the reasons why we rejoined the Government. After the political crisis in the capital city following the withdrawal of support by Congress, my Party stood the test throughout to keep the U.F. Government intact. We know at this point of history of our great nation, the secular combination of U.F. has been given the responsibility to carry out the administration of the country. We could not

ignore the appeals made by several party leaders and more particularly by our Hon. Prime Minister to rejoin the Government because it was certainly in the national interest. Political instability, even for a short period, can erase all the gains and progress made by hard work in the past several months.

Sir, it is clearly evident that the Budget was welcomed by all sections of people wholeheartedly. In fact, the press, industry, business and sections were very eager to see our hon. Finance Minister, Shri P. Chidambaram to resume as the Finance Minister. In fact, they were also worried when TMC was supporting the Government from outside. This shows that Budget has triggered to boost the reform process and unleash the financial potentials of our nation.

Sir, most of the proposals are very bold and have changed the very mindset of the people regarding financial thinking. I can say with considerable confidence that no Finance Minister has ever attempted to cut the top income tax rate by 25 per cent at one stroke. The message is clear that the benefit made thus will either go to savings or into investments.

Sir, the voluntary disclosure Scheme is yet another opportunity for the people who have got black money to come up clear by setting right their past. It is not a reward to a dishonest taxpayer but only correcting him through lawful means. This is the objective of law because law is for the man and not man for the law.

Sir, clearly the economy is on the move and is buoyant. Unless the wealth is created the poor cannot be helped. For this, the economy should grow on the fast track. Therefore, the only option is bold decisions. So, I congratulate the hon. Finance Minister.

At the same time I will be failing in my duty if I do not point out certain anomalies in the tax proposals. Of all the metals aluminium is identified as the metal used by common people. One can see an aluminium utensil in the hands of the poorest of the poor. It is not gold or silver which are sought after by the rich. I do not understand why tax is levied on aluminium circles which are made from the scrap and old used utensils. The aluminium sheet is drawn from waste and scrap. From such aluminium sheets, the circles are made through a hand cutting machine without electric power. From such circles utensils are made by tiny and SSI units. The fun is that aluminium sheets are exempted from Excise Duty whereas on aluminium circles made out of the sheets tax is levied. Hence I urge upon the hon. Finance Minister to exempt aluminium circles from Excise Duty. This will, undoubtedly, bring joy to the hearts of the poor.

The hon. Finance Minister has announced on the floor of the House that a scheme of compounded levy for producers of aluminium circles. A flat rate of Rs. 5,000 per month per rolling machine with not exceeding 60 HP motor making of aluminium sheets, may be considered.

Sir, I want to bring to the kind attention of the hon. Minister of Finance some anomalies in taxation. While we

[Shri N.S.V. Chitthan]

are signing agreements with every country to avoid double taxation, I fear that we are not doing so in the case of our own people.

Take the case of camphor. Camphor in powder form is cleared on payment of duty at 18 per cent. Small and tiny units buy duty paid camphor and use the same for tableting with the help of uneducated and unskilled labourers and their helpless family members who are all very poor. Hindus use such tabletted camphor for poojas. Packing once duty paid camphor in small packets, in tablet form, is liable to duty at 18 per cent *ad valorem* for the second time. This will amount to double taxation. There is no excise duty on candles, *dhoops*, *agarbattis* and *sambhani*. Hence, I request the hon. Minister of Finance to delete Chapter Note II in Chapter 29 regarding tableting, packing or repacking and not to levy further 18 per cent duty. This will help to avoid double taxation on the small and tiny makers of camphor tablets.

There is another case of double taxation. Hotels and restaurants pay sales tax on food articles and also pay income-tax on their income. But when the food is taken for outdoor catering, another service tax is proposed in this Budget. When they are already taxed, why should we impose another tax?

In the Budget of 1991-92, agro-based products like sauces, ketchups, butter, cheese, skimmed milk powder, canned foods and dried vegetables were excluded from excise duty. In the Budget of 1993-94, food items like noodles, extruded fruits were exempted. In the Budget of 1994-95, 10 per cent *ad valorem* duty was there on ice-cream, but in the present Budget, this was increased from 10 per cent to 13 per cent. Due to high incidence of duty and local taxes, the industry is not developing, and a number of units are either closed, sold or dormant. It is a seasonal business. So, I urge upon the hon. Minister of Finance to exempt ice-cream from the excise duty or to reduce the duty from the existing 13 per cent to eight per cent in order to save and encourage the industries. I do hope that this sort of an announcement would definitely bring joy to the children of this nation.

The National Highway from Chennai to Kanyakumari can only be developed by way of sanctioning more funds. I hope the hon. Minister of Finance will give due consideration to this and allot more funds generously.

Madurai is the second largest city in Tamil Nadu. Madurai aerodrome should be brought into the international network. The Ministries of Finance and Civil Aviation and other concerned Ministries should evolve a comprehensive plan with a time-bound programme to achieve this purpose.

The Union Government is providing funds worth several crores of rupees to many welfare programmes undertaken in the States. There are apprehension that the allotted amounts are not being spent properly. To monitor such disbursement at the district level, I urge upon the

Government to nominate the Members of Parliament in such bodies.

With these words, I support the Finance Bill.

16.00 hrs.

[Translation]

SHRI ILIAS AZMI (SHAHBAD): Mr. Chairman, Sir, I rise to oppose this Budget for several reasons. The United Front prepared the Common Minimum Programme. Social justice revolves around it. In fact they have nothing to do with social justice. The slogan of social justice was given by V.P. Singh on this soil. He blew it such a proportions that the people who were close the temple, were compelled to accept the Mandal Commission. Therefore, it is clear that social justice should be taken care of in the Budget and each programme of the Government headed by Janata Dal. Social justice calls for uplifting the people who are lagging behind in the race of life and bringing them at par with others.

16.01 hrs.

(SHRI BASUDEB ACHARYA *In the Chair*)

Various sections of people are living in the country. These sections are formed on the basis of caste, region, religion and language and several of them are formed on the basis of sentiment. The sections, which are formed on the basis of caste, have been accepted by our Constitution makers. On that basis scheduled castes and backward classes have been provided reservation. Religious minorities also form a class. At the time of independence, these sections were neither poor nor lagging behind in the race of life. By a well conceived scheme they were rented from every field of life and were made to stand in a corner. When it became totally, helpless, it became a beggar for its sustenance. The Maulana Azad Foundation was set up for that purpose. The Government said that it is doing a lot for the minorities allocating Rs. 40 crores. In my opinion Rs. 40 crores is not a big thing for 10-12 crore people because when denied it comes to 3-4 rupees per head which is not going to help them in any way.

Mr. Chairman, Sir, I would like to put it on record that the Welfare Minister has also included the Sikhs in the Maulana Azad Foundation for their upliftment. I do not have any objection to it. Today the Sikhs are also called minorities. The people belonging to scheduled castes have been provided reservation politically and in services. Similarly Dalit Sikhs are also given the benefit of Indira Awas Yozana and other such facilities. They contest elections against reserved seat and enter Parliament and Assemblies easily. Similar reservations are provided in IAS and PCS but the people belonging to the Muslim Community who are doing the same job and who belong to the same caste, such as Muslim Mehtar, Dhobi, are not being given the benefits of reservation, politically and in services. This clearly indicates that our laws accepts the Sikhs as Hindus. It is a different thing that all are considered equal in Sikh religion also as is the case in Islam and they get all the



benefits to which Hindus are entitled but these are not given to Dalit Muslims. Shri Ramuwalia has not given anything to them. I do not think that there is any scheme for social justice. Under which section of Common Minimum Programme has it been done? Mr. Chidambaram should reply to it because he is the Minister of Finance.

Mr. Chairman, Sir, our Communist brethren have not fully accepted the social problem of our country so far. They have only two classes—the rich and the poor. If I accept this theory, this Budget becomes worse. A lot has been provided for the rich, the middle class and the higher middle class in this Budget and this class which dominates the society has been praising the Budget loudly. Therefore, it seems that this Budget has been prepared for them. But there is nothing for the poor in it. How I can promise it because my party represents the poorest of the poor in the society. The costs of post cards, inland letters and envelopes has been increased. Eight percent tax has been imposed on umbrella. Tax has been imposed on transport and travel tax has also been imposed. Therefore, through this Budget the middle class and the higher middle class have been benefitted at the cost of the poor. Therefore they are supporting it. How can I support it?

Yesterday, the Minister of Finance announced many concessions in taxes, but those concessions have also been given to those people whom the Finance Minister has given a lot of concessions while presenting the Budget, they give any concession demanded by the poor, I would thank them for that and would also vote in support of the Finance Bill. If the Minister does not make any such announcement, how I can support the Budget?

Mr. Chairman, Sir, Uttar Pradesh is the largest State of the country. Uttar Pradesh is the poorest state in the country. The problem of power has become very acute in Uttar Pradesh because of which the Indian and Foreign capital investor do not want to set up their industries in Uttar Pradesh. Six-seven crore of rupees of the Central Government are outstanding against the Uttar Pradesh State Electricity Board. Uttar Pradesh Electricity Board is not even in a position to pay its interest, not to speak of paying the instalment of the outstanding dues. For the last two years Uttar Pradesh Electricity Board was not in a position to receive a single paise as assistance from the Central Government. This year, during the President's Rule when funds were allocated for Uttar Pradesh, some amount was reduced from it against the outstanding dues. After the formation of new Government in Uttar Pradesh this year, some assistance has been provided to the State Electricity Board. If they accept the Common Minimum Programme and think that more assistance should be given to the State which is more backward and poorer, they should provide more assistance to it and the State which has made progress, assistance should be taken from that and provided to the poor State. If they believe in social justice and the Common Minimum Programme, the Government should waive off the dues outstanding against the Uttar Pradesh State Electricity Board so that the Board may become self-reliant. It will help the state attract more capital

investment and people get employment. The Hon. Prime Minister is very intellectual. His generosity is highly lauded. When he goes to Punjab, the most prosperous state and waives off the whole of the loan in lumpsum, but he cannot waive off the dues outstanding against the REC and the Uttar Pradesh Electricity Board inspite of our requests. What sort of social justice is it? What short of Common Minimum Programme is it? Give more to haves and nothing to the have nots. Therefore, I would request the Minister of Finance to get the dues outstanding against REC and Uttar Pradesh Electricity Board waived so that at least the position of Electricity may improve in Uttar Pradesh. When the entire loan amount of Punjab can be waived why the dues outstanding against the REC cannot be waived?

There should be some basis for providing assistance to the States by the Centre. Population and backwardness should be the basis. The States, which are more backward, should be provided more assistance the States which have more population, should also get more assistance. But this criterion is not followed while providing assistance by the Centre. I was not able to go through it completely, but some heads which I have gone through, as it has been said two days earlier that for Adult Education Rs. 13 crore have been provided to Rajasthan and Rs. 9 crore to Uttar Pradesh. I am not against allocating Rs. 13 crore to Rajasthan? But Uttar Pradesh has three and a half times more population than that of Rajasthan. Loan of Rs. 9 crore has been allocated to Uttar Pradesh and Rs. 13 crore to Rajasthan. It is against social justice. It is against the Common Minimum Programme. I request the Government to move an announcement to the effect that States would be provided assistance on the basis of their backwardness and the size of their population so that those States may make progress which are backward. If allocation is not made on the basis of population and to a State with a population of 15 crore and a State which has a population of 5 crore are given equal amounts it is an injustice. Besides it, I make a demand from the Minister of Finance that the taxes which have been withdrawn from umbrellas, Batteries, Towels and transport. ...*(Interruptions)* should be imposed again. The States should be given financial assistance on the basis of their population and backwardness at the time of allocation of assistance so that those States may also make progress which have been lagging behind in the race for the last 50 years. Earlier Uttar Pradesh was not backward. People say that there may be reasons for that. It has been said that Prime Minister has mostly been from Uttar Pradesh. But the Prime Minister who belonged to Uttar Pradesh never took care of the State. The Prime Minister who belonged to Karnataka accorded priority to Karnataka in everything. The present Prime Minister who belong to Punjab waived off the whole of the loan of Punjab within ten days of his coming to power ...*(Interruptions)* Therefore, I would say assistance should be provided on this basis. With these words I conclude.

SHRI GEORGE FERNANDES: Mr. Chairman, Sir, I rise to oppose this Bill. In my view, this bill is against the interest of most of the people of this country. We also admit that

[Shri George Fernandes]

it is against the Constitution of India. The Minister of Finance is well versed in law and I would like to draw his attention to Article 38 and 39 of the Constitution. I would not read it out. But he would know and admit that the policies of the Government and the Budget presented by it openly violate the provisions of Article 38 and 39 of the Constitution. Those members who have taken oath to maintain the dignity of the Constitution, have the responsibility of opposing this bill and this policy. Mr. Chairman, Sir, it is the 50th anniversary of Independence and in my opinion, a huge amount would be spent on celebration in the coming few months. I have the newspaper of yesterday with me in which there is a report of UNI. It is the report of Human Reports Commission. It is based on the facts revealed in the inquiry in the death due to starvation in Orissa. Human Rights Commission has stated that most of the suicides in the country are committed due to starvation. People's economic backwardness forces them to commit suicide.

Such an incident occurred in Delhi on last 1st May and the boy died the next day. Such an incident again took place after two days of it in which a woman committed suicide alongwith her children because she had no means for earning her livelihood. I would like to ask the Finance Minister as to what hopes this budget will give to those people. I can say about my Constituency that I am not in a position to give any hope to the people of my Constituency from this Budget, their programmes, their finance bill or their grant. I cannot say about other people but as an Hon'ble Member was saying just now that whoever becomes the Prime Minister certainly gives some amount for the development of his village. But it is not possible for the people like me. Therefore, Mr. Chairman, Sir, I oppose this Finance Bill.

In his opening remarks the hon. Finance Minister had yesterday stated how the foreign exchange reserve went on increasing from the day, the budget was presented and how it reached the mark of 3 billion dollars on 6th May. He is right since, be it the pension fund, institutional investors or others, they come here to invest otherwise also, a limited capital is coming here. He has brought some foreign exchange undoubtedly. The hon. Finance Minister should have given the last years data of trade. Our deficit was of 4 billion 635 million dollars last year and this year as per the data available at present the deficit is 5 billion 259 million dollars while the year has completed and the whole data have not come. On one hand you talk to arrange the foreign exchange, on the other hand if we look at the data after the policies implemented since 1991, it can be seen that the foreign exchange is earned merely by the export of edibles and it is said that except export there was no other way out. Most of the export was of the food products which includes animal meat etc. I cannot name those animals here but this is the biggest achievement of our exports.

Secondly, the hon. Finance Minister in his budget speech has mentioned that how the prices of commodities were brought under control. He has mentioned how we

are on single digit after the formation of the United Front Government. He has also said that the single digit inflation has been going on in our country for the last 106 weeks, it is continuity for them, may be it is a thing to rejoice at for some people but you have been doing so since long. You have tried to mention it to the previous Government that the inflation is on single digit for 106 weeks, i.e. 2 years and 2 months. You are right at your point that inflation is at single digit but there is a need to change the system of marking the price and specially of calculating the rate of inflation. I am not saying so for the hon. Finance Minister. There is a need to change this system since on one hand you have been claiming that we are at single digit while on the other hand at least for the last 52 weeks the prices of essential commodities meant for the poor have increased by 100 percent. Therefore, whereas you give the data of the percentage of inflation as 6.4 or 5.3 percent. I would like to submit that I have the Economic and Political weekly of 15th April with me in which the inflation was 6.4 on 5th April in which the data of food articles is 11.5 percent.

Mr. Chairman Sir, the data of food article was 11.5 and that of fuel, power, light and lubricant it was 16.2. Later on it was 14.3 and food index computed was 12.4. Therefore, if we give the data like six percent etc. we play, specially with those people who do not know what is inflation. We say to them that may be the prices are soaring up for them but the prices in the country are not increasing. There is a word in English 'Charade', we are doing so with the people. It is a game in which the people who play it enjoy but it is played at the cost of spectators. This is happening here.

Mr. Chairman Sir, I am sorry to say that the hon. Finance Minister is saying with firm conviction as if he has made a big achievement yesterday he gave us a long list of what has been reduced, what has been increased, what has been reduced in the excise and what has been increased, all such details were given here. The earlier reduction and like given in the budget are at their own place but we would like to know about the effect of his yesterday's speech on the life of the poor? There is a document Indian Market Demographics—the consumer classes which have been prepared by the National Council for Applied Economics and research and the data of 1994 included in it uniform that whereas there were 15 crore 73 lakh families in India in 1994, out of it 13 crore, 12 lakh families, i.e. 83.41 percent families, on an average, were earning 20 rupees per capita per day.

[English]

This is 'The Consumer Classes'. It is not 'class' but 'Classes' and

[Translation]

further data given in it is that out of these 13 crore, 12 lakh families, 9 crore, 5 lakh families were living on 10 rupees per day or less and we have been discussing here about the beauty of this budget.

Mr. Chairman Sir, earlier before some days when the Finance Minister was not the Finance Minister, there was hue and cry in the country. Who were in trouble and with his coming whose problems have been solved? We are happy that he has taken charge again but tell me what will be the effect of his taking charge on all these people?

Mr. Chairman Sir, 4-5 days back I was at the Delhi Airport where I was to board a plane. The aeroplane was delayed to take off. There were policemen, around to whom I talked. During the conversation they asked about the Pay Commission and further told that they work for 12 hours. I do not know what sort of work is taken from the policemen for 12 hours. I would like that the hon. Law Minister, hon. Finance Minister and hon. Home Minister, who are present here should pay attention towards it. They work continuously for 12 hours and the salary is around Rs. two thousand and five hundred and when they work for 12 hours in day or night, they are not offered even, tea but they have to take tea from their own pocket and have to pay Rs. four for one cup of tea at the airport and that cup is a paper cup of one and half inches. They take tea at least twice in 12 hours and that tea does not even quench the thirst of their lips. They have to pay Rs. 8 daily on tea. In this way it comes around Rs. two hundred and fifty per month. They asked us what will be their fate and what will be the future of India? I think we should ponder over it. I would like to know as to what are you giving to them is this budget? Those who do not have employment, leave them aside. The unemployment is increasing due to all these policies, leave them aside but those who are serving and from whom we have expectations, what is your budget giving to them? Serving as a security guard in aircraft means the risk of life. There is the question of the security of the country. This is their condition and this is the price you are paying them for their services.

Mr. Chairman Sir, yesterday I received a letter by post sent by some of our colleagues of trade unions from Bengal. They are the employees serving in colleges. Perhaps Mamata ji is not here. This letter is of 29th April. I would like to read only two sentences of it:

[English]

"Eight of us are working in the office of this college—the name of this college is Raiganj College—since 1980 and some since 1986 as daily-wage workers..."

[Translation]

Mr. Chairman Sir, you come from Bengal and are a labour leader.

[English]

...and having all sorts of jobs, including even accounting, on a daily remuneration of a maximum of Rs. 59.83 and a minimum of Rs. 53.83 under no-work-no-pay provisions."

[Translation]

It means that if one falls ill for seven days, one will die of starvation. The next sentence is for you to think.

[English]

"Six of us are working as hostel cooks since 1972 on a consolidated monthly remuneration of Rs. 405 at present. These persons have to work for 12 hours a day."

[Translation]

This is the condition. We would like to know what does it matter? The budget and the law through which you have decided to convert black money into white money, what does it matter? Therefore, we would like to submit that I do not expect anything from any of your programmes.

There is one other thing. They have increased the excise duty in the budget and that is on the cigarette. The duty on the smallest size of cigarette was 75 rupees on 1000 rupees which has now been increased to 90 rupees i.e. Rs. 15 have been increased. Likewise the tax on Bidi was Rs. 5 on one thousand rupees which has been increased to rupees 6. Only one rupee has been increased. Since, this is the age of social justice. Equality and justice are in your common minimum programmes therefore the increase was 20 percent on both there. But it appears that on one hand the increase is Rs. 15 and on the other hand it is increased by Re. one but on both ends the increase is 20 percent but many questions have been raised. When three years back the Government had allowed the manufacturing of mini cigarettes, the 60 lakh Bidi workers are suffering in the country due to it. We merely describe it in words but they are dying actually. Who will provide them employment? Where will they get employment? Which new industries are being set up and by when they would be set up? Beside, 60 lakh labourers there are 40 lakh workers engaged in collecting 'tendu' leaves who belong to various parts of the country. Their number is big specially in Orissa and Madhya Pradesh. The number of those who have fallen victim to the Government policies is 40 lakh. It means that studies have been conducted to render one crore people jobless. Three years back multinational companies were allowed to compete with cigarette. Today there is restriction on smoking in U.S.A., Europe and other countries but all these companies are coming to India with their brands to set up their factories. Those who are to smoke and die, none can stop them but at least do not allow any one to kill Bidi workers.

The issue of minorities is raised. The issue of the down trodden people in the society is raised. The issue of social justice is raised. Each one of your policy is killing the poor people of the society. It does not look good and discussing on caste and religion is also not good, but most of the Bidi workers are Muslims. They are only 50 thousand in my Constituency. There is no other way of employment. The owners pretended that due to this increase in the tax and competition we have to reduce your salaries as we

[Shri George Fernandes]

are to pay more tax. The employment opportunities of the people were cut short on the pretext that their product is not being sold in the market as the small cigarettes have taken over their business. Therefore, I think that this budget is not going to solve any purpose.

Secondly, with the withdrawal of the hon. Minister from the Government, they people were happy since it was a solace for them. There was no question of concession/relief. All of us had asked to reduce the income tax. But we fail to understand the meaning of the decision taken by the hon. Minister on a dividend. Saying that there are one crore share holders in the country, we do not know their actual number since many companies have been declaring at their own that their share holders are in lakhs and crores. But nothing is known about the promoters and their share of shares. Nothing is known about the unnamed shares in the market. There are some such companies which have been issuing duplicate and triplicate shares and are taking dividend in their name ...*(Interruptions)* Mr. Chairman Sir, I would like to take a few more minutes ...*(Interruptions)* I would like to submit that we ...this thing ...*(Interruptions)*

[English]

MR. CHAIRMAN: Please conclude now. You have spoken for twenty minutes.

[Translation]

SHRI GEORGE FERNANDES (NALANDA): Regarding dividend, I would like to submit that if you want to give some relief to the rich then give them relief in income tax. But waiving of the entire dividend amount from tax does not seem appropriate and we oppose it specially. The hon. Finance Minister has said a very good thing here.

[English]

MR. CHAIRMAN: There are a number of speakers left.

SHRI NIRMAL KANTI CHATTERJEE: Whenever he speaks, he should be allowed time ...*(Interruptions)*

MR. CHAIRMAN: There are 24 more speakers left.

[Translation]

SHRI JASWANT SINGH (CHITTORGARH): George Shaib has his conviction ...*(Interruptions)*

SHRI GEORGE FERNANDES: I will not take much time ...*(Interruptions)* The hon. Finance Minister has said about the Voluntary Disclosure Scheme, in his speech that:

[English]

None of the political parties which met opposed this scheme.

SHRI NIRMAL KANTI CHATTERJEE: No, no that is not true.

SHRI GEORGE FERNANDES: Then you move a privilege motion.

SHRI NIRMAL KANTI CHATTERJEE: I belong to the United Front, I cannot a privilege motion against him.

SHRI GEORGE FERNANDES: That does not empower him to speak an untruth, since you are saying that it is not the truth.

[Translation]

Our party is not with them and we oppose it. We oppose it due to some reasons. The main reasons is that by this declaration this message is being given to the nation that we are celebrating the 50th year of freedom and the one who pays the income tax honestly is the biggest fool and the tax evader is a right since the Government is always with them. We do not like it. We strictly oppose this. You are allowing to launder blackmoney. Where this money has come from? Who have created this money? This money has not been created by way of tax-evasion only but the smuggled money involved in this black money will also be laundered. The foreign forces are playing the politics of money in India, that money would be laundered. The money involved in drugs, which is not only to the tune of crores of rupees but billions of rupees are involved in drugs, that money would be laundered. In it the money of the gangs the hired killers operating in India would be laundered. The groups which plunder the treasuries of India, their money would be laundered and they will become tomorrow's dynasty. The money makes dynasty in this country and the remaining people die. The looted money is required to make a dynasty. Take the name of money ranging from the Bofors, that money is required. Therefore, we oppose that. I appeal to the entire House that this is not a question of parties, this is the question of the country. The black-money is detrimental to the security of the country and by laundering it, the new dynasties of dacoits, looters, thieves and smugglers have come to stay and those very people will rule the country tomorrow and to what extent they would carry the country forward, we should ponder over that. That is why we oppose that.

Sir, we could have lakhs of differences with the Finance Minister but my request is that please don't do that. I realise your plea. Your plea is that this money will be invested in infrastructure. An economist of London has recently given you a new advice about infrastructure. I am sure that you must have gone through it and that advice came when truckers went on a strike. The advice given by the economist to him on April 12 on the truckers strike reads as follows.

[English]

"From an economic point of view the new tax, that is the tax which the truckers oppose, the lorry owners oppose, made sense. The Government said that it will try to find ways to resurrect it. But the strike shows that even a sensible tax can look unjust if it is corruptly administered. If only Mr. Chidambaram could collect five per cent tax on all bribes, his Budget deficit will probably vanish".



[Translation]

This is the thinking of London based economist about the economy of our country. If we could only save the money involved in bribery and levy tax thereon, only then something could come out of it.

Mr. Chairman, Sir, one more point arises out of the truckers strike and that is the tax which you have levied on the "ring cab" and taxi, this is not clear now...to me because you have said that the cab means under the so and so section of the Motor Vehicle Act wherein it is mentioned that mini cab means a taxi meant for less than six people to board on. You have proposed five per cent service-tax on such taxi owners or the collectives of the cab on hire, this tax is proposed to be levied, this is not clear, However, you did say in your speech yesterday that your proposal was meant for all things and you would talk to each one so that there might be no overlapping and you would take care of all these things before implementing it.

Mr. Chairman, Sir, I will conclude my speech after making two more points. These two are very important issues. The first is that I have got two documents of the Supreme Court. I had sent a letter to the hon. Speaker in the morning that I was going to take up two issues regarding this Finance Bill which directly relate to economic management of our country. How this whole system will function. I was just saying to my friend Jaswant Singhji that we wasted three years in the J.P.C. for no reason. When we were investigating the bank share scam while sitting in the J.P.C., writing report, we were tuning each other's brain and playing with the country as well, the scam in the Indian Bank was going on. As if nothing has happened in the country, they were in their enjoying mood and they were least affected by the efforts made by us, the Parliament and the statement made by the then Finance Minister. You, we and all members of this House raised a voice on this issue.

[English]

This document is "written submissions by Anil Diwan". This is dated 31st March, 1997.

[Translation]

MR. CHAIRMAN: Is it an affidavit or what document is it?

SHRI GEORGE FERNANDES (NALANDA): I will submit that report too. There is a submission as follows:

[English]

"By an order dated 24th February, 1997, this hon. Court issued notice and also appointed *amicus curiae*. By the said order dated 24th February, 1997, the court also ordered as under...By another order dated 19th March, 1997, directed *inter alia* that any person wishing to bring..."

MR. CHAIRMAN: Shri Fernandes, this matter is *sub judice*. You cannot read it here.

SHRI GEORGE FERNANDES: I am reading a court document. I am not reading anything ...*(Interruptions)*

SHRI P. CHIDAMBARAM: Sir, let him say if he is reading from a document in a case which is *sub judice* or not. The answer is 'yes' or 'no' to that.

[Translation]

SHRI GEORGE FERNANDES: Mr. Chairman, Sir, This is not written in any book that if a matter is *sub judice*, that will not be discussed in this House.

[English]

SHRI P. CHIDAMBARAM: This is *sub judice* Sir, that's all if the court is hearing it, we do not hear it.

[Translation]

SHRI GEORGE FERNANDES: The Bofors case is *sub-judice* is many courts in the world, that does not mean that this case is not or will not be discussed here.

SHRI P. CHIDAMBARAM: Sir, if it is *sub judice*, it cannot be discussed in this House. Is the matter *sub judice* or not?

MR. CHAIRMAN: The matter is *sub judice*, Shri Fernandes, you cannot raise it here.

SHRI GEORGE FERNANDES: This House has discussed and I believe that this House can discuss matters whether they are in a court of law or whether they are not in a court of law. Where does it say that this House shall not discuss a matter? ...*(Interruptions)*

SHRI P. CHIDAMBARAM: The rules say so.

SHRI GEORGE FERNANDES: Where does it say so? In that case, how can this House discuss Bofors scandal?

SHRI P. CHIDAMBARAM: It is not *sub judice*.

SHRI GEORGE FERNANDES: It means, anybody who wants to hide anything will have to now file a petition and say that this House is now powerless, I will deal with it in the court.

SHRI P. CHIDAMBARAM: Is the case *sub judice* in court, or not? I have no problems if the hon. Member wants to discuss anything. I am raising a matter of principle. If the case is *sub judice*—he says that this is a submission to a court—tomorrow in a case which is *sub judice* in a court can you start reading the affidavits, counter affidavits and reply affidavits? Is it *sub judice* or not? That is the short question now.

SHRI JASWANT SINGH: So far as Parliament is concerned, Mr. Chairman, Sir, I think from page 352 of Kaul and Shakhder it is clear that a matter becomes *sub judice* in a criminal case once the charges are framed; in a civil case once the issues are framed ...*(Interruptions)*

SHRI P. CHIDAMBARAM: And in a writ petition, a matter becomes *sub judice* when the court takes it on its ...*(Interruptions)*

SHRI SATYA PAL JAIN (CHANDIGARH): No, when a writ petition is admitted ...*(Interruptions)*

SHRI P. CHIDAMBARAM: The petition is being heard from day to day. ...*(Interruptions)* This has reached seventh hearing. ...*(Interruptions)* This writ petition is heard in the court. ...*(Interruptions)* Notice has been issued to the Attorney general. ...*(Interruptions)*

SHRI JASWANT SINGH: I am repeating from memory, about writ petition, Kaul and Shakhder is very clear.

SHRI P. CHIDAMBARAM: My learned friend is right. In a criminal case when charges are framed, in a civil case when issues are issued, and in a writ petition when the notice has been issued to the Attorney General; it is the seventh hearing which is going on. How can he say it is not *sub judice*? ...*(Interruptions)*

*[Translation]*

SHRI GEORGE FERNANDES: Mr. Chairman, Sir, if somebody says that the Indian Bank, the owner of which is this Parliament, this country, the people's money of this country is with this bank, people have share of that bank.

*[English]*

SHRI P. CHIDAMBARAM: That is not the issue. The issue is not the Indian Bank. He can say anything about the Indian Bank.

*[Translation]*

SHRI GEORGE FERNANDES: That means the issue of the Indian Bank will not be discussed.

*[English]*

MR. CHAIRMAN: You can refer to the Indian Bank.

*[Translation]*

SHRI GEORGE FERNANDES: We are talking about the Indian Bank only.

*[English]*

MR. CHAIRMAN: But you cannot raise a matter which is *sub judice*.

SHRI P. CHIDAMBARAM: Let him say anything about the Indian Bank, I have no objection. Let him say anything about the Indian Bank. Can he read from a document of a court in which a submission is made in a matter which is *sub judice*? Let him speak about the Indian Bank. Our party gets only ten minutes; let him take one hour. But let him speak about the Indian Bank, not read a document which is *sub judice*. Our party will only get ten minutes but he will be given enough time. Let him take time ...*(Interruptions)* What is this then? ...*(Interruptions)* I am objecting on that ground. He is alleging that the moment the Indian Bank comes in we are rising. I am rising on a point of principal. Let him speak about the Indian Bank. I want him to speak about the Indian Bank but not read a document which is *sub judice*.

*[Translation]*

PROF. OM PAL SINGH 'NIDAR' (JAISALMER): It is a legal issue. Truth should not be hidden due to that. Truth should come out. What trouble has cropped up by this document. A single document has given the fright.

*[English]*

SHRI P. CHIDAMBARAM: Please speak about the Indian Bank. I have no objection about the Indian Bank.

MR. CHAIRMAN: I will quote from Kaul and Shakhder page 946.

SHRI P. KODANDA RAMAIAH: Sir, after a Chargesheet is filed in a criminal case, the matter becomes *sub judice* because the court takes cognizance of it. In case where a writ petition is filed and on the basis of the writ petition, the notice is issued by the court, then again it becomes *sub judice*.

SHRI P. CHIDAMBARAM: A notice has been issued to the Attorney General.

SHRI P. KODANDA RAMAIAH: If a notice had already been issued, then it becomes a part of the trial. Then that is *sub judice*.

SHRI P. CHIDAMBARAM: Then why are you arguing?

MR. CHAIRMAN: Now, I will quote from Kaul and Shakhder. It says:

"One such restriction is that discussions on matters pending adjudication before courts of law should be avoided on the floor of the House, so that the courts function uninfluenced by anything said outside the ambit of trial, in dealing with such matters."

It is very clear. So, you should not refer to the matter which is *sub judice*.

*[Translation]*

SHRI GEORGE FERNANDES: We are not talking about influencing the court. But we are talking about that which has come before the court.

*[English]*

MR. CHAIRMAN: You can refer to the Indian Bank but not the matters which are pending before the court.

*(Interruptions)*

SHRI SATYA PAL JAIN: Now, I will quote from page 947. It says:

"The matter does not become *sub judice* if a writ petition for admission is pending before the court.

SHRI P. CHIDAMBARAM: A notice has been issued. It is not pending.

MR. CHAIRMAN: A notice has been issued. It is not pending. Hearing has already started.

SHRI SATYA PAL JAIN: If a writ petition is admitted, then that matter becomes *sub judice*.

MR. CHAIRMAN: It is pending. A notice has been issued.

*(Interruptions)*

MR. CHAIRMAN. Shri George Fernandes, you please conclude now. You have taken more than half an hour.

*[Translation]*

SHRI GEORGE FERNANDES: All right. I will not read the document. I will make some points. ...*(Interruptions)*

MR. CHAIRMAN: Please conclude now. You have taken more than half-an-hour.

SHRI GEORGE FERNANDES: On the one hand, two thousand crore rupees have been embezzled during the last three years and on the other people are being taxed. The money which has been swallowed, discussion will not be allowed in this House thereon. But point of levying taxes on people is discussed in the House. This is a great injustice to the people of the country. You just leave us, if you will say us to sit, we will sit down but this is an injustice to the people of the country.

I want to put up two-three questions. Will the Finance Minister be pleased to state that today which such facts or information or point has come up before the court which speak that the people who are running the Government here, that most of the money of that bank has come in their hands or in the companies owned by them or their family members. Out of that about Rs. one thousand crore has disappeared. Secondly, if it is a fact ...*(Interruptions)*

PROF. RASA SINGH RAWAT (AJMER): That money has disappeared. ...*(Interruptions)*

SHRI GEORGE FERNANDES: Because there is no money ...*(Interruptions)*

*[English]*

SHRI P. CHIDAMBARAM: I will answer that.

*[Translation]*

SHRI GEORGE FERNANDES: Whether it is a fact that when the proposal came to appoint a particular person as chairman and Managing Director of that Bank, then it was told to the Reserve Bank of India, that this person should be prevented from becoming chairman of that bank as there was a vigilance case against him. Many people from Government's side said so but despite that he was appointed Chairman and Managing Director of that Bank. Whether it is also a fact that despite all these bunglings and after initiating inquiry by the C.B.I. he was given extension not for one or two times but for four times. Later on from the date he was recruited and till the date he was employed there, since then, his full service was taken into account and this was regularised as a service. Whether it is a fact that during that period, the person under reference in collusion with and with their cooperation a

political party and with some political leaders, a large sum of money of that bank was wasted on his behalf and with their cooperation.

MR. CHAIRMAN: Now you have put up your all three questions.

*(Interruptions)*

SHRI NITISH KUMAR (BARH): What are you doing this? Fernandes ji is making his points. You are constantly interrupting him since he has begun to speak. If you will do so, nobody could speak. This is not the way ...*(Interruptions)*.

*[English]*

MR. CHAIRMAN: You have already taken forty minutes. How long will you speak?

SHRI P. CHIDAMBARAM: Who decides his time?

MR. CHAIRMAN: He has spoken for 40 minutes.

*(Interruptions)*

*[Translation]*

SHRI NITISH KUMAR: Then what happened?

SHRI. BRAHMANAND MANDAL (MONGHYR): A lot of time was wasted in controversy.

SHRI NITISH KUMAR: Mr. Chairman, Sir, how he has spoken for forty minutes ...*(Interruptions)* If it is decided that members will speak on the basis of their party's strength ...*(Interruptions)* Members do not speak on the basis of their strength. How much time one should get here to speak, that is not decided. ...*(Interruptions)*

PROF. RASA SINGH RAWAT: Mr. Chairman, Sir, parties which have only two members here, they take more time.

MR. CHAIRMAN: Then only 24 speakers could speak in this way, will it go throughout the night? Whether unlimited time will have to be allotted in this manner.

SHRI NITISH KUMAR: If you don't interrupt they will not take more time.

*[English]*

MR. CHAIRMAN: His party has three members. He has spoken for 40 minutes.

*[Translation]*

SHRI NITISH KUMAR: The Janata Dal has only 40 M.Ps. and the member of this party has become Prime Minister what lesson they will teach us of democracy?

*[English]*

MR. CHAIRMAN: Shri Nitish Kumar, please take your seat.

*(Interruptions)*

SHRI NIRMAL KANTI CHATERJEE: It is a very unfair comment. The Prime Minister from the United Front is supported by the Congress-I ...*(Interruptions)*

*[Translation]*

SHRI BRAHMANAND MANDAL: Your each M.P. Speaks for 20 minutes. Why is it so?

SHRI NITISH KUMAR: Senior members like you are present in this House. Mr. Chairman, Sir, this has been the courtesy of this House. We also have been members of this House, we used to get more time ...*(Interruptions)* whether this House has ever functioned taking every single minute into account. This House could not function if we allot any fixed time for a member to speak...*(Interruptions)*

VAIDYA DAU DAYAL JOSHI (KOTA): When you speak, we never interrupt you. What is it all about? We never made any remarks ...*(Interruptions)*. Let him speak.

MR. CHAIRMAN: Mr. Joshi ji, please take your seat.

SHRI GEORGE FERNANDES: Mr. Chairman, Sir, I will conclude within five minutes. I want to ask one last question to the hon. Minister that the court has also noticed this fact that the C.B.I. has been facing a setback due to connections of influential persons in all these bunglings of the bank. This case has come to this point. I level charges against the Minister of Personnel that he is playing a role behind the curtain, this has become evident before the court. You want to make me shut-up but you cannot make me shut-up so easily.

*[English]*

SHRI P. CHIDAMBARAM: We will answer all the questions.

*[Translation]*

SHRI GEORGE FERNANDES: Mr. Chairman, Sir, I have given a notice to hon. Speaker. The second point is that I want to directly ask the hon. Minister that there is a person and it is required to name him, I will tell his name also, if not, I will not because he is the owner of a big newspaper group. I know him for many years and he says for the last many years that how he can purchase this country and how he behaves, all of us know that. I have been also in Government twice. When I was in Government in 1997, I came to know about him very well. The talks which we had at that time in order to carry out his work, I don't have much time to tell all about that right now, but this man created hurdles in the functioning of the courts and finally, the Calcutta High Court save its ruling recently in October, last year, in a case pending for the last ten years and told the Enforcement Directorate that Investigations should be carried out. These are the words of the court as given in its judgement, money has been deposited in foreign banks, the country's money is siphoned off outside, looting is continuing here also. This is not a matter to influence. These are the words in judgement. The copy of judgement is very big but it is said that, 'this man has committed frauds, forgery and every sort of tricks to

usurp the companies as is mentioned in the judgement. The Enforcement Directorate conducts a raid at his house as per the judgement of the High Court, seizes documents and it is said that he has suffered a heart-attack and again he suffers a second heart-attack and Doctor is called again. He says that he has a heart-attack and the people of the Enforcement Directorate go back to their hurriedly. This is the incident of that night. The Enforcement Directorate knew it that person was to escape by the British Airways at 12 O'Clock that night. Many people escape from here or are get escaped. As soon as the people of the Enforcement Directorate come back, they had not the problem of heart-attack. He had already packed his luggage. He reaches straightaway the airport. At the gate of the airport, the people of the Enforcement Directorate nab him and as soon as he is nabbed, they receive the telephone calls from your Revenue Secretary, I would take his name—it is not proper to name him in this House. But everybody knows who the Revenue Secretary is and they know it very well that a person who should not have become a Revenue Secretary, against whom investigations have been initiated not once or twice but thrice and such persons talk of 50 years of independence of our country, such persons occupy such posts who never give a second thought to the interest of the country in any way or any manner—He gave a telephonic call directly and asked them not to arrest him but let him go. Further he says about you that the Finance Minister also uses good offices. How it has been done and if not done the Minister will told but the Revenue Secretary has written to Enforcement Directorate that yes, I have phoned ...*(Interruptions)*

*[English]*

SHRI P. CHIDAMBARAM: Is he making a charge?

*[Translation]*

SHRI GEORGE FERNANDES: He has stated that he had telephonically asked them to let him go.

*[English]*

SHRI P. CHIDAMBARAM: No he is not making a charge.

*[Translation]*

SHRI GEORGE FERNANDES: He is released then he is called back. He files a case in Calcutta High Court and says that Enforcement Directorate should be asked to stop the proceedings. The appeal made to Enforcement Directorate for stopping the proceedings is withdrawn two days later but a fresh petition is filed in Delhi High Court and after the Delhi Court ordered that it should be got investigated, he ran away. We have just come to know that he is sitting in some hospital at Mumbai and efforts are on that he should not be arrested at any cost. His foreign banks are not touched. That is why I am raising these two matters here. The Govt. may do to this country but unless these scandals involving on the one hand and the Indian Bank on other side are not resolved, no purpose will be served. All these things are going on without any change and looting of Banks is going on even after the



JPC of Parliament.

17.00 hrs.

Secondly, a particular person who is surviving on media hype continues to break every law of the land. Mr. Speaker, Sir, it is not possible to build the country like this and if you talk claims are made about the transparency then a white paper on this whole matter should be placed here and those who are trapped in these scame however mighty they may be, should be punished. This needs courage. If this is done well will consider that the Government is heading in the right direction. Mr. Speaker, Sir, with this I oppose this Bill and request the House that this Bill is totally against the provisions of the Constitution of India. Therefore, it is the duty of all of us to oppose it with all our might because we all have pledged here, in the name of the constitution. with this I conclude, thank you.

[English]

DR. T. SUBBARAMI REDDY (VISAKHAPATNAM): Mr. Chairman, Sir, I would like to submit one thing. Sir, I think, from now onwards there are more than 31 Members who would like to speak on this and you want to finish the speeches today. May we know how much time you are allotting to each Member? Should we have to sleep here today or go away? ...*(Interruptions)*

MR. CHAIRMAN: Shri George Fernandes' party has got only four minutes.

DR. T. SUBBARAMI REDDY: That is all right. We would like to know how much time you are giving to each Member? ...*(Interruptions)*

SHRI P. CHIDAMBARAM: Sir, I agree that Shri George Fernandes's case is an exceptional case but for all others you must enforce the time. ...*(Interruptions)*

MR. CHAIRMAN: I am allowing only five to seven minutes.

*(Interruptions)*

DR. T. SUBBARAMI REDDY: We also have to get the opportunity to speak. We are waiting to speak right from the morning. At this rate, I do not think that we will get the opportunity to speak. ...*(Interruptions)*

MR. CHAIRMAN: I am allowing only five to seven minutes.

DR. T. SUBBARAMI REDDY: Sir, if you give me a chance, I will speak only four and a half minutes.

MR. CHAIRMAN: All right.

Now I call upon Shri Major Singh Uboke to speak.

SHRI MAJOR SINGH UBOKE (TARANTARAN): Mr. Speaker, Sir, I am thankful to you that you have given me opportunity to speak. I belong to that constituency which is on the border of India and Pakistan. Four wars have been fought in this area since Independence till date. First

war was fought in 1947, when partition of the country took place. Two-three days before, you have read that our leading journalist Shri Kuldeep Nayyar had said that when he came from Pakistan on 23 July, 1947 he had three clothes and Rs. 13 with him only. At that time people of Punjab had borne the burden of partition for the sake of country. The entire economy had shattered and people who came from Pakistan, left behind their home and hearth. At that time the whole of the country helped those people who came from West Pakistan and East Bengal. Later the people of Punjab and particularly those living on the border near Amritsar witnessed the war of 1965. The people of Kashmir and Assam had stood by us. After that the war of 1971 was fought. These two wars were fought in Amritsar district of Punjab and on the border of Punjab. There were many industries and factories in Punjab, particularly in Chharatta, near Amritsar and other areas. Because of these wars the people there migrated to other places in the country. They established their factories at Faridabad and other places in the country. Due to these two wars Punjab was ruined. The people of Punjab fought valiantly against Pakistan and the entire nation helped them. History bears testimony that the people of Punjab helped the army in many ways. They even carried Granades on their shoulders. This was reason that our army could reach till Ichhigil canal and Lahore.

But all the factories in Amritsar and at the border were destroyed in those two wars and the economy of the border area of Punjab was ruined. Many of these small-big factories shifted to Panipat and some to Faridabad or some other places in the country. There were some blanket manufacturing factories near the border areas. These blankets are used by the poor people. The acrylic is made of rags i.e. the torn clothes rags that comes from abroad: I am sorry that custom duty has been imposed on these blankets, which are used by very poor people. State Government has imposed excise duty and the Union Government have imposed custom duty. This has ruined the Blanket manufacturing industry in the state.

17.06 hrs.

(SHRIMATI GEETA MUKHERJEE *in the Chair*)

I request the Finance Minister that the custom duty should either be abolished or reduced on these blankets because the blanket manufacturer artisans, industries are suffering. Only one or two such factories exist today at the border. Rest of the factories have shifted to other places because nobody wants to establish unit at a place which is not safe. After three wars they shifted else where with their units. Today nobody wants to establish factories in the area. Agriculture is the only engagement for the people there. One-two small big blanket factories exists there. Therefore, the Govt. must reduce tax. On one hand custom duty is imposed on them, on the other excise duty is also imposed. It is not appropriate. They say that they have to pay Rs. 15/- per blanket as tax which is very high. That blanket is being used by the poor people that is why I would request the hon. Minister of Finance that he should

[Shri Major Singh Uboke]

reconsider this issue and give concessions in tax to these small factory owners, which is a domestic industry.

Fourth war fought by Punjab people which has been mentioned by our B.S.P. colleague just now.

Madam Chairman, the people of Punjab have fought the war. That war lasted very long and that war is being still fought by the people of Kashmir. We have won that battle. That battle was against militancy in the State which was aided and abetted at the instance of Pakistan. On 23 Feb. 1987 the President of India made a special mention in his Address to the Parliament about the militancy in Punjab. I would like to quote one paragraph. It was the battle of the country. It was not only the battle of Punjab. Presidents' address wherein it has been mentioned, was passed by both Houses of Parliament. The then Chief Minister of Punjab Shri Surjeet Singh Barnala was congratulated in that Address for valiantly fighting terrorism. I want to read out that paragraph because here one colleague of mine has said just now that why the loan towards Punjab has been waived off. I want to tell them that it was not the loan of Punjab, although it has not been waived off till now. It is loan of whole of the country because the battle being fought by the people of Punjab is not only their's but, it is the battle for the entire country. Punjab has fought three wars for the country, since Independence.

Mr. Chairman, Pakistan does not want peace in either Kashmir or Punjab. That is why they tried to create trouble in these two states so that there is disturbance in these areas. The people were incited and misled. I would like to quote from the presidents' Address delivered in the central Hall on 23 Feb. 1987.

[English]

"In Punjab the forces of democracy, unit, progress and secularism continue to be engaged in the struggle to isolate and wipe out the anti-national elements which are guided and controlled by foreign sources. Under the leadership of the Chief Minister, Shri S.S. Barnala, the State Government and the people of Punjab have shown exemplary courage in upholding the values of secular democracy. The people of Punjab have always been in the forefront to defend the unity and integrity of India. They played a historic role in the freedom struggle which has left the imperishable imprint of secularism and democracy of their mind and spirit. It is, therefore, not surprising that they have stand up to the blatantly unconstitutional effort to subvert the democratic process through a sinister exploitation of religious sentiments. In flagrant violation of the sacred tenets and traditions of the great religion founded by Guru Nanak, a small section has turned religious functionaries and holy shrines into instruments of terror and subversion. Today this is the central issue in Punjab. Government will not allow the enemies of India's unity and integrity to abuse and misuse religion for their nefarious ends of creating communal disharmony and of unleashing violence and hatred in Punjab. All patriotic, secular, democratic and progressive forces have to unite to build the strength of the people to overcome the reactionary, fascist and anti-national

elements who are misguiding and confusing the masses in the name of religion. The challenge faces us all. No one can remain on the sidelines."

So, these are the words which were heard in Parliament.

[Translation]

This was approved by the Parliament of India. Please go through this and understand it. Was this the battle of the people of Punjab only? It was the battle of the entire country. This battle was fought for the country. Ultimately everything is there in the President's Address. Assistance was provided by the BSF, CRPF and paramilitary forces for curbing militancy.

They made the best bid to restore peace in Punjab. For 10 long years we fought the militancy. Lot of expenses had to be borne by the State Govt. under the rules. Lot of money was spent on the pay and allowances of the personnel of paramilitary forces BSF and CRPF. Due to this there was heavy outstanding loan on Punjab. Shri Barnala was dismissed after one-two months the President's Address because he was a thorough gentleman. He had received accolades for his exemplary courage and dynamic leadership. Later Sardar Beant Singh took over and the Congress Government when Shri Narasimha Rao was the Prime Minister received lot of money for fighting militancy. This money was spent in combating militancy in Punjab. It has also been spent during our time but the major portion was spent during congress reign. We have demanded to waive off the money which was spent on the B.S.F. and C.R.P.F. there.

Our B.S.P. colleague has said just now that we want that our electricity bills should also be waived off ...*(Interruptions)*

[English]

MR. CHAIRMAN: Shri Uboke, I hope you are going to conclude with this point.

[Translation]

SHRI MAJOR SINGH UBOKE: I am the only one from my party to speak. I would take a few minutes more.

MR. CHAIRMAN: You have been speaking since 5.03 O'clock.

SHRI MAJOR SINGH UBOKE: Shri George Fernandes could speak as much as he likes but I am speaking for the first times ...*(Interruptions)* I am not saying any thing big. I am first saying that in Punjab. ...*(Interruptions)*

[English]

MR. CHAIRMAN: How much time do you think you will take more.

[Translation]

SHRI MAJOR SINGH UBOKE: I would take as much time as has been allotted to my party.

[English]

MR. CHAIRMAN: This cannot go on. We cannot do that way. Your Party is entitled to four minutes. You have already spoken for more than 15 minutes.

[Translation]

SHRI MAJOR SINGH UBOKE: I would like to say that whatever expenditure has been incurred, has been spent to curb militancy ...*(Interruptions)*

[English]

MR. CHAIRMAN: What interest do I have sir? It is in the interest of other speakers.

*(Interruptions)*

[Translation]

SHRI MAJOR SINGH UBOKE: You have taken as much time in interrupting which was enough for me to conclude. Please do not interrupt any more. I wanted to take one more minute. I would be brief but at least listen to me as there is a misconception that the Prime Minister went to Punjab and gave some favours to Punjab. As of now he has done no favour to Punjab. Shri Narasimha Rao who had given this loan, had understood it. He had waived off one instalment of the loan and had assured that the entire nation would share this burden.

Thirdly, the Government has thought over the problem of poverty. As far as provision of subsidies is concerned, the number of people living below the poverty line is 32-33 crores. This is good step but the Government should ensure that benefits reach the poor and should not be eaten up by the intermediaries.

I have seen the fate of the Indira Housing Scheme. During the last two, three years, huge funds were released by the Centre but the poor have not been benefited. Similarly the Jawahar Rojgar Yojna was meant to provide employment in the winter season when there are no means of employment but this has not done any good to the poor. The State Government as well the Centre should keep strict monitoring over it. As per a study conducted by the Central Government only 16 percent amount out of the total fund released by the Centre, reaches the poor and 84 percent amount is eaten up by the intermediaries. The programme carrying a photo of a woman with a child does make an impact whether it has been mooted by Shri Devegowda or Shri Harkishan Singh Surjeet.

MR. CHAIRMAN: In what way it is connected with the finance Bill.

SHRI MAJOR SINGH UBOKE: If somebody thinks for the poor, nobody should raise any objection to it. We should ensure the amount released for them should reach the

poor. Therefore, the misconceptions created about Punjab should have been allayed and it should have been made clear that Punjab has fought a war on the behalf of whole country. In the past, too, Punjab has always on the forefront to repulse the attacks launched from the west and today too, Punjab would meet the challenge.

[English]

MR. CHAIRMAN: If you do not mind—we have respect for Punjab—but what you are saying should have something to do with the Finance Bill. I am sorry. Please conclude. There are many speakers.

I would like to say one more thing as Madam has asked me to be brief. Punjab and Himachal have been receiving excessive rains causing havoc to the crops. The crops lying in the fields have been completely damaged and these crops have grown up in the fields where these have been dumped. The procurement target set by the Government can not be met. What I want to say is that if you want to procure the foodgrains then only the farmers feel motivated to grow more. You would find the sunflowers all around in Punjab. The Sugarcane crop is also on the large scale there in Punjab. The farmers have gone for diversification because of the lower price of wheat, therefore they have turned to Sunflower and Sugarcane crops. The area under cultivation of wheat has also reduced leading to the lesser production. The people of the country and the Government should be concerned about it. I would request the Government to give remunerative prices otherwise the farmers would go in for other more profitable crops.

When we say it instead of showing anger, the entire House should support us. This is a routine matter. Would Kashmir and Assam be able to tackle the problem of on going terrorism on their own. The uniform law should apply to all States. I would request that it should be taken in the right perspective. We are glad that the Pakistan Newspaper Jung and other newspapers have written about the father of our Prime Minister Shri Narayanji that he was carrying the Congress Flag to join and when he was asked to enter the jail he refused to bow down the flag and asked to open the gates full to take the flag along. The son of such a grand person has become the Prime Minister of India today, you should not have any grudge against him. We may have some political differences as we are part of some other alliance. If he being a Panjabi understand the problems of Punjab then, you should not have any objection rather you should support him.

[Translation]

SHRI MAJOR SINGH UBOKE: Just a minute. You should also cast a glance at the tax imposed on the blankets you do not say anything. Those who go on speaking without listening the chair, and I have risen to speak for the first time today, and you have stopped me. I would request the Hon'ble Finance Minister to give a serious thought to the suggestions put forth by me.

[English]

MR. CHAIRMAN: Let us have a competition today in the sense that who can speak most cogently within the shortest possible time.

DR. T. SUBBARAMI REDDY: He would be given an award.

MR. CHAIRMAN: Yes, Shri Subbarami Reddy would give that award.

[Translation]

SHRI BANWARI LAL PUROHIT (NAGPUR): Mr. Chairman, I rise to oppose this Finance Bill.

Yesterday, in this House Prof. Kurien along with 15 other Members expressed their views and concern for the rubber labourer. Which amply shows that how badly the poor of this country has been hit hard in your budget.

I agree with the charge levelled in this regard I also level the charge that this budget has been made under the influence of the rich class. At every step these people have been consulted. It has been categorically mentioned in the annual report of the Confederation of the Indian Industries that foreigners are also there in the C.I.I. which includes billionaires, multinationalists and traders. Never before in the history the dignity of the budget and the Finance Minister has been under mined. The traders and Industrialists had never dared to say such things about our Finance Minister and the Government. His vice president writes.

[English]

"What has distinguished ASCON in 1996-97 is the quality of debate, participation, consensus building and impact on Government policies and procedures."

[Translation]

The capitalists have dared to say that they are influencing the policies of the Government. This has been said by their Vice President. He further says.

[English]

"The recognition of ASCON was maximum in the weeks and months preceding the Central Budget, since the Finance Minister took the initiative and reached out to ASCON for suggestions, views, data and inputs."

[Translation]

This simply shows that the budget has been made in consultation with the capitalists. They are boasting. They say that this include the proposals and issues put forth by them which have been approved. These are in a big number.

They also gave a suggestion on the assurance sector.

[English]

"LIC and GIC are in the process of restructuring".

[Translation]

The C.I.I. capitalists are in a position to dictate and the Government bends to their dictates. Thereafter it is the most dangerous thing.

[English]

"Open up insurance to the private sector and foreign insurance companies."

These are their demands and suggestions. What the Government is doing in this regard.

[English]

"IRA set up: Statutory powers under consideration of Parliament. IRA will frame the guidelines for opening up and for the working of the insurance sector."

[Translation]

This is horrible. I would like to place the proof of FERA.

Our entire funds are deposited in the Swiss bank.

[English]

"The world regulation needs to be deleted from the title of FERA".

It will take a lot of time to go through all the suggestions made therein. The reply to them is.

[English]

"Government has announced its intention to amend FERA shortly".

[Translation]

This is most fortunate. The persons involved in the violation of FERA are dictating the Government and the Government is according to them. This has been published in their annual report.

[English]

"Confer on PESB the status on par with the UPSC"

[Translation]

Its reply is

[English]

"Disinvestment Commission set up the review the status of PSUs and to suggest a comprehensive long term disinvestment plan.

[Translation]

All the public sectors have assets worth crores of rupees. The Government propose to sell them and they are ready to purchase them. What for the disinvestment



has been constituted? Were the public sectors meant for it? I herewith charge the Government that it intends to sell out the O.N.G.C's oil wells which are giving profits. Offers have been invited the people concerned with disinvestment are on their job. These industries running in profits are in number 40. I have got a disinvestment report. The public undertakings running in profit are being sold out. I vehemently opposit. You must amend your policies. What achievement we have made during these 50 years? The country has been thrown into the debt trap. Defence people are carying. We cannot give anything to them. We can not give ships to them.

Their budget is to the tune of Rs. 35000 crores and since 1990-91, when liberalisation has taken place, we have paid interest amounting to Rs. 21498 crores and they say that the debt would be reduced and liberalisation will take place. Of course, liberalisation will take place only when the debt will be reduced. The country will make progress. What progress the country has made in 1997-98? We are paying Rs. 68000 crores as interest. In 1991, it was Rs. 21000 crores and more over at that time there was no liberalisation but now we are paying Rs. 68000 crores as interest.

As far as the United Nations Development Programme is concerned, as per the report of the Human Development, we are ashamed of to see as to where this Government has lead the country to, Sri Lanka has acquired 135th position. Even Maldives and Pakistan are rich than our country. It means we are poor than these countries. What type of budget you have made? There is nothing for poor in this budget. Why did you meet only millionaires and not the representatives of poor people living in *Jhopar Pattis*? This is not good on part of the Finance Minister. It pains my heart and soul. What is happening in the country. You people want to sell out the country. One should learn from his mistakes. A man's life span is about 90 or 100 years. But the country's life runs to thousands of years. We have been under slavery for years. First, French people came and conquered us. Then Portugese came and then British came and conquered us. We have been under slavery for hundreds of years. They came here as traders. Now our country men are inviting multinationals and the entire world to come and rob the country. It is an irony that these people are going to do good for the country. These people have robbed the country. All the Public Sector Undertakings are becoming sick and the entire Steel Sector is on the way to collapse due to the Government's policy. Not a single factory will remain safe. They are making us beggars and then our owners. What is happening is not good. In our country out of 78.3 crores poor people, 22.9 crores people are such whose income is very low and who are living below the poverty line and 55.4 crore people have poor capability.

[English]

These are very poor people and you have not done anything for them.

[Translation]

You have not done anything for them. I have with me the latest report on education. Our annual expenditure on education is 14 dollars per head whereas in a small and backward country such as in Malaysia it is \$ 150, in Korea it is \$160.

How much inflation has increased? In 1981-82 the price index was 100. in 1986-87 the price index of foodgrains was 129. It means in 6 years since 1981, the rise in price index was only 29 per cent. But at that time a lot of hue and cry was made in Parliament. We have had delivered speeches continuously for four years for containing inflation. But inflation did not come down. Now during 1990-91 the price index has come to 179. At that time there has been a lot of hue and cry on this issue. Then congress had come to power with a hope that Mr. Narasimha Rao will bring down the inflation. In December, 1996 the price index figure jumped from 179 to 371. Will the poor survive in such circumstances? What concrete measure has been taken to check inflation? Just delivering the speech will not do good. This is a fact and this is a factual position. I am placing these figures before you. No one can challenge this. The inflation is too high. Just go through the prices of essential commodities. These are Government figures. In 1990-91, the price of rice was 134 and in 1995-96 it jumped to 316. Similarly, the price of the wheat and pulse have jumped from 127 to 302, and from 125 to 339, respectively. This is the effect of liberalisation. You will kill the poor people, they will not survive. You have to think what you are doing. You have gone abroad for 15-20 days then all the capitalists of the country united and multinationals board down the flights saying that they want only Chidambaram Saheb other wise the country will face destruction. You do not hear the voice of poor people living in *Jhopris*. It is we who raise voice on behalf of them. That's why we speak truth and it is for you to have courage to listen to us and it is upto you to improve the lot of the country. I am speaking truth. You please think over it honestly. You please think for their betterment and then reply.

You have played havoc with small scale industries. Why did you go for reservation in this aspect. The Government have constituted Abd Hussain Commission. I do not know from where such persons have come ... (Interruptions)

The sycophants prepare the report as briefed by the Minister. This is our culture. How dare the sycophants go against the wishes of the Minister? The Minister is doing wrong. The small scale sector should be encouraged. Thousands of items should be included therein. If small entrepreneurs stand up on their own strength then the country will progress. If we look at the whole world we will find that small items are manufactured in houses and in this way cottage industries are developed. What you are now doing is not correct. You have de-reserved 14 industries. We will strongly oppose this, we will go on roads. We challenge you, we will not accept this. You are doing

[Shri Banwari Lal Purohit]

wrong. How you have de-reserved 14 industries? If you want to invite the foreigners then invite them to manufacture those items which we do not manufacture in our country. You know the prices of ice creams, Mc. donald fast food and uncle chips. He has raised the limit of industries which includes ice cream and biscuit factories, rice mills, poultry feed, pulses mill etc. to three crores. They are playing tricks. It has been done to accommodate big multinationals. There is no need of this. How much inflation rate has gone up? The limit can be raised upto 60 lakhs or even upto one crore. There is no need to raise the limit to such an extent as you did. Raise the limit to the extent the cost of machinery etc. has increased and I request you not to go for de-reserving of the remaining items. These multinationals are capturing ice cream, fast food, soft drinks, industries. They will destroy the country. The population of our country is more than 90 crores. I do not know in which category in 95 crores the Finance Minister comes into. He is not a big capitalist. He is nothing atleast in comparison to Tata-Birla, Mafatlal, Reliance etc. He is having shares worth Rs. one lakh or Rs. one lakh and fifty thousands, a small house. Of course, he is an honest person but he is being misused by wrong people. In which category shall we place him into? Shall we place him in the category of upper middle class?

He has presented a budget which suits the upper middle class. He has prepared budget for only two crores of people out of the 95 crores. Who are these multinationals and wealthy people? They are only two crore people. The excise duty has been reduced for the people enjoying coca-cola, pepsi and other items. This is not good. He should have kept all the people in mind before presenting the budget. Who has been benefited through this budget. In one export report budget proposal of Hindustan Lever has been given. Due to reducing the Excise duty their profit will increase by 40.2 per cent. The turnover of Proctor and Gamble and Colgate Palmolive will increase by 7 and 14.2 per cent, respectively. But our small sector will collapse. This budget is meant for progress of multinationals. Excise duty has also been reduced to a large extent for them.

I had a talk with a foodgrains merchant. He told me that they sell one bag of foodgrains on a profit of Rs. five. The cost of one bag full of foodgrains is Rs. 700. If 5 per cent income is assessed on it then what will happen? Who gets five percent? We know that you have stopped going to public after becoming Minister. But we have to go to public. We are people's representatives. That's why we know that this is wrong. Our suggestion is that it should be 2 per cent. If you do not do it then purpose will not be served. In this way you will oppress the people.

You have defined an assessee. The person who is having four items i.e. immovable property, car and a telephone and who visits abroad then he will be covered under tax net. The Government also send the officials abroad. Suppose a person owns a two rooms house which even a poor man can have and an office bearer of a trade union has a phone for attending to the needs of the workers even in odd hours, now whether they too will be covered

under tax net? You have brought the persons having two room set and a telephone under income tax net. You please modify this. You should have fixed a limit that if a man owns a house at least worth Rs. 5 lakh then he will be brought under income tax net. Anyone can have a telephone. But it's not good that he is also forced to pay income tax.

We strongly oppose your Amnesty Scheme. This is too much of oppression. You have been imposing 80, 70 and 60 per cent tax on those honest assesseees who have been accumulating money for a long time. These people are paying taxes by cutting down their and their children expenses. You please think how much oppression you have committed on crores of honest tax payers. You please think as to what you can do for them.

[English]

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): Madam, I take note of the hon. Member's views. I assume, he represents the views of the BJP. Dr. Murli Manohar Joshi and Shri Satish Agarwal, who met me, did not oppose the voluntary disclosure scheme.

[Translation]

SHRI BANWARI LAL PUROHIT: No. It was regarding 40 percent.

[English]

SHRI P. CHIDAMBARAM: No did they oppose the rates of that scheme.

[Translation]

SHRI BANWARI LAL PUROHIT: No, my party has given a suggestion that the money will be properly used.

[English]

SHRI P. CHIDAMBARAM: I am accepting it. If this is the view of his party, let him point it out. All I am saying is that two representatives of his party, who met me did not oppose this scheme.

[Translation]

SHRI BANWARI LAL PUROHIT: If you have done this then atleast it would have been better had this money been spent on poor people, for construction of houses for them and for their welfare. I have told the same thing while I had a talk with you, but no one has paid attention towards this mistake. My friends from congress has spoken about the tax structure for the current year. They have rightly said that people paying 30 to 40 per cent will pay 50 percent tax in return. They will deposit 30 per cent in amnesty and thus save 10 per cent directly. If any person deposits 1-2 lakh in amnesty then he will save Rs. one lakh. This is a wrong thing. This type of transaction will turn an honest person a dishonest one.

You have done wonders in regard to custom duty. The industries will not survive with this. The custom duty has been reduced on all the items. The people manufacturing

textile machinery have become rich in the country. Now textile industry is facing a major competition. The people from Public Sector Undertaking, NEPA had met me. The duty on imported paper has been reduced. All the paper mills are on the verge of closure as a result thereof. Now, the people from paper mills are distressed. You are not destroying only one industry but all the industries. Who these people are? It is unfortunate that you have been trapped by these people. We came to know about C.I.I. We never imagined that our Finance Minister has been trapped under the clutches of capitalists. This is the proof you please call them and ask if this is wrong then. ...*(Interruptions)*\* Why you have published this? It should be clarified in the House that such thing is not going on. They say that for months together they are holding meetings in this regard. They are saying wrong. What's the attraction you have towards this.

At one time the duty on glaze tiles was 115 percent. It was reduced to 25-30 percent. Whether these things are essential. Whether these are not manufactured in India? The people who have installed automatic plants have suffered losses as a result of this. This is not good. I have many items with me but there is paucity of time. This is a case of Excise duty. You are committing a sin by saying that duty would be charged on the price being obtained by the customer. But how would you assess this? This will lead to a large scale manipulation and corruption. 5 percent tax has been imposed on these people who are in service. The tent house owners come to me complaining.

*[English]*

MR. CHAIRMAN: Please excuse me. Did you use an unparliamentary word?

*(Interruptions)*

SHRI BANWARI LAL PUROHIT: I am sorry, Madam ...*(Interruptions)*

MR. CHAIRMAN: It will be expunged.

*(Interruptions)*

SHRI BANWARI LAL PUROHIT: I regret for that, Madam ...*(Interruptions)*

MR. CHAIRMAN: Thank you. That word is expunged.

*[Translation]*

SHRI BANWARI LAL PUROHIT: I was lost in emotions. The foreign people are looting us and we are watching them helplessly. That's why in a moment of anger I have spoken those words.

*[English]*

MR. CHAIRMAN: Anyway, that is going out of record.

\*Expunged as ordered by the Chair.

*[Translation]*

SHRI BANWARI LAL PUROHIT: The most important thing is about retail price. You please don't do this. We should have another system in excise. Duty shall be imposed on quantity, number and weight ...*(Interruptions)*

*[English]*

DR. T. SUBBARAMI REDDY: Why are you so angry? I want to know it. I am talking very laughingly, but you are very very angry.

*[Translation]*

SHRI BANWARI LAL PUROHIT: I am asking to expunge these words from the record. I have never used this word in my life time. I am sorry. It was a slip of tongue. This is my third term in the Parliament. ...*(Interruptions)* I do not understand what announcement he made regarding abolishment of service tax on tent house and tourism industry. The exempt limit on fixed deposit irrespective of Companies is Rs. 2500. Rupees 10 thousand has been given to Bank for F.D. Today inflation is so much that it has exceeded the limit fixed in 1986-87 by three times. You must consider these things.

Mr. Chairman Sir, the most step-motherly treatment has been meted out in the case of coal. Madam, Chairperson, you also belong to the coal belt. In 1994-95 duty on coal was 85 percent which has now been reduced to 35 percent. In 1996-97 it has been reduced from 35 percent to 20 percent and in 1997-98 it has been reduced from 20 percent to 10 percent. Bargaining is going on, lakhs of tones of coal is now coming from abroad. China is also ready to dump its coal here while lakhs of labourers are working in the mines of Coal India. I am warning the Govt. that I am seeing their future they will become jobless, factories will become sick. The Govt. are doing very grave injustice to this country. Their date reveal that they have so much of coal deposits that it is not going to be exhausted during the next 50 years. It is sufficient to meet the requirement of this country can be meet with this.

MR. CHAIRMAN: The last point made by you was best.

SHRI BANWARI LAL PUROHIT: Madam Chairperson, I would like to say one thing for you i.e. the womenfolk. Excise duty has been imposed on "Suhagbindi" bangless emblems making them costlier. These people cannot do anything else in this House. People have reposed their faith in us by electing us to their House. I am clearly charging you that the Finance Minister has made the Budget under the influence of the capitalist and millions.

*[English]*

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI SRIKANT JENA): Madam, since the House would be sitting late to discuss the Finance Bill, arrangements are being made to serve dinner to hon. Members and friends from the Press. Dinner will be served to hon. Members and friends from the Press in Room No. 70, First Floor, Parliament House at 8.30 P.M. and dinner to staff will be served in Room No. 73 ...*(Interruptions)*

DR. T. SUBBARAMI REDDY: The hon. Prime Minister has called us for dinner. So, you must enable us to attend it.

SHRI SONTOSH MOHAN DEV (SILCHAR): Only those Members who want to speak may sit and others are allowed to go ...*(Interruptions)*

DR. T. SUBBARAMI REDDY: I do not agree with it. Madam, we can continue tomorrow ...*(Interruptions)*

*[Translation]*

SHRI BANWARI LAL PUROHIT: Madam, Chairperson one important point of mine is left out. While replying to my question the Minister of Finance has admitted that there is a Bank scam of the order of rupees 640 crores. I wrote to him four times, this be replied. I asked him disclose the names, he said the matter is with the C.B.I. and the Government will not disclose them. It is not a matter pertaining to defence. The names of corrupt persons should be revealed to the country.

*[English]*

MR. CHAIRMAN: You give it in writing to him.

*(Interruptions)*

MR. CHAIRMAN: Let us at least go by some standard.

*(Interruptions)*

*[Translation]*

SHRI GEORGE FERNANDES (NALANDA): Madam Chairperson, Madam, I have one request that the House has become infested with mosquitos please do something to remove them.

SHRI BANWARI LAL PUROHIT: Madam, Chairperson, they have admitted to it. It is not the question of the security of the country, being an M.P. it is our privilege to know and you must tell. It is my last demand that you tell the names.

*[English]*

Madam, he has accepted the fraud of Rs. 640 crore but he says that he is not going to reveal the names since the matter is with the CBI ...*(Interruptions)*

*[Translations]*

With these words I strongly oppose this Finance Bill.

18.00 hrs.

SHRI SANAT MEHTA (SURENDRA NAGAR): Madam, I have got up to express my views on some of the policy matters. In 1991, we started liberalisation. When we started liberalisation, the economic situation was such that we wanted to have foreign investment. We wanted to increase our foreign exchange reserves. Now, after six years, I want to raise a basic question before the Minister of Finance. Between these six years, that is, when we started

liberalisation and when we anticipated restructuring of the industry, certain promises were given to the working class of this country.

I remember that the former Minister of Finance, while assuring the working class of this country, promised that he would create a National Renewal Fund. He made an announcement in Parliament. He had anticipated that the National Renewal Fund would, in a sense, provide a safety net to the working class of this country who will be affected by restructuring the industry, by globalisation and new technology. That is the history of the broken promise.

Now it is the 50th year of our freedom. I remind this House that it was only the textile labour in 1942—when the country was fighting for its freedom—who joined the freedom movement. The textile labour of Ahmedabad had struck work during the British regime for three-and-a-half months. They did not demand wages. There was no scope for demanding the wages. The textile workers of Mumbai struck work for 65 days for a national cause. It has hardly happened in history. What have we given to the textile workers? It is the 50th year of our freedom. Somebody during the Movement in 1942 went to prison for seven days, for a month or two months. They got the certificates and became freedom fighters. They got a lot of concessions like ST pass and pension. But we have thrown all these textile workers into a deep valley of unemployment. It is time to think about them.

When this National Renewal Fund was created, I was promised by the then Secretary of the Department of Industrial Development that on the money that will come from disinvestment of the public sector units, the first right would be of the workers who would be affected by restructuring. But nothing has happened. The story does not end there. When the Disinvestment Commission came before the Standing Committee for giving their evidence, we asked them that one of their suggestions had been that a portion of disinvestment which was to come from disinvestment of the PSUs, was to be reserved for reviving the sick industry and for helping the workers. And they replied that the Government had not accepted the recommendations. If the workers are going to be treated like this, what is the meaning of this human phase when we decided for this kind of liberalisation policy?

When the word 'market-friendly' was used here in this country, some people said that we would now have a human face to the process of liberalisation. I am afraid, after six years since liberalisation has been introduced and after we have built enough foreign exchange reserves and after there has been a considerable improvement in the economy, those promises are being broken now. I feel very sad about it and if nothing is done now then a very serious situation will arise in the country. So, I would like to appeal to the hon. Finance Minister that something has to be done during this financial year. The textile workers who have been affected because of the sick mills would have to be given some kind of a relief before the end of this 50th



year of our Independence.

Madam, is it not a tragedy in this country that the legitimate dues of the workers of the Ahmedabad Textiles—I am not talking of the VRS or the additional relief, their legal dues, their salaries, their notice pay, their retrenchment compensation which amount to Rs. 220 crore—has not been paid even today? Are we to remain a silent witness to this kind of a situation? I repeat, Rs. 220 crore of the workers—who had gone on strike without wages for three and a half months, during the days of the freedom movement—has not been paid so far. What is happening?

Madam, a scheme was floated. In the National Renewal Fund it was promised that an Area Regeneration Scheme would be encouraged. Now, what does this Area Regeneration Scheme mean? It means that whatever land and machinery have been lying idle because of the closure of the textile mills, would be re-used for creating more employment. A scheme was submitted by the Gujarat Government. If the land and machinery of 15 textile mills were re-utilised, then it was anticipated that it would be able to generate 65,000 new jobs. The Scheme was approved by the Empowered Committee of the National Renewal Fund and it was sent to the Cabinet for its approval because it involved an amount more than Rs. 80 crore or, maybe, Rs. 100 crore.

Madam, till this day, in spite of the promises made by various Prime Ministers in the public meetings at Ahmedabad, the scheme has not been approved and the workers have not received their legitimate dues of Rs. 220 crore. On the other hand, one by one the lands of the textile mills are being sold at throw away prices. Even the land of the Calico mill was offered at a very low price when the auctioning was going on. I would like to request the hon. Finance Minister to do away with the old traditions. If he has some obligations to the industrialists; if he wants to give some relief in the Customs Duty; if he wants to encourage industrial growth, is it also not the duty of the Finance Minister of simultaneously protect the interests of the workers? Could we have a society in this country where the industry grows, the taxes are reduced, the excise duties are reduced, the custom duties are reduced; more and more funds are given to the industrialists and on the other hand the workers are deprived of their legitimate dues? There is even no way out of this kind of a situation.

Madam, I do not know what progress we have made in this country. I went to Calcutta. You know that some of the PSUs have been referred to the BIFR by the then Finance Minister. He had given an impression that once the loss-making PSUs were referred to the BIFR, they would ultimately be revived. I went to visit a unit called the Tyre Corporation of India. I went there as the Chairman of a sub-Committee of The Departmentally-related Standing Committee. I called the officers and asked them as to their present position. I also asked the Director (Finance) of the concerned company that if certain concessions, as are being given to a lot of sick industries in the country by the Reserve Bank of India, are given to them as well, what

would be their cash flow? Could they give me the position of their cash flow?

The next day the Finance Director came to me and gave the cash flow. The cash flow showed that within two years, if those concessions were given, they would have a positive network and the loss would be wiped out. But the tragedy was that all the promises given to the working class had been broken ruthlessly. No care was taken after having referred them to the BIFR.

You know very well what BIFR is! It is more than an *Abhimanyu's Chakrabyuh*. Once a factory goes into it, it never comes out. Ultimately, it is the shameful story of a public sector. The Tyre Corporation of India, which is a public sector company, is manufacturing tyres for a private unit and selling those tyres under the brand name of a private company. Is this the real liberalisation? Has such liberalisation taken place in China where the foreign investment has come in a much larger way than in India? Simultaneously, let them have the finance management. Let them have control on the deficit. Let them have a wider tax net. I do not mind, but along with liberalisation if we want to have a human face, then the interests of the workers would have to be taken care of.

I joined public life in 1940. This is my 57th year. I could never imagine in my life that a public sector undertaking would have to manufacture certain products for the private sector and they would have to sell it under the brand name of a private sector. I cannot call it economic progress.

This Government has accepted the formula of Dr. Lakdawala, as far as the poverty line is concerned. What has happened? The world's biggest democracy has earned the dubious distinction of having the maximum number of poor people in the world. Just because we accepted the Lakdawala principle, an estimated 320 million people—a third of the world's 800 million people—live in abject poverty and are suffering from chronic malnutrition. By accepting the formula of Lakdawala we have got our dubious place in the world's poverty line! When I went through the Budget, I saw different allocations for poverty alleviation and small scale sector. My friend, a socialist friend, Shri Sharad Yadav has narrated how allocations have been made for various poverty alleviation programmes and for the small scale sector. I would here like to quote only three figures.

In 1994-95 this Government had provided Rs. 2000 lakh for infrastructural development for SSIs in the rural areas. It is a very welcome step. Everybody congratulated and complimented the Government when this scheme was introduced. But what had been the performance in 1994-95? The Budget papers indicate that out of Rs. 2000 lakh, Rs. 1219 lakh was the savings. Rs. 2000 lakh, that is Rs. 20 crore was given out of which Rs. 12 crore remained unspent. In 1995-96, the small scale industry was suffering because of lack of good tools. So, a tool room scheme was devised. In 1995-96, Rs. 1871 lakh was provided for this purpose and out of that Rs. 1109 lakh was unspent.

[Shri Sanat Mehta]

For infrastructural development in rural areas, out of Rs. 2400 lakh allocated for SSIs, Rs. 2214 lakh was the unspent amount. This is the history. This shows that the Government give us a picture that they are providing more and more for poverty alleviation programmes and for the small scale sector but the money has remained unspent. Madam, what is the meaning of higher allocation?

I would like to quote a 1996 report of the Ministry of Human Resource Development. I would humbly draw the attention of the hon. Finance Minister to the remark made therein:

"This is the International Year of Poverty. Eradication, heightening the moral commitment that we at UNDP and other international development agencies give to helping the poorest of the world's poor eliminating poverty requires a holistic approach to human development".

After liberalisation, when we have become so much rich with the foreign reserves, etc., the words which I want to quote are, 'holistic approach to human development'. It is not hand-out but empowerment; not band-aids but pre-conditioning for self-help.

What I feel is, along with the globalisation and liberalisation, every year, we are having new schemes and more provisions but they are not being used and money looks like hand outs and Band Aids.

Just now a discussion was going on in the House and the discussion was about some banks. We are in the country of Mahatma Gandhi. We claim a lot of things. We are talking about the banks, about the bank scams, about the bank recovery. We have our neighbour, Bangladesh, where there is one bank, you know very well, it is a *gramin* bank. If a *gramin* bank in a small country like Bangladesh can give Rs. 2000 crore to 20 lakh women and help them in becoming more and more empowered, why in this country are we not able to create such a bank?

I do not mind if they did not create such a bank. As a small experiment, I did it myself. I started a *gramin* bank. I collected Rs. 25 lakh from different friends and I have been helping 1500 women. Nobody helps me. NABARD delegation came, Mahila Kosh delegation came; they wanted this form and that form. They asked what I had done and what I had not done. Ultimately, I got tired and said, "I do not want your help". This is the situation. We are talking of a lot many big things, a lot many dreams. This Budget is considered to be a dream budget. Do we know that in our country even today a self-employed woman who does embroidery or makes kites has to borrow money at an interest of 35 per cent? The interest is calculated first. If she borrows Rs. 500, interest is calculated at 35 per cent and deducted, and then the rest of the amount is given. Nobody comes to her help.

We have created a lot of different types of minority development finance corporations, backward classes corporations, etc. I have gone through the reports. The

Finance Minister can see as to how many beneficiaries have been helped during these years by the minority finance development corporations. Perhaps it is not even equal to my small bank with 1500 beneficiaries in one State. Where are we heading to? Let us have a commitment for the poor.

(SHRI P.M. SAYEED *in the Chair*)

18.17 hre.

I want to draw the attention of the Finance Minister and raise one question. The Oil Pool Deficit is worrying us. Of course; Shri Montek Singh Ahluwalia, Secretary to the Government, says on the Television that the Oil Pool Deficit is not a part of the Budget. All right. It is not a part of the Budget. But is it not a worrying picture for us? We accepted liberalisation. I supported liberalisation as a trade union leader in ONGC. But now, when I see the real picture, I have a lot of pain in my mind. Some fields were given to the private sector. Three medium-sized fields, Rava, Mukta-Panna, Mid and South Tapti are being developed by private sector, international and Indian companies. As a leader of the ONGC workers, I had got the authentic figure of the gas available in the Mid and South Tapti. Gujarat was more concerned, hon. Finance Minister, for Mid and South Tapti because hon. Rajiv Gandhi, the then Prime Minister, had promised Gujarat that if they put up a power project at Peepawal, gas from Mid and South Tapti will be given to them. We created all infrastructure. Then, finally, a Petroleum Minister replied to me that he cannot fulfill the promise because there is not enough gas and it is required elsewhere.

Gujarat tolerated even that. Now I am getting a picture that Reliance and Enron which have developed that field, Mid and South Tapti, are getting double the quantity of gas that was estimated by the Geologists of the ONGC. It had happened in one field. Gujarat tolerated it. But the same is the story in Rava and same is the story in Mukta-Panna. So, when we develop, the quantity is lower; and when the international and multinational companies develop, all of a sudden, the quantity and the results become double.

Take the case of the small field of Hazira, a gas field which was thrown away. Everybody in the ONGC and the Petroleum Ministry said that there was hardly any gas there. They said that that was a small field and that it was economically unviable for development. Today, that field has developed the capacity of becoming a very rich gas field. If this kind of oil exploration is going to be done by the ONGC, how are we going to solve the problem of this oil?

When liberalisation started, our respected leader Narasimha Raoji was the Prime Minister.

Within a week, I approached him. I asked him only two things. Firstly, can we attend the oil exploration in this country? If we can attend the oil exploration in this country, then that is good. Secondly, can we do restructuring of the industries in this country? If we can do restructuring

of the industries in this country, then our liberalisation policy will become successful. We have been let down on both scores.

Sir, somebody was quoting the price of the surplus land of textile mills in Bombay as Rs. 20,000 crore. If it was cheaper, then the mill-owners would not have been killed in the streets. They were killed only because of the land and not because of the workers. That land is thrown away through auction. The workers are being kept unemployed. The disinvestment money is being adjusted. Then, how will the workers cooperate in the restructuring of the industries? West Germany have more stringent laws than what we have. They evolved a new strategy which is called land readjustment. It was because the steel mills have large areas of land. Why can we not have a land readjustment of textile mills scheme? We create new industries and ask the textile workers to get out. The Government of Gujarat waited for years together to get the money from NRF for restructuring of the textile mills but no reply was given. I was a Member of the Empowered Committee. The Chairman of that Committee was the Secretary, Ministry of Industry. He was willing to help me. The Labour Secretary was willing to help me. The Planning Secretary was willing to help me. But the Expenditure Secretary said 'no'. He said that it will have to go to the Cabinet and it never went to the Cabinet. Shri Narasimha Rao, in a public meeting in Ahmedabad, promised the workers that Area Regeneration Scheme will be implemented. Nothing has been done. Nobody says that scheme is wrong. I met the World Bank Director who was in charge of India. I asked him whether this Area Regeneration Scheme is good. His reply was that they had given money to the Government of India under NRF not for VRF but only for Area Regeneration Scheme and for more employment. But the Government of India had given nearly Rs. 1600 crore of NRF for the Voluntary Retirement Scheme. Under VRS who retired? People above the age of 50 years had retired. What is the meaning of giving VRS to them who are above the age of 50 years?

So, I want to appeal to the Finance Minister to have a look at it. Have you kept up your promise made to the working class? Have you kept your promise which you have made at the start of the liberalisation policy? I do not dispute Shri Chidambaram's financial policy. The financial policy is a part of the economic policy. Take the case of Bombay High. Bombay High was once our pride. Bombay High had made the ONGC as one of the *navaratnas*. Several Committees have been formed to re-assess it.

MR. CHAIRMAN: Please conclude now.

SHRI SANAT MEHTA: Sir, this is my last point. I know that I am always a victim of this game. It is because I will sit down if you ask me to sit down. If my friend, Shri Fernandes does not sit down, the everybody will say, he is a senior Member. If seniority is to be measured in this House, then I consider myself junior. Last time, I went away without participation. I am not repeating a single point. I am not raising a point which is not relevant. I am not

criticising somebody personally. I am not interested in scams.

I am more interested in starting a *Gramin* bank like Bangladesh bank which can help 20 lakhs of women in this country than finding out scam. Recovery of money from my bank, although small bank, is 97 per cent, consistently for three years. Are we going to do things like this?

This is the Fiftieth Year of our freedom. Here promise was given. What is the plight of khadi? There are two Manchesters is Gujarat. As far as the textile milles are concerned, Ahmedabad is the Manchester. As far as khadi is concerned, our Surendra Nagar is considered to be the Manchester. All the khadi which is being spun is being woven in my constituency. Some new scheme has been evolved called Marketing assistance. The scheme did not materialise. The rebate was discontinued. Last year, Shri Deve Gowda revived the rebate. This year, I will appeal to the Prime Minister because the first day, he said, he wants to go on the path of Gandhiji, Pandit Nehru etc. A number of times, he quoted Gandhiji. I would beg and request that this is the Fiftieth Year of our freedom and let khadi be given rebate for round the year. Do not make any jugglery. What is the revival cost of the taxtile workers in the textile mills? It is Rs. 2000 crore. That is what Shri Venkat Swamy told in this House. Is this country not able to get Rs. 2000 crore for the workers who have sacrificed their lives for the freedom? I cannot understand this. So, I appeal, before it becomes late, let us look to the interest of the poor, look to the interest of the working class. Otherwise what will happen? I will quote one editorial recently came in *the Business Standard* on Blair's victory. Why after so much liberalisation, successful liberalisation of Mrs. Thatcher, Tories were defeated? It is only one item. This is what Mr. Ninan has written in his editorial. In the democracy of Britain, the people of Britain were feeling that democracy of Britain was interlinked with social justice. Democracy of Britain is linked with a kind of neighbourhood feeling. And what Blair could say to the people of Britain was, Tatcher brought every kind of liberalisation, revived the economy but that Britain's glory had been lost. Everybody feels individually, when I have become rich, what the hell, why should I care for the poor?

I would request Mr. Chidambaram to read the book of Gal Braith, *Contended Society*. Well, Gal Braith says, In America, poor people have no voice if their vote does not matter. So, there is no place for them in the democracy. And the contended class has captured the United States Government. If the State intervenes in favour of the poor, the contended class says, No intervention by the State. But if a member of the contended class has a factory of arms and the arms are not sold in the world market, the contended class brings pressure on Bill Clinton to try to do something like war so that the arms are sold. Gal Braith says, for the poor of America, there is no other way except drug trafficking, terrorism, killing the people and looting the shops.

We have to take a decision. We have to revive the

[Shri Sanat Mehta]

economy. Mr. Chidambaram has done excellent work as far as revival of financial position is concerned. But it alone would not serve the purpose. When Ray Ban Glass company wanted to come to India, there was an article in *the Fortune* magazine of America. Somebody asked Ray Ban, why do you come to India; India is a poor country. It is a very backward country.

Some marketing experts gave a reply, 'India has 200 million people who can buy anything in the world.' Where is the market of 200 million people in the world? All this foreign investment is coming not looking at our poor, not looking at me, but looking at the market of 200 million people who are buying anything in the country. It is welcome. We should exploit it. But we should not forget that, ultimately, when Gandhiji started 1942 Movement, the Socialists asked Gandhiji, 'What will happen when the British will leave?' Gandhiji replied, 'the State will belong to the farmers and the working class'. On that promise, we joined the Freedom Movement.

Today, in the fiftieth year of our Freedom, the working class is feeling frustrated. They feel being let down. There is a movement as if it is dying and that it has no strength. A day has come when we know that we have to get certificates from ASSOCHAM, FICCI and all these industrial organisations.

There was a time when Ministers used to wait for the step they had taken that whether the working class was appreciating it or not, whether the poor were appreciating it or not. From there we have travelled and come to this stage but still there is time. Let us decide today that we want liberalisation by way of liberalisation and that we will not commit the mistake which have been committed in other countries. We will definitely look not by higher allocation alone but by other things too.

I do not have time, otherwise, I have collected all the statistics, on every item wherever the allocation is higher, even the elementary education. We are promising people that now we want to have hundred per cent elementary education. Rs. 26,000 crore is the cost of the total elementary education. From where are we to bring this money? So, today, we have to make a firm commitment.

I was hoping that for human development index, hon. Finance Minister would come with a Five Year Plan, that is, this will be the provision for five years for elementary education, for teachers, for children, for buildings etc. That he has not done. We have only increased the higher allocation and higher allocation, ultimately, results into bandages and some pieces.

I feel from the bottom of my heart and I hope that my appeal will not go unheeded because we have fought for the freedom. I wish that we give more attention to this. Finance Management is all right, it is a very important part of the Budget, but simultaneously with a high growth.

Sir, we travelled from growth with social justice. Then we wanted higher growth, so we wanted liberalisation. If

higher growth is not accompanied by a greater equity, that higher growth is of no use to me and this country will become a country of 200 million but not of 760 million people. This is only to give vent to my feelings.

In 1980, when I was a Finance Minister and when Indiraji used to come to Gujarat, there was a time when the Chief Secretary used to move here and there, helter-skelter, just to show Mrs. Gandhi how many plots he had distributed to the poor people. But now, all the Governments whether it is BJP, Congress, Communist or any other party, in the name of liberalisation, are busy spreading the red carpet for the multinationals or the industrialists. In *Sachivalaya*, if you go, no Chief Secretary talks about distribution of plots under Indira Awas Yojana. This has become a secondary item. If this happens for some more years, Chidambaramji, we will not be able to do anything to revive what Mrs. Gandhi or Rajivji had done.

With these remarks, I support the Finance Bill because the Finance Bill deals only with the financial part of it. But when the other part is left out this Finance Bill will have no meaning.

[Translation]

SHRI BRIJ BHUSHAN TIWARI (DUMERIAGANJ): Madam Chairperson, I rise to support this Finance Bill. When the Minister of Finance had presented the Finance Bill, he had explained all the circumstances that for two months after presentation of the Budget there was political instability. But inspite of that our financial management, our foreign exchange reserves have registered an increase. The value of rupee was not allowed to fall in comparison to dollar. Inflation has not been allowed to increase.

Sir, this budget has been presented in very adverse and very difficult circumstances. But inspite of this the Minister of Finance has shouldered such a difficult task and tried to accommodate the interests of all sections of society after having consulted all the sections. In the Finance Bill all attempts have been made to make provisions in the Budget. It is correct that the income of the labouring class and the poor should be enhanced. This income and seeking contribution from middle class and making it to share its income with the former. This has indeed been attempted to do.

Our Finance Minister has widened the tax network. It is a welcome step. The ratio of our direct taxes to our Gross National Product is much less than what it should be. The ratio of direct taxes is more in the developed countries. The number of people comprising the middle classes about 250 million in our Country out of whom the households number about 40-45 million whereas the number of tax payers is just 12 million. Therefore, the need of the hour is to further widen the base of direct taxes in our tax-structure. True, we have given many concessions, whose aim to increase our industrial production, and the number of our factories accelerate our financial or economic activities. But side by side as has been said that development has a wide connotation. Development has got



no meaning if simultaneously the poor does not get his share his standard of living does not improve, if there is no qualitative change in our style of life. Therefore, it is necessary that having made all the changes in the tax net extended all kinds of families, we may pay special attention on two things. Firstly there should not be much of burden on our poor, lower income groups of people. Along with that the reduction in import duty should be made in such a manner that it does not adversely affect the production of our indigenous industries and factories.

There is danger from the increase in the kind of pressure being exerted on the world community. Therefore such efforts should not be made. Hon'ble Finance Minister has said just now that truly we shall be able to achieve the target of producing 192 million tones of foodgrains which we have set before us in the field of agriculture. The weather is very good. Agriculture production has increased. But I do not consider it adequate. I think that these are still vast possibilities of growth in agriculture provided we invest more and more capital for the development of agriculture and increasing the production because we know that if we take the nation wide figures of foodgrain production we will come to know that Punjab and Haryana produce 50 percent of the National production while other areas do not produce in the same ratio. In my opinion Uttar Pradesh, Eastern Uttar Pradesh, Bihar, Assam, North-East and part of Orissa are such areas where agriculture production can be increased. But it will be possible only when Planning Commission will prepare special programme for this purpose and when Govt. will chalk out a special scheme for this and invest more and more for this special scheme. If the agricultural production, the foodgrains production is not increased the country cannot make progress.

America, Western Europe about which we talk here, lot of subsidy is given to farmers there for increasing this production, developing their agriculture. In Japan which making giant strides on the path of industrial progress, farmers get 60 percent by way of subsidy. But when concession are given to farmers in India, all the big capitalist and big industrialists and urban intelligentsia make the maximum hue and cry on our subsidy to farmers. But in today's conditions agriculture or foodgrains are like shock-absorbers. If there are no shock-absorbers in a vehicle, then the passenger travelling by it will break his bones. As such agriculture will not prosper if there storage of grains is not adequate, if the production of foodgrains is not increased, then our economy will be shattered. Therefore, I would like to say that there is need to pay special attention for the development of especially Uttar Pradesh, north-eastern region and Bihar. We have got funds for purchasing Aeroplanes. We have got funds for implementing all sorts of schemes. But there is no use of money if not spend for that area which will provide employment to lakhs-crores of people, which will provide food, which will provide the base for the industrial progress.

Electricity is the biggest requirement. In the Eighth Five Years Plan the requirement of electricity was 36,000

megawatt the target fixed was also of the same order. But after the expiry of Eighth Five Year Plan we could generate only 18,000 megawatt of electricity. Now in the Ninth Five Year Plan the requirement of electricity is one lakh twenty eight thousand megawatt. Therefore, I would urge upon the Government that if electricity will not be generated, if new possibilities will not be explored for the production of foodgrains and optimum utilisation of our capacity will not be made, then our country cannot progress. If the infrastructure for providing basic needs roads, Modes of transport, if these are not developed then the economy cannot be strengthened even if you provide concession in tax structure, provide facilities to big industrialists, try to invite foreign investment or operate the economic and financial management properly, because the need of the hour is a balanced development for which it is essential to pay special attention to all these areas. With these words I support the Finance Bill.

PROF. P.J. KURIEN: Sir, there was a decision that every hon. Member will speak for five minutes only. Such a decision was taken. Please implement it. It was accepted by all.

DR. T. SUBBARAMI REDDY: Sir, it is required so that all of us will get a chance. The Chair has taken the decision.

MR. CHAIRMAN: If the decision was taken in my absence I will stick to it now. Let us start it with Shri Raghavan. The sooner the better.

DR. T. SUBBARAMI REDDY: Sir, it can be for four-and-a-half minutes only. ...*(Interruptions)*

SHRI V.V. RAGHAVAN (TRICHUR): Sir, it is not applicable to the senior leaders. By Senior, I mean by age.

MR. CHAIRMAN: The names are serially listed.

SHRI V.V. RAGHAVAN: Mr. Chairman, Sir, I support the Finance Bill. I earnestly hope and wish that all the expectations of the hon. Minister of Finance are fulfilled hundred per cent. It is a tremendous task to mobilise the required resources. There lies the guts of the Finance Minister.

Last time I told the hon. Minister of Finance that streamlining the entire Finance Department is quite essential. He might have done it. But, as I have an opportunity to closely watch the resource-mobilising agencies of the Finance Department, I think there is, to put it mildly, lack of coordination. The lack of coordination among the Enforcement Directorate, the Customs Department and Revenue Department adversely affects the resource mobilisation. Otherwise there would not have been such a huge quantum of dues from the corporate sector, from the big business houses. Such a huge amount of money is pending payment. If that situation continues the dreams and expectations of the Finance Minister may not be able to be fulfilled. That is why I again hope that he will look into it, regarding the lack of coordination. Something must be done. I do not say it is rift. But lack of coordination is there and that affects our resource mobilisation.

[Shri V.V. Raghavan]

I agree with the priorities given by the Finance Minister which are power and infrastructural development. That is all right. That is quite essential. But I would have been happier if he could have included agriculture and public distribution system also. I think the hon. Minister of Finance would agree that the primary production sector is agriculture in our country.

If agriculture is neglected, it will affect the whole of our economy. So, agriculture should have been given priority together with power and infrastructure development.

The importance given to the Public Distribution System is quite welcome and the credit goes to the United Front Government because the United Front Government implemented a scheme for giving cheaper foodgrains to the poor people below the poverty line. But to check the price rise, a fool-proof Public Distribution System in the whole country is essential. It is our experience in Kerala that with the importance given to the Public Distribution System, we could check the price rise to a certain extent. Now, after implementing this new scheme, we could take the grains to the people below the poverty line, but the other sections of the people are suffering. For example, immediately after the implementation of this scheme, the ration quota of rice and wheat which we used to get for years and years is reduced. That affects our Public Distribution System very badly. That will also pave the way for price rise. So, together with power and infrastructure development, priority should be given to agriculture and Public Distribution System.

I am happy that the Finance Minister has dropped the proposal of excise duty on roof tiles and umbrellas. I am the happiest man, because roof tiles and umbrellas are manufactured very largely in my constituency.

I plead with the Finance Minister that the duty increase on beedi also should be dropped, because Shri M.P. Virendra Kumar, who is working with you knows the plight of beedi workers in Kerala and elsewhere. They were in ruins. We organised them in cooperative societies and they are just marching forward. I request you to please drop that increase and you can charge it on small cigarettes. It can be compensated in that way. Beedi workers should be saved and the proposal for charging duty on Ayurvedic preparations also should be dropped. I hope that the Finance Minister would consider it favourably. I also suggest that the proposal for charging excise duty on pile fabric at the weaving stage has to be dropped.

Sir, I will be failing in my duty if I do not say a few words about certain other sectors. The hon. Finance Minister, when he was replying to the General Discussion on the Budget, had said that all isms have to pave way for pragmatism. It is all right. But we should not forget that almost all the colonies are free. In that sense, there is no colonialism and there is no imperialism. But colonialism, in many ways, is plundering the developing countries. Colonialism of a new type still exists.

That fact should not be forgotten. When we chalk out our policies on import-export, customs, excise duties and foreign investment all these things should be considered in the background that the neo-colonialists are out to plunder this country. We must safeguard our national interest. That is the primary task. Dumping the goods of the multinationals in our country will affect the growth of our national industries and will not serve our national interest. So, be careful. I am not opposing liberalisation and I am not opposing modernisation. I only remember the United Front's Common Minimum Programme which was drafted by the hon. Finance Minister himself. There is a phrase of his own which says: "modernisation with self-reliance and social justice". That is a very important phrase. That is the guideline. When we deal with the foreigners, when we deal with multinationals, when we deal with the imports and when we deal with our markets, we have to see how far it will affect our self-reliance. That is one thing.

MR. CHAIRMAN: You have to conclude now.

SHRI V.V. RAGHAVAN: Sir, I am concluding with one sentence. The other thing is social justice. When we propose our taxation policy and welfare schemes we have to safeguard the interests of the poor people, lower middle class people and of the majority of our population.

[Translation]

LT. GENERAL SHRI PRAKASH MANI TRIPATHI (DEORIA): Mr. Chairman, Sir, I rise to oppose the Finance Bill. I know that you would start ringing the bell soon. The earlier speakers spoke for one and half hours. You should have controlled from that time onwards, What one can say in five minutes? I would like to draw attention towards two things specially. First of all, the budget is a social document. It is a document of industry. It is an economic document and social document also. The entire House is witnessing that this budget favours big companies and traders. The main disadvantage of this Budget is that disparities are cropping up in our country in trade and money. Money is coming in some areas specially in coastal areas. More money is being invested there. This is going on because no arrangement has been made to set up industries in backward areas.

I come from Deoria Parliamentary constituency. There is no industry. But I am not saying that there was no industry earlier also. The number of sugar mills are the same as these were earlier. In the meantime the production of sugarcane increased but not even a single new sugar mill was set up. Now arrangements were made for the modernisation of sugar mills and to grow more industries. Therefore, this disparity has come up. What sort of picture of our country is this? Do we want that in some areas money should increase and in some areas there should be no increase at all. Do we want the people to migrate from one place to other or have a to and fro journey from one place to other on the roof of the train.

19.00 hrs.

It is possible by one way only since it is the policy of the BJP also that agriculture based industries should be promoted. This budget is incomplete in this regard and no consideration has been given to it. After that we should give thrust on the small scale industry so that some money can be generated in all areas. The educated youth there can get employment. It is all right that those who are well educated go to Delhi, Calcutta and Mumbai and those who cannot study remain in villages. They are unemployed due to which various problems are cropping up in these backward areas. If they do not have any industry to get employment, disparity would go on increasing. Even if 2-4 companies are set up to make the country rich, that is not going to solve their problems. As far as multinational companies are concerned, they cannot give so much job opportunities as the small scale industries can.

Mr. Chairman, Sir, the Government have reduced the taxes on the import of readymade material. It is very wrong. Some companies had increased their production two years back but due to not reducing the taxes these are changing their views and the companies preparing goods in our country are closing down. It has been causing a heavy loss. There is a need to ponder over it. Please reduce the taxes on raw material. We would support that since it is the policy of our party. The language which we are listening seems to be of W.T.O. The Government was claiming to put it at zero by 2000 A.D. Our trade is not in the field of INFOTECH. The tax on computer has been reduced. We too can produce INFOTECH material. The software business can be developed and we can do it competently. We are against this language of W.T.O. We should give boost to our traditional industries. These industries are being neglected in the backward areas. If the Government neglects the backward areas of UP and Bihar there can be no stability in this country and in the society. If the people continue to migrate from one place to other, how can the country be stable. You can see that everyday issues related to Bihar and UP are raised. It is not that the people are incompetent there. They know that they are backward and they should get a chance of progress.

Mr. Chairman, Sir, now comes the issue of inflation. It is 6.4 percent. I would like to cite an example. People in my constituency do not eat pulses for years and only 1 to 2 percent families cook pulses. That is the source of protein. There has been a rapid increase in prices. Therefore, stop talking about the rate of inflation. Price hike affects the common man and he does not get relief from the rate of inflation. I would have told an incident in this regard but I am running short of time.

Lastly, I would like to submit that you run some schemes under pressure and those schemes are not implemented properly. As there is a scheme of providing ration at half rates to 36 crores people, but the same cannot be implemented properly. We have an experience of it.

There is a scheme through which we provide meals to the children in schools. This scheme is running smoothly in places where food is cooked and served but at 80 percent places the father of the child gets 3 Kg. rice or wheat, but he gets only 2 kg. and the rest of one kg. goes somewhere else. Is not there any way that the foodgrains reach to 36 crore people at reasonable prices? The Government do not have any method and there is no machinery to check it. It can be done at one or two places. Instead of doing so if the subsidy is reduced, why it is so? We are not opposing it. If the farmers are provided water and fertilizers etc. at low prices or free of cost then the production would increase and if it increases one or two percent then it would be a day of rejoicing for the Government.

With these words, I conclude.

SHRI M. KAMALUDDIN AHMED (HANAMKONDA): Mr. Chairman, Sir, I rise to support the Finance Bill. While supporting it I would like to congratulate the hon. Finance Minister that he has taken over the charge of this Ministry again to get the budget, presented by him passed.

While presenting the budget, the hon. Finance Minister has delivered a very good speech. He said many things. He had pointed out some objectives as to what he wanted and what would happen after this budget.

[English]

Growth, basic minimum services, employment, micro—economic stability, investment particularly infrastructure, human development and viable balance of payments.

[Translation]

These aims were told but after going through the proposals of the entire budget it appears that perhaps not even a single aim would be achieved. When the proposals were seen on detail it was found that there is only a nominal increase in some areas and a big reduction has been done in various areas.

[English]

One of the weaknesses of the Budget is a small increase in the Central Plan outlay. The Plan outlay for the year 1997-98 amounts to Rs. 91,839 crore against Rs. 87,088 crore of 1996-97. In many key sectors, there has been practically no increase. For example, about Rural Development, the step up is only Rs. 171 crore. In regard to irrigation and flood control, there has been a sharp reduction from Rs. 1248 crore to Rs. 323 crore. In the energy sector, there has been a shortfall of Rs. 36 crore from the level of last year. In regard to industry and minerals, there has been a shortfall of Rs. 626 crore. In the transport sector, the shortfall is Rs. 956 crore. However, the Finance Minister has increased the Central Plan outlay in communication sector, social services and in agricultural sector. The step up in agriculture is just Rs. 138 crore which is nominal and negligible.

[Shri M. Kamaluddin Ahmed]

[Translation]

Now, in this situation how the target of growth, the target of eradication of unemployment and economic stability would be achieved. Much has been said to increase the infrastructure but it seems to be doubtful. The biggest problem in this country is energy i.e. electricity. The experts of the country have said that during the next five years the production of power would have to be increased to 46 thousand megawatts. It does not seem to be feasible from the working of the State Electricity Boards and the manner in which distribution is going on, that there would be some improvement. Efforts should have been made directly through this budget to improve the economic condition of the poor. It appears from the budget that it has been made only for 15 percent of the elite population of the country, the 85 percent poor are not its beneficiaries. These can be the most deemed beneficiaries. They can have some benefit in the process otherwise there is nothing special in it. As far as unemployment is concerned for that I am specially submitting that the way the Finance Minister has reduced the duty generously and the way the flood gates have been opened for the multinationals to come here, would have a serious impact in the next 5 years. A number of industries are closing down. The 40 percent part of our export was of small scale industries. A large number of small scale industries are on the verge of closure. Out of the indigenous industries, the lamp industry had set up with great difficulty. Now, with the arrival of the multinationals, the H.M.T. and the other industries have come on the verge of closure. In such circumstances how can we expect that unemployment would be reduced. Unemployment is increasing. Now you are talking about production but I am sorry to say that at the time when our total food production was 180 million, we were not in the habit of importing foodgrains. Today it is claimed that our total production has touched 190 million but every year we have been importing 10-20 million of wheat from outside. Keeping in view all these figures, it has become imperative for us to increase our agriculture production.

As far as the question of increasing our agriculture production is concerned, I have told just now that the allocation in irrigation and energy sector has been reduced, there is no power generation and there had been power riots in my State recently. The people started agitation for electricity on a large scale and they came to the markets. In the rural sectors unemployment has gone upto such an extent that the people do not get work and have become unemployed. Although our youth have become educated yet they are unemployed. If someone lives in village after being unemployed, what would he do? The result is that he has taken up arms. The struggle going on in my State, specially in Telangana, in the name of P.W.G, is the result of unemployment. It has created economic instability in the rural sector. If the Government feels to curb such a movement at gun point, it is not going to solve the purpose. Sheer killing is going on in the name of encounter there. Efforts should be made to go to the root cause of the problem and those problems should be solved.

I would like to submit one more thing here that the imbalance has been increasing due to our failure in

economic field. Not only the imbalance exist between two States but also in the same State. I would like to cite the example of my State. In my area, Telengana, the imbalance has increased to such an extent that on one hand unemployment has increased to a great extent which has adversely affected production and on the other hand the overall economic activities have come to an end. The people have started thinking why not a separate State, Telengana be formed by dividing their State for a rapid growth. The demand of a separate Telengana is being raised again. Earlier, when the demand of a separate Telengana was raised, I was a Member of the State Legislative Assembly there. At that time I had firmly opposed the separate Telengana agitation and had accelerated the agitation against it, but now my views are also changing. I have also started believing that separate Telengana must be created for rapid growth. Then only the problems of the people could be solved and the economic activities of the people could be improved. I have been compelled to think in this way and I feel that this agitation cannot be stopped.

All these things are connected with economic activities and budget. I had thought earlier also to draw the attention of the Finance Minister towards this issue so he may ensure that the benefits of Budget could reach the poor. I do not know what to say whether this is intelligence or something other that several concessions have been given and most probably this is the first budget in many years wherein it has not been mentioned as to what will be the impact thereof and what will be its revenue implications. From where the money will come since several rebates and concessions are being given and duty is being reduced? You have such a big plan outlay, such a big budget but it has not been mentioned from where the deficit would be covered. I think there are some points towards which we should pay attention. I am sure that our Finance Minister is efficient enough and when these matters will come into his attention, he will certainly take some steps.

I am sure that he will certainly look into this matter and I pray for his success in achieving the aims and objects of the budget.

[English]

MR. CHAIRMAN: The next Speaker is Shri N.K. Premchandran. I think it would be better if he straightway goes to his constituency issues. Otherwise five minutes will not be sufficient to analyse the budget as a whole.

SHRI N.K. PREMCHANDRAN (QUILON): Mr. Chairman, Sir, at the outset I would like to analyse the Finance Bill, 1997 which has been placed before this House. I would like to say that immediately after the presentation of the Budget there was a wider acceptance of it from various sections of the country. The media has accepted this Budget as a populist Budget and also it has been declared and described as a growth oriented Budget. I would like to say that during the political stagnation in our country when a political deadlock happened for a few days, the multinational companies, the corporates and the rich class were so much eager—they were not worried about the



political deadlock or the constitutional crisis which would have happened, but they were very much eager—to see that the Finance Bill was passed. So, I would like to say that the tax proposals envisaged in the Finance Bill is benefiting the corporates, the multinational companies and the rich class of this country. That is the worry that we have seen in the media and also in the newspapers in our country.

So many tax exemptions, concessions and benefits are being given to them. I remember the reply given by the hon. Finance Minister to the general discussion on the Budget. He was very much sticking on the economic growth by way of increase in the GDP to the extent of seven per cent. If the promise on poverty alleviation, infrastructural development and the basic minimum requirements of the common man has to be fulfilled, the GDP has to attain a greater level. We know that in so many developed countries the mere growth or enhancement of the GDP did not serve the purpose. We have to look from this angle also. I would like to suggest only one point. That is, the economic growth or the growth rate of the GDP should be based on the principles of equity and justice. Even the Constitution of India in its Preamble as well as the Directive Principles aims at a welfare State and also to render economic justice to all sections of the society. The point is whether these two goals are achieved by the tax proposals in the Finance Bill.

The rich is being exempted and they are being benefited and the poor is ignored in almost all the sectors. I would like to substantiate my argument by the following points. I am straightway going to the points; I am not narrating other things due to the time constraint. Abolition of tax on dividend from shares is a proposal. I strongly oppose this proposal because the dividend is an income derived by way of investing the money in the share market. Why is it being exempted? What is the reasonable justification for exempting the tax on this dividend? There is no reasonable justification. Even personal income-tax has been imposed on the Government employees and the employees of other sectors who are earning their wages. So, it is a proposal which has to be opposed in strong words.

I would also like to appeal to the hon. Finance Minister about so many welfare funds which are being enunciated in our country. They are mainly meant for the welfare of the working class. The contribution also is from the side of the workers. So many workers' welfare funds are there in our State also. In Kerala twelve welfare legislations have been enunciated. So many welfare legislations for the workers have been enunciated all over the country. But they are liable to pay income-tax. So, I appeal to the hon. Finance Minister to exempt these welfare funds from the income-tax net. It is a part of the welfare measure for the working class of this country.

I have made a mention of corporate tax and customs duty during the Budget discussion. The peak rate reduction of customs duty from fifty per cent to forty per cent will definitely affect the indigenous industry adversely. I am very happy and I am also grateful to the hon. Minister of Finance

for not decreasing customs duty on titanium dioxide from 40 per cent. Even at this juncture, I appeal to the hon. Minister to increase the peak rate of customs duty to at least fifty per cent and also to enhance the customs duty on titanium dioxide to fifty per cent.

I am not going into the details regarding excise duty. The various items have been examined critically by Shri Nirmal Kanti Chatterjee yesterday. So, I would like to say that these excise duty exemptions have been given on goods which are consumed by the rich class of the society. Enormous benefits have been given on items like air-conditioners, refrigerators etc., which are being consumed by the rich and elite classes of the society.

I congratulate the hon. Minister of Finance and welcome the proposal mooted by him yesterday withdrawing excise duty on roof tiles, umbrella, etc. I appeal to the hon. Minister of Finance to extend this to *beedi* and Ayurvedic drugs and medicines. This may also be taken into consideration. The service tax will result in price hike. It should also be reconsidered.

The small scale sector is the back bone of the rural industrial sector. It is not only playing a vital role in the national economy but also in the employment generation sector. So, it has to be protected. I would suggest to the hon. Minister of Finance that the earlier provision under notification No. 1/93 dated the 28th February, 1993 should be restored.

The duty-free clearance up to Rs. 30 lakh also has to be enhanced to Rs. 75 lakh.

With these remarks and comments, I once again support the Finance Bill.

SHRI P. KODANDA RAMAIAH (CHITRADURGA): Mr. Chairman, Sir, thank you for giving me five minutes' time. I will try not to overshoot the time given by the Chair.

At the outset, I must compliment the hon. Minister of Finance for presenting a very good Budget which takes care of growth as well as social justice side by side. There have been certain reservations expressed about the revenue consequent upon reduction of duties and taxes by certain authorities in the country. I happened to go through them. I would like to suggest to the hon. Minister of Finance that the tax collecting machinery as we have got today has not retained that integrity and efficiency which they were known for about a decade or two ago so much so that the recoveries have not been commensurate with the effort put in or the tax rates prescribed over a period of time. It is necessary for the hon. Minister of Finance to ensure that the tax collecting machinery does its duties properly and efficiently. With the reduction of the tax rates the tax base will have to be increased and the revenue realisation also will have to be stepped up.

There is a projection made that revenue realisation will go up by 16 per cent. If it is achieved, it is good enough. It should be achieved. It should not be a difficult task. I have seen a cross-section of the people talking very happily and enthusiastically about the reduction in tax rates. More

[Shri P. Kodanda Ramaiah]

people are willing to file their returns now unlike in the past. This should enable realisation of more revenue for the schemes that the hon. Minister of Finance has envisaged in the Budget.

There have been certain criticisms about the voluntary disclosure scheme. I hear complaints from many a taxpayer. They say, 'How can you equate me, an honest taxpayer, with a person who has been building up black money? How is it that you prescribe the same tax rate for both the honest tax payer and the person covered under the voluntary disclosure scheme?'

On the wealth tax side, the hon. Minister of Finance has made an announcement that the wealth tax computation would be from the date of declaration and not from the date of acquisition.

Once again, there will be a public criticism to say that undue concern is shown to the tax evaders and that they are placed on higher pedestal than the honest tax-payers in the country. My suggestion to the hon. Finance Minister is that there should be at least some type of a difference between an honest tax-payer and a person who has declared his income under this scheme. I would suggest that he must raise the taxation level for voluntary disclosures to about 35 per cent or 40 per cent so that the honest tax-payer would not feel demotivated to be honest in future or to have more people voluntarily coming into the tax net.

As regards the Plan outlay, the increase is not substantial though it is about 16.7 per cent. I would consider it, not a very substantial one, considering the volume of development activity that is to take place. However, there may not be a very high allocation under the Central Plan because of the shortage of time and administrative constraints, resulting in a revision of the estimates to the lower side during the last year, that is, 1996-97. I would urge the Finance Minister to enhance the Central Plan outlay and ensure that it is properly utilised and spent.

There have been instances where the States have cut back on the Plan allocations which were sanctioned and approved by the Planning Commission and it should be ensured that there are no cut backs on the Plan size of any State.

One important issue about agriculture is the land reform measures. Except for the Southern States and probably West Bengal, I would say that land reforms have been totally neglected and as long as this social reforms is not taken up and income distribution is not ensured by equitable distribution of land, we will not be able to improve this and we would not be able to achieve the expected growth rate.

Then, the hon. Finance Minister has announced that he was going to ensure that about Rs. 28,600 crore would be flowing into the rural sector as credit. It is a good step up—from Rs. 22,000 crore to Rs. 28,600 crore. But again here also, there is an administrative lacuna. It results in uneven flow of credit to the rural sector. It has been found

that most of the credit that is going to the rural sector goes to the rich farmers.

Once again, coming to the subsidies, the rich farmers are getting benefited by the subsidies that we have given and it is time that there is, again, a sort of discriminative subsidy given to the people in the rural side.

As regards the fertiliser prices, I would urge the Finance Minister to ensure that the bigger farmers are given lower subsidy or no subsidy and the marginal and small farmers are given substantial subsidy in the matter.

Even while talking of giving subsidy to tractors, sprinklers and other things, it is only the *kulak* lobby that will be able to utilise these things and the ordinary farmers who is the backbone of the country will be once again neglected.

As regards the recovery rates, the Finance Minister should insist and ensure that the recoveries of loans given, whether they are in the farm sector or in the industrial sector, are properly monitored and the recovery rates do not fall below at least 60 per cent every year so that refinancing will be easier for NABARD and other refinancing agencies.

As regards poverty alleviation schemes that are financed by the Government of India in the form of Indira Aawas Yojana and Employment Affirmation Schemes, I would say once again that the benefits are not reaching the targeted groups and that a lot of money goes down the drain in the form of various, shall I say, commissions between the targeted groups and the sanctioning authorities? Some kind of a tightening of the administration is required in the rural side and since the money is being sanctioned by us, by this House, there should be some amount of a say in the matter by the Members of Parliament in the expending of the money.

The Finance Minister said sometime back that the Government is going to give a decisive role to the MPs in the administration of the rural projects and I have got a circular which was issued by the Rural Development Department recently which is in total negation of the assurance given by the Finance Minister. I would urge the Finance Minister to ensure that this circular is taken back, that it is redrafted again and that his assurance—that a decisive role will be given to the MPs—if fulfilled. I would urge the Finance Minister to do it.

Lastly, I would like to say this. Somehow, it happens every time that I have been always asked to speak at the fag end of the discussions and then again, only five minutes are given. I would urge the Presiding Officer to give us some more time.

MR. CHAIRMAN: The House has taken a decision that only five minutes would be given to each Member.

SHRI P. KODANDA RAMAIAH: At least in future, new Members should be given more time than the old Members, who monopolise it.

In any case, I thank you for having given me the opportunity to speak.

*(Interruptions)*

MR. CHAIRMAN: Your own senior Members have taken one hour. Then, how will you get time to speak?

*(Interruptions)*

SHRI P. KODANDA RAMAIAH: Sir, you may inform them ...*(Interruptions)*

MR. CHAIRMAN: Shri Chaman Lal Gupta, you may speak for only five minutes. You have seen me fighting with him just now. Your leaders have taken more than an hour and you had been enjoying it. Now, we cannot be victims sitting here for three hours.

*[Translation]*

SHRI SHYAM BIHARI MISHRA (BILHAUR): Mr. Chairman, Sir, there are few members who are to speak.

MR. CHAIRMAN: All men spoken you are reducing even his five minutes time.

*[Translation]*

SHRI CHAMAN LAL GUPTA (UDHAMPUR): Mr. Chairman, Sir, I rise to oppose the budget proposals.

First of all, I would say that on the one hand the Finance Minister has reduced the Custom Duties and on the other hand he is showing that revenue from the custom duties would be increased to Rs. 8000 crores. We would like to know as to how he would do so, as he has irrationally reduced the custom duties due to which a large number of Small Scale Industries have been totally ruined and the coming time would show that we have crippled our thus largest employment generating sector. Although it has been emphasised in the budget that employment would be generated, but there seems to be no such proposal. You are fully aware about the position of employment generation in the country that more than two crore young men are unemployed. There is unemployment in cities, villages, in industrial sector amongst educated youths. This budget is not attacking a single reason for unemployment the reason were stated to be

*[English]*

rapid growth of population, slow pace of industrial development, backwardness of agriculture and prevailing system of education.

*[Translation]*

None of these four factors has been attacked in the Budget. This budget has been praised much, but no provision has been made in it for providing employment to the people in the country where 36 crore people take meals once in a day.

19.38 hrs.

*(SHRIMATI GEETA MUKHERJEE on the Chair)*

I want to draw your attention to the fact that unemployment was the main reason for the militancy particularly in Kashmir. None of the students has got employment since 1988 who have passed from Engineering, Medical and professional colleges even after a lapse of about nine years. Although, the ruling party had mentioned in its Manifesto to that jobs would be provided to all children, but not a single Engineer was provided employment. He had spent fair or fine years for doing Engineering, but we have not been ask to provide him employment for nine years and its result is before us.

No incentive has been given for savings in the Budget.

*[English]*

Voluntary Disclosure Scheme is nothing but legitimising tax evasion.

*[Translation]*

Infact, such schemes were introduced earlier also, but none has been successful. This scheme is also going to meet the same fate because legitimacy is being given to those who have indulged in tax-evasion. I would like to place certain facts before you regarding my area. The main thrust in the entire budget has been given on this aspect as to how the multinational companies should come and invest more and more. No attention has been paid towards the 85 percent people who live in the villages and who depend on agriculture. No incentive has been given to the agriculture.

The budget for Jammu-Kashmir which was Rs. five crore in the year 1951-52 has been raised to Rs. 5400 crore in the year 1997-98. The entire funds provided during those period have gone to the militants. We have not been able to make any such provision so that this money may be properly utilised. The income of Jammu-Kashmir from its own resources is only Rs. 600 crores. The expenditure on the salaries of Government employees would be Rs. 1000 crores. We have to make arrangement for it from Rs. 5400 crores which is provided from the union. But no heed is being given to make any arrangement for its proper utilisation. Most of the money goes in the hands of militants. They dictate as to what amount may be utilised on which items of work. During last few days when there was crisis in the United Front, our Chief Minister has come here. He used the Indian Airforce Plane for to and fro journey. He had come here for party function. In this way most of the funds are misutilised. Therefore, we should ensure the proper utilisation of the funds provided for Jammu-Kashmir.

Power sector is very important. In my constituency Chenas is such a river from where you can easily generate power upto 15000 Mega Watts. Previously I had discussed about Swalkota. Survey has been conducted for it and the whole infrastructure has been installed. After completing Salal Project, the whole infrastructure is there. Second

[Shri Chaman Lal Gupta]

stage of the Salal projects was to be commenced. If two-three crores of rupees had been spent this project could have been undertaken easily. But Dulhasti was undertaken. This project was started in the year 1980 and now it is 1997 that means a period of 17 years had elapsed and that too passed. When we are talking about the importance of power, 15000 M.W. electricity could easily be generated in my constituency on reasonable cost but nobody is paying any attention towards that. About 30000 people would be completely dislocated because of the proposed Thein Dam. They would have to travel 80 kilometres now instead of 20 Kilometres. Therefore, the dam on Ravi should be constructed immediately so that these people may not face any difficulty. The refugee problem is the main problem in Jammu and Kashmir. About three lacs people are wandering without any shelter some in Delhi and some in Jammu-Kashmir. I don't want to narrate the whole situation. The entire family comprising mother, father, brother, sister and children have been living in one tent for the last eight years. But neither any head is paid towards them nor any provision has been made for them, and nor anybody is concerned about them. My submission is that at least our Finance Minister should pay attention towards this problem because it is a human problem. They have not come here themselves. We have not been able to put a check on the situation created in Jammu-Kashmir and as a result there of they had to leave their homes. I would like to say one thing more that the Government have made adhoc appointments in place of the 13000 employees who have now migrated to other places. They should honorably go back to their respective home places. I would like to add that if Hindu Migrants would not go back to their home places, Kashmir would remain incomplete. But where these people would reside in Kashmir because their houses and property are being destroyed. The Government does not protect their belongings. That Government does not guarantee for the protection of their belongings. Their property should be registered. No such arrangements are being made there. Therefore, I submit that full attention should be paid towards this human problem and the families should be honorably brought back to their homes. We would have to make proper arrangements for it.

Sir, according to the statements of Governor Krishana Rao, Rs. One lac crore have been spent in Kashmir. A white paper should be brought out in this regard. I doubt that this money either remain with the people of ruling party or their families or remains with those who dictate militancy. This amount does not reach to the common people. We provide money to the state so that education may be provided there and life may be improved there. White paper must be brought out in regard to the situation prevailing there.

At last, I would like to say that there is no control over the foreign money which is coming in Kashmir. After all, our Government exist there. A thing called Human Conference has been created there. American Ambassador, Shri Visner has visited Kashmir six times during the last six months and he has met the Governor the over people there. He met those Huriyat people also who are

not prepared to accept that Kashmir is an integral part of India. There must be some check on the foreign money which is coming in Kashmir. Unless it is checked, militancy cannot be checked there. At last, I would say that poverty is still there even today. There are three regions in Jammu-Kashmir i.e. Laddakh, Jammu and Kashmir valley. Out of the total 97 thousand square kilometre area of Jammu Kashmir the area of Kashmir valley is only 15 thousand square kilometre and the area of Jammu is 28 thousand square kilometre. The area of Kashmir valley is on 1/8 of the total area of Jammu and Kashmir and the whole of the amount allocated for Jammu-Kashmir is spent there. My friends from Laddakh are here. They should tell that even after 50 years of independence, Laddakh gets electricity only twice a week and that too for four hours only. After a lot of efforts, we were able to set up a college there last year.

Therefore, I request you that a council should be made for three regions and the funds should be distributed region-wise from the centre itself so that all the three regions should develop equally. The funds are spent only in Kashmir valley alone ignoring Jammu and Laddakh. The issue of autonomy has been raked There. The issue of Jammu regional sub autonomy has also been raked. That means Jammu should also be divided. This sort of things are happening there.

We want that all these three regions remains intact because it is in the interest of the country. Kashmir should remain the crown of India and for this purpose it is necessary that all these three regions should remain intact. But these three regions cannot remain intact because of the things happening there. I want to say only that the funds should be distributed from here regionwise so that all the three regions viz. Kashmir, Jammu and Laddakh may progress simultaneously and they remain one and Kashmir may remain crown of India in the real terms.

[English]

MR. CHAIRMAN: I understand that the House has decided that all the speakers will speak for five minutes. That being so, I am bound by that decision and I hope that subsequent speakers would also be bound by that decision. Accordingly, I would ring the bell after four minutes so that within another minute the Member will have to finish his or her speech. You may kindly plan your speeches accordingly.

(Interruptions)

[Translation]

SHRI SYAM BEHARI MISHRA: At least five minutes may be provided because five minutes time is not sufficient. ... (Interruptions)

MR. CHAIRMAN: This is the decision of the House, I have not decided it.



[Translation]

SHRI SONTOSH MOHAN DEV: He was the Campaigner for sticking of five minute schedule.

DR. T. SUBBARAMI REDDY: I am keeping a watch on the clock. At 8.00 o'clock, without your ringing the bell, I will sit down.

I wholeheartedly support the Finance Bill. I offer my heartfelt congratulations to the Finance Minister for having presented a very good Budget and also the Finance Bill. When he did not join the Cabinet, the Prime Minister in the presence of the entire House had invited him to join the Cabinet. It is perhaps a rare opportunity and a great honour to be given to a person for which he is very fortunate and I congratulate him for that.

In the last Budget the Finance Minister had provided for an Industrial Infrastructural Development Corporation which was supposedly meant to develop the infrastructural facilities for the new industries. On this occasion, I would like to point out that Visakhapatnam in Andhra Pradesh is the most populous industrial city where about Rs. 25,000 crore worth of industries are going to be established at an early date but it is suffering for lack of proper water facilities.

Without water the entire industrial progress of the country will be futile. This problem is going to assume serious proportions. Water is a very important input for industries. There is a project called Bhagirath which was started four years back. For want of money, the project could not be started and the water problem continues there. I urge upon the hon. Finance Minister to provide Rs. 250 crore through the Infrastructure Development Corporation, as a special case, for the Bhagirath water supply scheme at Visakhapatnam. If this is done, a lot of industries will be able to come up at that place. It will be a great event for the nation.

I would like to emphasise the recently occurred unprecedented cyclones suffered by the State of Andhra Pradesh. The damage caused by the cyclones is still being felt in the coastal areas of the State. I urge upon the Government and the Ministry of Finance to give special attention to the suffering people and give a special assistance for cyclone relief which could be used for repairing roads and providing infrastructural facilities for the villages which have suffered great losses.

I feel sorry to see the people who try to politicise everything. We all, irrespective of our political affiliations, must endeavour to build a great nation. If you want to remove poverty, if you want to remove frustration from the minds of the youth, if you want to remove unemployment in the country, the only answer solution is that you must try and increase the income of the people, you must build industries and you must ensure the growth and prosperity of the industry. The most important thing for that is to create a good atmosphere internally and externally. People should not laugh at us seeing at what is happening here.

We are suffering from red-tapism, scams, mutual disrespect and disbelief among people in this country.

We must stand together. Let us build this nation with a new philosophy. Let us not everyday talk of this scam or that scam. If somebody commits a mistake, let us punish him, let us take action against him but let us not generalise and say that everybody in the country is bad. This is what is happening in the country under FERA. One does not know which is a FERA case and what is FERA law. But we find that for the last one year people are being harassed in its name. We find that people are running for FERA cases. Why did it not happen previously, I do not understand. What is FERA law? Why should it come in the way of building the nation? People may think that we are supporting this FERA. I want a simplified law and it should bring in an atmosphere in which industries can be built in the country.

I heard that FERA is going to be modified. It is a very urgent necessity and it must be done. I understand that in place of FERA, FEMA is going to be enacted. That should be done as early as possible. Let us now remove the suspicion, confusion and frustration from the minds of the people. Let us create a good atmosphere to build this nation.

About raising the revenue, the Government can raise a lot of money through the Excise and Income Tax Departments. There are a lot of tax arrears pending in court cases. Why are these Departments not able to collect those arrears? It is because of the disputes. There are people who go to tribunals in appeal and when they go to court, it takes years for a final decision. The Government must create a special machinery through which they must clear the disputes and collect arrears and get more money for the exchequer.

The next point is the small scale industries. The Abid Hussain Committee has given a lot of recommendations. I am happy that 14 industries have been de-reserved based on that Committee recommendations but the other recommendations have not been considered. Small scale industries are the heart of the industry in the country. I suggest that Abid Hussain Committee's recommendations be examined once again so that the maximum possible assistance and encouragement is given to the small scale industries.

Lastly, nothing was provided for power in the last Budget. I am happy to find that in this Budget a provision of Rs. 900 crore has been made for power. This provision is not sufficient. If you want to build the nation power is the most important input for it. I urge upon the Minister to increase the allocation on power over and above the present Rs. 900 crore.

I am very happy that everybody in the country, the industry, employees, middle-class and lower middle-class people, and educated people are appreciating the Budget and the Finance Bill. Let us not criticise it because it is a democratic country and we can say anything. Even when somebody does a good thing, let us not say,

[Dr. T. Subbarami Reddy]

[Translation]

"That is bad and therefore, we oppose that.

20.00 hrs.

If somebody is doing good for the country, allow him to do so. If any Party wants to bring forward some reforms, allow that Party to bring forward the reforms. It is not necessary to oppose them.

On behalf of my great Congress Party, I give full support to this Finance Bill and I also congratulate Sri Chidambaram who had taken the trouble of minimising the tax burden. I am sure it will be a great inspiration, and stimulation to the people, who will definitely come forward and pay taxes.

SHRI BIR SINGH MAHATO (PURULIA): Madam, Chairperson, on behalf of my Party, I rise to support the Finance Bill. If we analyse the Budget, we find that there are some positive features. They are, continual high economic growth at the rate of 6.8 per cent, a strong recovery by the agricultural and allied sectors, increase in foodgrains production by 191 million tonnes, a 11 per cent growth in the manufacturing sector, and a sizeable build up in foreign exchange reserves.

There are also some negative aspects of the Budget. They are, a sharp drop in the domestic crude oil production, sluggish performance of power sector, and deceleration in the growth of exports.

Madam, lac is the cash crop in some of the tribal areas of West Bengal, Bihar, Maharashtra, and Gujarat. It brings some foreign exchange also. Some representatives of this lac industry met the Finance Minister. From this year onwards, the Government have imposed Excise Duty. I urge upon the Finance Minister to exempt lac industry from Excise Duty.

There are some non-industrial districts in some parts of the country. In the Budget proposals, we find that the Government have taken a decision to effect tax holiday on the production of mineral oils in the North-Eastern States. I also suggest to the Finance Minister that some tax holiday should be given as an incentive for introduction of some industries in the backward districts and non-industrial districts of West Bengal, and Bihar. These are my submissions.

[Translation]

SHRI BHAKTA CHARAN DAS (KALAHANDI): Mr. Chairman, Sir, I am not against the policy of liberalisation. The development of the people in the country is must but this aspect has not been given proper attention. In the Eight Five Year Plan attention has been paid towards the development of human beings. Everyone knows whether the development of the people has taken place or not. Every one knows that values of humanity have fallen.

Sir, it is essential to strengthen every section of society. Humanity in children and youths is must but there is no policy for the children and youths of the country. If there is any it is not being followed. No grant has been given for it in the budget. A provision of Rs. 125 crores has been made in the Ministry of Youth Affairs whether with this meagre amount the problem of 35 crores of youths in the country can be solved? The drop out rate in Primary Schools is 75 per cent whether any effort has been made to ascertain as to why the children are not going to Primary Schools? Here we talk about the agriculture landless labourers. We talk about dalits, harijans, adivasis, backward people, handicapped people and women. Several programmes have been made for them but whether we have been able to solve the problem of these people? Our Finance Minister has tried to pay attention on all these aspects in budget approach paper. As far as possible, it has been tried to prepare a good budget. Today there is regional imbalance in Chhatisgarh, Santhal Pargana, Chhota Nagpur areas also. There is famine in Kalahandi, Phulbani Sonpur, Nawapara areas of Western Orissa. What is the reason for all this. Thousands of people are dying of hunger. Why the mothers are selling their kids? The drinking water is not being made available there, why the irrigation arrangements are not being made there? A large number of rivers and rivulets merge with the water of sea in those valleys but why the arrangements are not made for providing drinking water to people by constructing dams on rivers. Human Rights Commission is writing. People are going to Supreme Court and High Courts. Supreme Court and High Courts are directing Union Government and State Governments. Even then the problem is not being solved. All the Prime Ministers, from Indira Gandhi to Rajiv Gandhi and V.P. Singh to Chandrasekhar have gone there and now Gujral Saheb also plan to go there. Whether any programme is not being made there even after the visits of Prime Minister and Ministers? There was famine in 1965-66 in which thousands of people died. Five thousand people have died from 1985 to 1990 and even today that area is reeling unless famine. The people are dying like insects and are fleeing their villages. Why no attention is being paid towards these questions?

Mr. Chairman, Sir, through you I would like to ask the Government as to how long this problem will remain in our country. To keep pace with other countries of the World we are going in for liberalisation but will not pay any attention towards infrastructural facilities. Here we talk of Tele-communication and T.V. Villagers don't know as to what is happening here in Parliament? Merits and demerits are being discussed here but how many people in villages have T.V. sets. It is limited only to cities. I would like to tell the Hon'ble Minister that laid budget paper is not sufficient. As such before proceeding further with other countries we will have to strengthen our country. I would urge upon the Minister to pay attention toward this.

Mr. Chairman, Sir, as I said about the children and now will say about youths, that unemployed youths get 20-25 thousand rupees as unemployment allowance in other countries. Atleast one thousand rupees must be given

to unemployed youths. Whether the Minister of Finance will do this? Whether our youths will remain unproductive? Whether we don't want to have any production? When I was the Minister of Youth Affairs I proposed to the then Minister of Finance that for the 'implementation of this programme rupees 1200 crores are required. That money has never been made available. Sometimes rupees 80 crores is given, sometimes rupees 100 crores and sometimes rupees 125 crores is given. Every party in this country uses the youths and everytime this slogan is given that youths will be made to proceed further for the development of the country. Today youths have no future and therefore they are frustrated. How will they develop their country? Therefore, I would like to demand that every unemployed youth of the country be provided allowances of rupees 1000, only then there will be some meaning of liberalisation and inviting foreign people. I request particularly to Minister of Finance on behalf of youths of India that youths be provided unemployment allowance. A lot of postmortem has been done on the backward areas of Orissa. Independent scheme should be made to solve the problem. KVK scheme was prepared during the tenure of Shri Narasimha Rao ji that has also been put under the carpet. No such scheme is being prepared and it is not being solved. Therefore, I request that it must end at some point. Many people used to say to us that you are not talking about the poverty, not talking about starvation. I would like to say that I whenever of tried to raise this issue, I was blamed that I was selling the poverty of India. People who were against me, the leaders of all parties who were against me, today they are trying to sell the poverty. I am trying to find a solution to this problem. I am constrained to say that we come here to fulfill the aspirations of the people and if we fail to do so, we have no right to be in Parliament or in legislative assemblies. Therefore, I request that the Government must to pay attention towards this.

SHRI SHYAM BEHARI MISHRA (BILHAUR): Hon'ble Chairman, I rise to oppose the Finance Bill. Although two third of the members of this House are opposing this, but some members have no other option but to support this Bill in first and the last sentence of their speech. In between their speech they are criticising and opposing it. They have some compulsions, some are helpless due to which they are saying their first and last sentence in support.

Madam, Chairman, the Budget and Finance Bill is the economic and social reflection of any country. Through this budget and Finance Bill the entire world is seeing the economic position of India. From whom it is collecting taxes, how taxes are being collected, what is the procedure and after that where it is being spent. In all these circumstances if we see the Finance Bill we hang our head in shame. I have heard the speech of Hon'ble Finance Minister on 28th. Yesterday I heard the speech about Finance Bill. In both of these speeches, he reiterated what he said on 22 July, 1996 that we are capable of forming the Government, he had indulged in self praise. I say that after the speech of on 28th he left his job and he came back after a lot of persuasion. After coming back on this post he said something on 28th in his speech that I have fulfilled all the

promises only are promise remains to be fulfilled. I think that he has not fulfilled even a single promise. Promises are not fulfilled by speeches. Promises are not fulfilled with mere talks, these are not fulfilled by writing on papers, they are not fulfilled by giving directions on papers. For fulfilling the promises we will have to go to the people. Today, in fact the benefits of schemes, Bills, Budget are not reaching the people. They have made three promises in Common Minimum Programme but not even a single promise has been fulfilled. They have promised to check the rising prices but there is no stability in prices. A promise has been made to encourage small and domestic industry but that has also not been fulfilled and in this Finance Bill they had promised but everything went totally against it. As such they have not fulfilled even a single promise and what should I say about the other promises. I can only say about promises that there are not to be kept. We will say that the excise duty has been raised by the United Front Government and the custom duty has been reduced at the behest of multinationals. This Finance Bill and the Budget has been prepared under the pressure of world Trade Organisation, GATT, Dunkle, World Bank, International Monetary Fund and that is why it is going against the interests of India. I would like to make a request to you that at present our Minister of State in the Finance Ministry is sitting here, he is also looking a bit sleepy. Our Finance Minister has gone somewhere. I would like to ask you that you have imposed service tax, that tax has been imposed on road transport. Why that tax is not imposed on rail transport. 40 to 45 percent of goods are carried through trains. Today you are imposing service tax on similar trade, competition. You had said something that we will provide corruption free clean administration. Whether this is the specimen of clean administration. There are 30 lakhs trucks operating in our country. 93 percent trucks are single operated. They have no offices, they are operating from their homes. 20 percent truck drivers are themselves drivers and you are imposing service tax on them. From where and how will they pay this tax and what will be the procedure of it. Excise department is responsible for recovering. Now that Excise Department will go to the houses of 30 lakh operators. Whether this is the way to abolish inspector raj in this country? Not only this, you have also imposed tax on 'Pandals' and 'Shamianas'. Today well to do families are performing the marriage of their daughter in Five Star Hotels. 80 percent farmers lives in villages and those are Jhuggis in villages. They need 'Pandals' and 'Shamianas' in marriages and you are imposing five percent service charges on them. You might be seeing it here in cities as 10 percent where big 'Pandals' are erected. You see in villages, where people live in Jhuggis, and they have 'Pandals' in marriages. Pandals are erected in the event of death in family and you are imposing service tax on that. You have betrayed in a big way. All the operators have gone on strike. You have also betrayed them. You have compromised with them that you will not recover from them. Then, whether you will recover from traders, whether you will recover from farmers, who are bringing their produce in markets by trucks. For the time being you have said that you are not implementing it. My request to Finance

[Shri Shyam Behari Mishra]

Minister is that you abolish the service charges imposed on road transport, pandals, shamianas, etc. There is no need to consider it. You have said that rules and regulations will be considered. There is no need to consider it, you simply to withdraw it.

You have included small traders in the matter of income tax. You have said that those who have sale of 40 lakhs can give five percent tax. After leaving five percent profit we should impose tax on it. It means that you are counting five percent as net profit. Are you giving them five percent profit. You are giving wheat to shopkeepers, retailers @ Rs. 447.50 and they are selling @ Rs. 450. It means rupees two and half per quintal. You are giving rice @ Rs. 595.50 and there are selling @ Rs. 600. You are giving sugar @ Rs. 1048 and they are selling @ Rs. 1050. You are giving kerosene @ Rs. 2.76 per litre and they are selling @ Rs. 2.80. But you are saying that if sale of 40 lakhs takes place, there, you presume five percent of profit. You are considering five percent profit as net profit whereas trader will have to pay freight, rent of shop, if he employs a labourer then he will have to pay wages under minimum wages Act, will have to pay interest on capital, will have to bear the burden of his efforts but you are considering 5 percent profit as net profit. I consider it as crime against traders because people who are in villages, have small shops. You have not taken their position into consideration. You tell, how much profit is being given by the Indian Oil—only 8 paise per litre but on the other hand in villages, where there are no petrol pumps. you have constructed outlets here, small shops have been opened, they are getting profit @ 25 paise on rupees 8.25.

Hence you even tried to see that where corruption will reach through this arrangement? Who will decide, whether one has income of five lakhs, ten lakhs or 15 lakhs. Who will make its assessment? The income tax officer will go to trader's house to determine tax. This will give rise to corruption. Have the Government ever tried to see what the income tax officer is doing there. Today if a trader goes to an income tax officer, the latter feels as if a dacoit has come to him. Therefore, no one goes to meet him. Have the Government ever tried to know why the incidents of manhandling are increasing in the raids of the enforcement department. There is a need to ponder over all these points and bring corruption to an end.

Excise duty is being imposed on retail prices of commodities. I fail to understand how excise duty can be levied on retail prices on the one hand one has to bear the transportation charges and other expenses will also be there on the other he has to put his labour. The Government are changing the structure of excise duty. Excise duty should be imposed on cost of production and not on retail prices. Excise duty has been imposed on various items. Potatoes grow in abundance in my constituency but it is lying useless in the fields. It is being sold at Rs. 3 per kg. in the market. There were some schemes to set up industries so as to give the farmers remunerative

prices for potatoes but the Government are imposing excise duty. The Government must reconsider this point.

A policy has been evolved to convert black money into white money voluntarily. My submission is that this money should be spent on providing potable water in villages. Although we are going to celebrate the 50th anniversary of our independence yet potable water is not available even today in quite a large number of villages. Last year three people died after consuming contaminated water in my constituency. Potable water was not available in their village. Potable water is not available even today in quite a large number of blocks. Last time pictures of some women carrying water pots on their heads two pots by their two arms had appeared in Dharmayug and Saptahik Hindustan. One can come across such a scenario in my constituency. Therefore, money earned from voluntary disclosure scheme should be spent on providing potable water, on the spread of education, on health schemes and on construction of roads in villages.

The Government are providing houses to people under the Employment Guarantee Scheme, Indira Awas Yojana and Weaker Section Awas Yojana. These schemes should not be run merely on paper and these cannot be implemented by issuing directions. There is a need to implement these properly since today funds of almost all schemes are misused. We will have to stop their misuse. Under the Indira Awas Yojana houses are being allotted after taking 2 to 5 thousand rupees. Attention should be paid towards it.

I had many points to draw Government's attention but due to paucity of time I would like to submit again that all the schemes should be implemented properly so that poverty and unemployment can be eradicated. Schemes should be evolved for the welfare of the poor and to eradicate unemployment. Today the poor is suffering. Though the Government talks about the poor and the exploited society which are the scheme that has been included in this Finance Bill for them. There is nothing in it for them. Therefore, I am opposing the Finance Bill. I urge the Government to withdraw service tax and reconsider income tax. It should provide a clean and corruption free administration to the country.

[English]

SHRI UDAYSINGRAO GAIKWAD (KOLHAPUR): Madam Chairperson, I rise to support the Finance Bill which has been presented by the hon. Finance Minister. After he presented the Finance Bill to the Parliament, a number of political changes took place. We faced a lot of uncertainties. At one time, we were afraid that the Parliament may be dissolved and we will go back to our constituencies. But, fortunately the differences have been patched up and now after a gap of two months, hon. Shri Chidambaram, the Union Finance Minister who has presented the Budget is back in the saddle again.

This is a unique Budget and for the first time he has



got congratulations from every quarter—industrialists, businessmen, academicians, consultants and also from the housewives. It is very difficult to receive such a unanimous appreciation from all quarters. I must congratulate him again.

A number of our colleagues have spoken about the Budget and the Finance Bill. But I would like to speak only on one aspect which appears to be rather neglected in the Budget, that is various problems and difficulties faced by the small scale sector.

The Expert Committee on small enterprises was constituted by the earlier Government under the chairmanship of Shri Abid Hussain. Their report has been presented to the Government in the month of January, 1997. All of us those who are concerned with the small enterprises' growth in our country were expecting a comprehensive statement of the decisions taken by the Central Government of the recommendations of the said Committee. We were also expecting that the report of the Committee would be made available to the public and there will be a public debate in the country on the recommendations of the said Committee. None of this happened. One fine morning, in accordance with the recommendations of the Committee, the Government had taken a decision to raise the investment ceiling for small scale units from Rs. 60 lakh to Rs. 3 crore. The Government has also decided to reduce the 75 per cent export obligation for production of reserved items by non-small scale units organised sector to 50 per cent. The main thrust of this argument of the Government for this decision was that the technological upgradation in the small sector was possible only by hiking the investment limit. The Government, however, has conveniently closed its eyes to the other facts.

First of all, with the enhancement in the investment limit, the medium scale units have become small units. The medium scale units will now manufacture the items reserved for the small sector. Secondly, after having become small units, the medium scale units are now eligible for priority sector credit. At present, about 95 per cent of the small units are having investments in Plant and Machinery to the tune of Rs. 5 lakh and below which are known as tiny units. The consequences of the above measures is that the bigger units will benefit by way of producing the reserved items and also such units will corner the lion's share of priority sector credit leaving the small and tiny units to starve of funds.

Already the flow of credit to the small scale and tiny units is extremely low against the stipulation of the Nayak Committee whose report was accepted by the Government of India and the Reserve Bank of India. The Committee recommended that the credit should be extended to the small and tiny sector on the basis of 20 per cent turnover. Whereas, at present the tiny sector is extended only 2.7 per cent credit and the small sector is extended only 8.1 per cent.

I strongly suggest that the priority sector lending should be fully directed towards the tiny sector and there should

be no insistence for collateral security which is being always insisted upon by the banks and financial institutions. Further, the announcement of tiny sector policy has been pending despite Government's promise to this effect made on the floor of the Lok Sabha in July, 1991. The announcement should be made without any further delay.

In the beginning, the non-SSI units had to earmark 90 per cent for exports which was made to 75 per cent later and now it has been fixed at 50 per cent. This decision has facilitated back-door entry of medium, large and large units into the reserved realm of the small sector. The non-SSI units can now sell the balance of 50 per cent produce in the domestic market which will blunt the competitive edge of the small and tiny units as these units are operating with slender resources resulting in ousting them from the arena.

The reservation policy, I may state, was not formulated as a measure of protection alone, but for other factors such as provision of employment opportunities, development of industrial activities in the backward and rural areas, utilisation of local raw materials and restraining migration of labour. Further the small and tiny sector, at present, produces about 8,000 items. The reservation list, whereas, contains only 836 items, that is, the reservation covers only 10 per cent of the items produced in the SSI sector. Therefore, I plead that the reservation policy should always form a component of the industrial policies of the Government and the dereservation should not be resorted to.

Right now, dereservation has been indirectly effected by the Government by enhancing the SSI investment limit and reducing export obligation for non-small scale units. The 20th Report of the Sixth Lok Sabha stresses that the Government must resist the pressure to open up areas currently reserved for the SSI sector. It further states that penal measures should be straightway enforced including summary expulsion of the units who have made their entry into the SSI sector through irregular means.

As regards dereservation, the Government, in a great hurry, has announced a list of 14 industries which have been dereserved from the SSI sector. Announcement was made by the Finance Minister to this effect and the notification has been issued on April 1, the day after the Congress (I) withdrew its support. I do not know what was such a great hurry in implementing this suggestion even before this proposal was passed by Parliament. Even now, Parliament has not given its approval of this dereservation scheme.

One of the argument for raising the investment of SSI sector was enhancement of rupee value cost by inflation and devaluation. According to the same analogy, then the exemption limit for levy of central excise should have been adequately raised.

The initial exemption for central excise levy of Rs. 30 lakhs is the same for the last more than 10 years despite inflation and manifold cost escalations. The Government is also inconsistent in accepting the recommendations of

[Shri Udaysingrao Gaikwad]

Abid Hussain Committee. I have a feeling that it has worked under the pressure of large scale units and has raised investment limit of SSI units of Rs. Three crore. Similarly, it has not raised exemption of central excise to Rs. 50 lakhs.

The Abid Hussain Committee had also recommended for the total turnover limit of Rs. 3 crore. It had also recommended the restoration of excise exemption for branded goods. Unfortunately, none of these recommendations has been accepted by the United Front Government. On the contrary, a so-called simple SSI scheme was announced and a notification was issued on April 1 in a great hurry after the collapse of the Government.

Moreover, the Report of the Committee had not been made available to the public. The apex body of the small scale industries, viz., FASII has not been consulted while doing all this exercise for small scale units. I still feel that only the wearer knows where the shoe pinches. This apex body should be consulted on these matters.

As regards finance for SSI sector, because of the present RBI policy of freezing interest rates by banks, the rates have reached dizzy heights. The bank finance or for that matter the SIDBI finance is available at more than 20 per cent rate of interest. The SSI units can hardly afford such high cost of funds. The limit of Rs. 2 lakh for providing concessional rate of interest be raised to at least Rs. 10 lakh and there should be an upper limit on the rate of interest by banks. Madam, this is about the small scale industry and I hope that the Government will take into consideration whatever suggestions I have made.

Madam, I would like to take one more point which is of vital importance for my constituency and for six districts of Kolhapur. I will conclude within a minute or two. There are six districts, viz., Sangli, Satara, Sholapur, Kolhapur, Ratnagiri and Sindhu Durg. All these districts are going on agitation to have a High Court Bench of Bombay at Kolhapur. I have raised this question on the floor of the House so many times. An assurance was also given that the Central Government will consider this proposal provided the Government of Maharashtra sent the proposal to us. The thing is that Kolhapur is an historical place. Obviously when it was a State, we had a High Court and a Supreme Court also. The persons like Lokmanya Tilak and Gokhaleji used to appear before these court. Naturally lakhs of cases are pending. This is what our Minister of Law has suggested the other day. There are many cases pending in Maharashtra High Court also. That is why we are demanding this High Court Bench at Kolhapur. A delegation has already met the Minister who is from Goa.

[Translation]

SHRI BACHI SINGH RAWAT 'BACHDA' (ALMORA): Madam Chairperson, I rise to oppose the Finance Bill. Yesterday, our main speaker and our leader Dr. Murli Manohar Joshi expressed his views. Associating myself with the speakers who have expressed their views today, I would like to draw the attention of the hon. Finance

Minister towards a few points.

There is scarcity of industries in Uttranchal area. At present there are magnesite industry, paper industry and drugs industry. The reduction in excise duty and increase in customs duty has badly affected these industries. They cannot compete anywhere. Today the new items of income tax, excise and service tax have been included in the Finance Bill. On the one hand the Government expects that revenue should increase but unless the fiscal deficit and the increasing expenses of the Government are brought under control, the people will not get benefit of the whole exercise on this Budget. There is a magnesite industry in Pithoragarh in my constituency. The magnesite industry in Almora is on the verge of closure since the imported magnesite is cheaper. I made a mention to this effect many times in the House. It was expected that some positive efforts would be made but no such effort has been made. As a result thereof our indigenous industry and the people who are employed in these industries are going to be ruined.

I would like to take up another issue. A lot of things have been said about Uttrakhand State and yesterday and day before yesterday the hon. Home Minister said that it would not be taken up in this session. I would like to inform the House and the entire nation through this House that even the initial action to obtain the approval of the hon. President has not been taken and we know very well that the present Government is not at all sincere to from Uttranchal or the Uttrachal State. They are playing with the sentiment of the people. This issue does not come to an end here. A separate State has to be formed but till such time the State is formed its economic development is the responsibility of the Central Government. We welcome the announcements of the present Prime Minister and the former Prime Minister. These measures are necessary for Jammu and Kashmir since it has been a disturbed area. Similarly special packages were given to the North-Eastern States. Do the Government expect that the people in Uttranchal and Uttrakhand State should also embrace terrorism and it should be a disturbed area. Because today the criteria is that the areas which have made progress and where the pre-capita income is higher, receive more assistance or the States which have taken recourse to terrorism, are receiving special packages so that they are pacified and remain quiet. The third measure is that the States which have political dominance both inside the House and the Government, are given priority. What is the reason that no package has been announced by this United Front Government for Uttrakhand area. A lot has been spoken about the Common Minimum Programme. Do the Government follow the Common Minimum Programme?

I was going through a reference that the BIFR would be reconstitute. Besides, I also come to know that the act would be amended and the industries which are being declared sick in the country and are being closed down would revived. No programme has been made in this regard. All the earlier speakers said that Multinationals

should come. There is no need to go into its details. I would like to cite an example in this regard. There was an enterprise called the Saraswati Woolen Mills Private Limited in my constituency and Sodhi Woolen Mill was set up in my home town Ranikhet. All the looms were working properly. These mills were closed on the orders of the BIFR. It was the first and only industry of that hill area with a capital involvement of Rs. 50 lakh at the height of 5 thousand feet. Even after my personal request to the hon. Finance Minister and writing many letters for the last eight months, I could not get an appointment with him. It would be raised by some other way in the House. But will our duty come to an end by merely collecting revenue and providing facilities to some sections.

A very good issue was raised. The problem of foodgrain is coming up. The Government talked about social justice to the public distribution system working smoothly? There is a need to make introspections in this regard. If it is said that the Government bear a burden of Rs. 8000 crore on food subsidy. Then where is the mill? Today people in Almora and Pithoragarh districts which are predominantly inhabited by scheduled castes and people in the border areas are not getting two to one kg. of wheat. Rice is not at all available. The Government made an announcement to supply wheat and rice at subsidised rates be given under the Employment Guarantee Scheme and Employment Assurance Scheme and supply wheat or rice supplied in mid-day meals. Instead of making such announcements the Government should think how to increase the purchasing power of the people. Why employment is not generated to people? The poor should get wheat and rice at subsidised rates. There should be a uniform rate. Today there are four rates. Besides blackmarketing it is due to bureaucracy that the development of our area has stopped. Merely saying that Uttaranchal would be given the statehood or there would be separate State will not serve any purpose.

The issue of IDPL was raised here. These units have been manufacturing life saving drugs. The present Government have turned their eyes from the entire public sector undertakings situated in Gurgaon, Hyderabad and other places. Four thousand units were working on it in the hill areas and the Uttrakhand area. They have been lying closed since October.

B.I.F.R. had submitted its recommendations to the Government for implementing them so as to accrue some benefit therefrom but, the Government have not taken any action so far in this regard. There is an important issue from which it appeared that concession is being given on customs duty for conservation of forest and any customs duty will not be imposed on the wooden pulp being imported from abroad. I would like to ask whether fire wood is not available for use in hilly area because due to implementation of Forest Conservation Act as per the decision of Supreme Court, now is it practical to import fire wood or timber? I think it is not practical. We will have to make special efforts in this regard.

My request is that we should achieve cent percent literacy rate in the hilly areas. Their aspirations are also high. But the per-capita income of the hilly areas in the entire country is very low. At that time a drive had been launched to provide wheat and rice to the people of the hilly areas. So, foodgrains must be supplied in these areas as a special package to meet the shortage of foodgrains. If a situation of drought prevails there, then the Union Government will be responsible for this. A package was given to Kashmir and North Eastern States and the entire country had welcomed this move, but not a single penny has been provided to Uttaranchal region. Rs. 225 crores has been provisioned for the Five years scheme and no Central assistance has been provided. I would like to request the Finance Minister to make a provision in this regard. Adequate arrangements for potable water, road and electricity should be made in these areas and it should be brought into the main stream of the country so that the unity and integrity of the country remains intact. The people of Uttarakhand have self-respect and they have full faith and confidence in the constitution so, I would like to assure that they will wait patiently for positive results in future. I would like that the Union Government should respond to it. The Government should take some initiative on its own in this regard. The Government have played cards of Uttarakhand state but it will not go for long. With these words I strongly oppose the Finance Bill presented by the Finance Minister.

[English]

PROF. P.J. KURIEN (MAVELIKARA): Madam Chairperson, I thank you very much for giving me the opportunity to speak. I am raising a matter which is very important for the marginal rubber growers of Kerala who sell the product called latex which is very much essential for the manufacture of rubber foam by small scale industries. But unfortunately many of the small scale industries are facing serious crisis and they are almost crippled due to the reduction levy of import duty on a substance called polyonithane, the duty on which have been reduced from 85 per cent to 30 per cent over the last five years.

This year also, there was a reduction of ten per cent. Because the import duty on these raw-materials is reduced, the artificial foam that is made becomes available at cheaper rates. Therefore, the rubber foams which are made of natural rubber cannot compete with them. Hence, a number of these units, which are small-scale units, are closed.

Madam, I am making a very important point. Therefore, today there are no buyers for the rubber milk which the small growers are producing. This has created a very serious situation. So, I am only asking the Government of India that if they cannot increase the import duty on the raw-materials which I have mentioned, at least reduce the excise duty on the products which are made of natural rubber so that the small growers and the small-scale industries are saved. I am requesting the Minister of State for Finance because the hon. Finance Minister is not here.

[Prof. P.J. Kurien]

Morning also, I raised it during the Zero Hour. I would request you to convey it to Finance Minister. I am only pleading for the cause of these growers and the small-scale industries. I am not lobbying for others. Yesterday, maybe by way of making an off-the-cuff remarks, the Finance Minister said that I am lobbying for others. In fact, the stand taken by the Government is helping the big industries. If what I am saying is implemented, that will help the small industries and the growers. I do not want to say anything more because I will say on the rest of the things in my personal explanation. I have a personal explanation to make tomorrow. I will say other things at that time.

Then, I want to make two more sentences only. After that, I will finish my speech. One is that the philosophy of the Budget equating the honest tax-payers and the dishonest is not correct. The dishonest who own black money should be asked to pay a penalty for keeping the black money.

My second sentence is, as my friend has already said, the small-scale industry is the backbone of our industry. Forty per cent of our products are from the small-scale industries. Please do not continue with the policy of de-reservation. The small-scale industries should be protected.

With these words, I support the Budget and I take my seat. Thank you for calling me to speak.

[Translation]

SHRI VIJAY KUMAR KHANDELWAL (BETUL): Madam Chairperson, I stand to oppose the Bill. This Bill has been brought to gain cheap popularity. On the day the budget was declared, the same day, in the evening some people praised the budget because some tax rebate was given, the prices of T.V. and refrigerators have come down and the industry and trade got what they wanted and they even didn't mind when some of their demands were not met in the budget. I would like to draw your attention towards the fact that the Government have given an assurance that whatever be the convertibility on entire capital account, they will also contemplate on it in future. Thus, some facilities have been provided to some people. But, the people who were supposed to get some benefit, didn't get anything from this Budget. There is a shortage of eatable items, potable water, medicines and roads in the villages. There are no employment opportunities. This budget would have been meaningful had these people, who comprise 80 percent of the population benefited there from. This budget has been announced for Industry and Trade Sector and efforts have been made to facilitate them whose population is merely 15-20 crores.

No provision has been made in this budget for 80 crores people who need some facilities. I would like to tell you that the situation is so grave that 16 percent population earns Rs. three per day, 18 percent population earns Rs. five per day, 40 percent population earns Rs. 2444, which comes to Rs. Seven per day. 73 percent population earns less than Rs. Seven per day. If I say so any foreign media

or any other agency says this then don't believe it. But it is a fact and this is one of the samples of the survey conducted by National Council of Allied Research. Today the fund is not directly provided to the village it is provided through the brokers and middle men and a large portion of that amount does not reach the poor. If we look at the budget, we will find that the revenue tax is four times higher than the capital tax. If I draw your attention towards some provisions of this budget, then you will find that these are false announcements. I would like to tell you about a particular announcement. A provision has been made for village wherein it is announced that help would be extended to the poor for construction of houses costing upto Rs. two lakhs. Only those people can think of constructing a house in the village costing Rs. two lakhs, who owns a land of his own. When he owns a land then he won't need any house in the village. Hence, the houses are constructed only for some moneylenders trade merchants, capitalists and contractors. The person who needs a house will not get one in the village.

32-33 percent of the population is living below the poverty line. Our Finance Minister, by making announcement for constructions of houses costing Rs. two lakh, want to create an impression that they want to provide facilities to the poor. A provision has been made in the budget to provide food stock to the poor people at low price and subsidy will also be given. The people living below the poverty line can get ten Kg. of food stock. But, this is also a hollow announcement. The people who are really in need of the food stock do not get it. These people don't have purchasing power. I would like to give an example of my Parliamentary Constituency in this regard. According to the Government data, one and half lakh people live below the poverty line. There is a village called Chaandu and Palsia where people eat Bhamori and Chirote vegetable they say that they do not have a capacity to purchase the produce available at the shops. They do not have work and money so they want employment instead of cheap produce. On hundred and fifty people died there due to shortage of water during the last year and 100 people died one year before the last year. When they do not have power to purchase food stuff then what will be the position after the food stock reaches the shop/village. As far as Public Distribution system is concerned, they don't want sugar instead they want work so that they can earn and purchase the produce from the market. The shops always remain closed. These people do not have money and all the items of the shop go into blackmarket. So, this ten kilo produce will not reach in the hands of the targeted people. As on date, the Government have made announcement that the produce will be provided in market at half the rate of Rs. ten. Had these people got the rate of the produce at that time when the announcement was made then the produce would have been available at Rs. three as food stuff was available at the rate of Rs. 6 at that time wheat costing Rs. 760 is likely to reach there under Public Distribution System.

21.00 hrs.

After expenses are added it will cost more than Rs.



800. If food stuff will be given at the rate of Rs. 400 then, these poor people do not want it instead they want work, if they earn 40 rupees wages then they will purchase Jawar and Maize from the market. Is this scheme meant for this purpose? This is a fraud scheme. As a result, the targetted people will not benefit from it and all these items will be sold in black market so, importance should be given to employment. These development things have been said out of compulsion. Heavy cuts have been imposed in works relating to development and Infrastructure as a result, the development schemes have been directly affected. I would like to draw your attention towards those areas, where cuts have been affected. These areas include departments such as animal husbandry, irrigation, flood control, rural development, fertilizers, civil aviation, industrial development, heavy industry, petroleum, textiles industry and atomic energy. Besides, a cut of Rs. 1397 crores has been made in the subsidy being given to the State Government. Similarly, Rs. 60 crores has been cut from the current budget of animal husbandry department is comparison to 1996-97 and Rs. 925 crores has been cut in Water Resources Ministry. Today, people say that it would be better if they get water for cultivation. The owner of five acres of land says that he will get water. The people do not need facilities we do not talk about subsidy also. In our State, subsidy is given on electricity but the Government raise slogan that the electricity would be provided free of cost. When we talk to the people they say that what purpose does supply of electricity at free of cost will serve when in rcal sense we do not get electricity and then what will we produce? They are ready to pay Rs. 500 to 700 for providing electricity. A cut of Rs. 925 crores has been made in water Resources Ministry Rs. 16 crores has been reduced in textile Industry's budget during current year in comparison to last year. Similarly, a cut has been made to the tune of Rs. 942 crore in fertilizers, Rs. 1668 crores in civil aviation, Rs. 54 crores in atomic energy, Rs. 626 crores in Industry and Minerals, Rs. 70 crores in heavy Industry and Rs. 240 crores in petroleum products. Not a single paisa has been raised under rural development head. The Government boast about rural development and says that they want to eradicate the poverty let us see what allotment has been made. In 1996-97 Rs. 2195 crores ...*(Interruptions)*

[English]

MR. CHAIRMAN: This point has been repeated by many. Therefore, Kindly do not go into the details.

[Translation]

SHRI VIJAY KUMAR KHANDELWAL: A provision for Rs. 1154 crores was made under 'Indira Vikas Yojna' during the last year and 11 lakh houses were to be constructed during that period. This year, only seven lakh houses have to be constructed. It we go to each block we don't find even two houses constructed. As a result people quarrel among themselves in the village. What's the use of such a scheme? The Government have formulated Employment Guarantee Scheme and Employment Assurance Scheme

under which the Government have given guarantee to provide work for 100 days. Under both the schemes, some financial provision has been made during the current year as was during the last year. Last year, Rs. 1970 crores had been provided under Employment Guarantee Scheme and the same amount has been provided during the current year. I would like to give an example of my district where one and half lakh people need work and 15 lakh mandays are required for this. If wages are paid at the rate of Rs. 40 then we need Rs. 60 crores for the said purpose. But a mere Rs. five to six crores are being provided. Then what's the use of giving wrong figures.

I would like to say something about individual tax. 35 percent tax has been fixed for Partnership Firm. Earlier, 40 percent tax was fixed for it. The tax applied in case of individual should also be applied on partnership firm. 30 percent tax should be fixed in this regard. The Capital Gains tax was fixed at 20 percent during the last budget and it was said that capital gains tax would be collected at the rate of lower tax. The capital gains tax has been fixed at 20 percent during the current year whereas the lower tax has come to 10 percent.

The biggest blunder on part of the Government is that the Government wants to impose tax at the rate of five percent through 44 A(F). The Government may not be aware that a trader cannot show and charge profit more than 2-4 percent. If he does, then he will be prosecuted under the Essantial Commodities Act. Yesterday, the Finance Minister has made an announcement that the Government will give rebate in salary interest. If it is so, then every individual will have to meet Income tax officer along with the documents to get rebate in salary interest. It means to make it cheaper and good, the tax should be reduced from 5 percent to 2 percent.

Madam Chairperson, I would like to tell one more thing that there is a clubbing provision under section 64 where in the income of a minor is clubbed with that of father-mother. As per the Tax Expert Committee Group's report if a minor gets a gift, It should be deleted from the clubbing tax provision. It seems that the Government wants to increase the savings. A person can pay a premium of Rs. One Lakh in LIC under Income tax and he can deposit Rs. One lakh in N.S.C. but he can't deposit more than Rs. 60 thousands in his provident fund, why? Rebate should be given upto Rs. 12 thousand but why this restriction on deposit of money? When as per the report all the proposals are upto Rs. One lakh, then it should be deducted from income but it should not be collected as structural tax. Revision of tax also takes place. A person with a wife and two children can open three accounts and the person who do not have children can't open three accounts. He can deposit Rs. 60 thousands, he is getting rebate on Rs. 12 thousands then why deposit of money in provident fund has been restricted to Rs. 60 thousands? On one hand the Government wants heavy savings and earnings and on the other hand there is no restriction on savings in N.S.C. and L.I.C. One more thing is that there is a lacunae in the Act. It should be out of the purview

[Shri Vijay Kumar Khandelwal]

of income. As per your assessment if the amount is deposited within one month, then it will be rejected. Shall we wait till 31st March? This should be deleted and an amendment should be made therein.

With these words while concluding my speech, I oppose this Finance Bill.

SHRI P. NAMGYAL (LADAKH): Madam, Chairperson, I thank you for giving me time. I would speak on some points. At first this budget appeared good but when I read it at home it appeared to me that it is politically motivated and I did not find much in it for the development of rural sector and power sector and for the advancement of the people living in backward areas and particularly in hilly areas and Tribal areas. But yesterday when he moved the finance bill, he also made some improvement in it. He reduced the excise and custom duties worth 111 crore rupees. Similarly he gave budgetary support of 900 crore of Rupees in power sector. It is good and we welcome it and the paucity of funds would be removed to some extent but it would not be to the desired extent.

Madam Chairperson, I want to say one or two things in this regard. There is the need of paying head towards rural development. I don't want to go in statistics because there is not much time. In my view, when the Minister would reply finally tomorrow he would give some relief to this sector also keeping in view for views of the hon'ble members.

So far as power is concerned a provisions of Rs. 900 crore has been made. Out of this Rs. 200 crore have been allocated for improvement of State Electricity Boards. I think that amount is inadequate for this purpose. All the State Electricity Boards have been incurring losses and particularly in Jammu-Kashmir, there is the world record of power leakages. It is more than 48 per cent. Some of it would go. It would all go in rent. But unless two centre intervenes in it, they will continue to be red. Finance Ministers should look into it. He would certainly provide Rs. 200 crore for it and alongwith it these are non-conventional energy sources including hydroelectric source which is very important for hilly and tribal areas, for which you have provided 700 crores rupees but it is for big hydel project. There is no transmission facility in hilly areas to get power from national grid. We have to depend on local resources. We can produce electricity from diesel there but that will be very expensive and the hon. Minister has said that the government is going to increase the prices of oil. In my view we should not give priority to Diesel. We have other resources also. Micro hydroelectric Schemes may be set up but I don't know about the share of non-conventional energy sector in thus allocation of Rs. 900 crores for the power sector. If you really care for the people living in tribal and hilly areas, there is the need to pay more attention towards it.

My second point is about solar energy but for this initially we have to spend a lot on solar energy. But once a solar unit is set up it goes on working. The first solar energy village, S.O.S. Children Village, was set up in Leh

under my constituency. That was in early Eighties. It has been working without trouble since then.

We have 300 sunny days in Ladakh Sector and same is the situation in Rajasthan also. So there is the need of paying full attention to such areas. My friend, Shri Chaman Lal Gupta, who is not present here, has stated that the area of my Constituency is about one lac square kilometer which is equal to twice the area of Himachal Pradesh. The population of my Constituency is quite less and scattered, therefore power can not be supplied there through transmission because it is very expensive. Small solar units can be useful there. We have got a scheme in this respect. But we are not getting funds for the same. An annual provision of 50 or 100 units under non-conventional energy sources is not going to solve the difficulties of my region. I want that you should give more priority to my Constituency which require the attention of all the engineers and scientists. I would like to draw your attention to Geo Thermal Energy. There are many hot springs in my Constituency and about 30 Megawatt electricity can be generated from each hot spring. In Tibet geo-thermal power has been generated since early 80 and we have G.S.I. and one other department, the name of which I am skipping, in which about three crore rupees have been spent and so far no result has been achieved by it. Only yesterday, in reply to my question, it was stated that we are starting Poultry Farming there and constructing Green Houses. I said that it is a mockery we don't require Poultry Farming, we don't require Green Houses. We require power because hydel projects would not be successful there. The temperature goes very low during winter there. So geo-farming can go on during winter also and a lot of power can be generated there. Therefore, I request the Minister to look into it.

The other point is about main produce. The local pashmina is not being utilised because there is no buyer of this product and almost entire pashmina available there is being smuggled through the borders of Nepal, UP and Himachal Pradesh. Earlier, Pashmina of Kashmir and Laddakh used to be purchased and used by the small industry of Kashmir but now not even one kilogram of it is being taken by them. In my view custom department is under Ministry of Finance. What the department of custom is doing. Leave aside Pashmina. Shahtoosh which is fine antelope wool and an internationally banned product is selling like hot cake in my region at a price of Rs. 25 to 30 thousand per k.g. There is nobody to check it. I request the Government to take care of this.

At last I would like to say something about income tax. Though I had spoken a lot in regard to providing exemption in Income tax, while speaking on income tax amendment bill. The Minister of Finance speaks good English and perhaps he does not understand our Hindi, but we cannot speak English like him. Now you can call it Communication gap or something else but we failed to convince him and he is not prepared to listen us. I would like to request him once more in this respect. The 90 percent population of Laddakh is tribal. Income tax exemp-

tion should be given the tribals of Laddakh as it is given to the tribals of North Eastern States. I am not pleading the case of traders who have come from outside. Collect income tax from them, but some concessions should be given to the local people of Laddakh as are given to other tribals. The total population of Laddakh is about two lacs.

Last time, two years ago I did not receive the answer of one question because the Ministry had no record but in the previous year to that year income tax of Rs. 38000 was collected from Laddakh, in the earlier to that year income tax of Rs. 50,000 and in the previous to that year Rs. 40000 were collected when I asked for the record, I was given these figures of the three years. You can imagine from it that on the one hand, the Government have given concessions of Lakhs and crores of rupees for the high income group, on the other hand you have not given exemption for the people who give only 30-40 or 50 thousand rupees. We have been demarking it for quite sometime.

It is our bad luck that often a long agitation, Laddakh was accorded the status of tribal State in the year 1989. There was the Congress Government in Centre at that time but we were defeated in elections after that when Janata Dal came in power it exempted the Laddakhis from income tax. It is beyond my understanding that on the one hand you talk of giving facilities to the tribals and we have been accorded this status but on the other hand you imposed income tax on us. It is sheer injustice. I request you to convince the Minister of Finance, you are not likely to get anything from there. I am not against collecting tax from non-Laddakhi traders, big businessmen, who earn a lot, but income tax should not be collected from the local people of Laddakh and it is only since last 2-3 years that they have been able to earn some money with the development of tourism in our region. In this situation, imposition of income tax on them will be a source of harassment. This should be checked at the earliest.

With these words, I support the budget presented by Chidambaramji, but I request you to reconsider the issue of collecting tax from the local people of Laddakh. I welcome the announcement made by you yesterday. You have given many concessions in that such as, for non-conventional energy, particularly you have reduced the excise duty on silicon from 13 percent to 8 percent.

Madam Chairperson, Sir it is a good step. I welcome if Silicon chips are used in manufacturing Solar Panel. Reducing the excise duty on it would promote the non-conventional energy by which the country would be benefited.

Similarly, the rate of tax on Juice and other non-alcoholic beverages has been reduced from 18 percent to 8 percent when is also a welcome step. It would benefit the people of Jammu-Kashmir which is a fruit growing state. You have increased the duty on almond which is also a welcome step as it will boost the local produce and keep a check as the sale of almond coming in from other areas

which sells at a cheaper rate in the local market and too price of local produce, which is comparatively on the higher side, is not received well in the market your step would check it. Madam Chairperson, with these words. I conclude my speech and thank you for giving me an opportunity to speak

VAIDYA DAU DAYAL JOSHI (KOTA): Hon'ble Madam Chairperson, I rise to oppose this finance bill because it is mere a budget stunt. It is mere juggling of figures. Madam Chairperson, you know maximum number of amendments have been brought in the finance bill this time. People did not understand this budget earlier. Therefore they expressed happiness. Many leaders praised it. Even CPI (M) leader Shri Som Nath Chatterjee also praised it, but when he understood it, he also opposed it and yesterday Shri Nirmal Kanti Chatterjee also opposed it.

Madam Chairperson, as the Minister of Finance is not present here and his associates are here, I would like to know something from them about budget. Is it not true that this budget is meant for pleasing some people, for giving benefits only to few persons and it would create problem for most of the people? Whether it is not a fact that it is not realistic budget and is based on imaginary figures and wrong expectations? Will the pace of infrastructural development not become slow and rate of inflation not rise by this budget? Is it not a fact that infrastructural development of the country has been left to the mercy of private sector and as a result of it this development would be costly. Whether correct direction would be given to long term system by this budget? Whether it will be possible to check the recession in industries. Whether budget deficit would be reduced by it? Whether adequate funds have been provided for agricultural sector? Whether it would save the Capital market from fluctuations? The main reason of industrial recession in revenue deficit. Increase in revenue expenditure brings recession in industries. Have you considered it seriously? Due to cut in direct taxes, budgetary deficit would further increase in the next year and it would go on increasing every year no thought has been given to it as how to reduce this budgetary deficit. The budgetary deficit has been increasing regularly each year.

Madam Chairperson, yesterday also the hon. Finance Minister had declared rebate in taxes, if we go through the data then from where would you arrange such a huge amount? It means that the budget deficit would go on increasing. Would not the country reach the condition of bankruptcy due to it? My submission is that you have not allocated sufficient amount for health facility. My submission is that malaria has attacked the country again after 50 years. T.B. and Hapatitis-B have attacked again after 50 years and AIDS is spreading and other diseases have been spreading. The Government should make available sufficient amount for having a check on these but no attention has been paid towards it. My submission is that the Government must introduce health care through Ayurvedic System of Medicine but merely 25 crore rupees have been allocated for 5 pathies and epidemics are spreading as a

[Vaidya Dau Dayal Joshi]

result thereof. Diseases hazardous for mankind have been coming up. Has any provision been made in the budget for the prevention of these diseases? My submission is that you must control market prices. You must reply why Mahatma Gandhi did the Dandi March and opposed the tax on salt? At what price it is being sold today? The hon. Minister might not be knowing since he does not have to go to the market. Where salt is produced, it is purchased at the rate of 25 paise per kilogram from there. The salt of 25 paise is sold later on at the rate of 2.50 rupees per kilogram. Likewise it is being sold at the rate of Rs. 4.50 per kilogram in the name of iodised salt. An important item like salt is being sold at this price. At least control it. At least determine the cost of production of the products and that product should be sold on the basis of the certain limit of Profit on that. It is not bothered at all.

My submission is that mid day meal scheme has been running for the last many years, no proper arrangements have been made for that in this budget. The mid day meal scheme in the schools has been withdrawn. In this condition the other thing which is being taken up is this that the foodgrain would be provided at cheaper rates. I would like to know from the hon. Members in this House if any poor person in any village gets a small quantity of sugar from the fair price shop. Where is kerosene available at cheaper rates? Just now Gupta ji was saying that kerosene oil is available at the rate of rupees 2.50 per bottle but it is being sold in the market at the rate of 15 to 20 rupees per bottle. When the public distribution system has totally failed. I fail to understand how would you make available wheat and rice to the poor at cheaper rates. When the hon. Minister replies he should make it clear as to how the foodgrains would be made available to the poor at cheaper rates. Would it be made available through public distribution system or a new agency free from corruption would be set up for it.

You have withdrawn the National Social Programme. It is a very important programme. Why has it been withdrawn? 10 lakh houses were to be constructed under the Indira Awas Yojana but arrangement for the construction of only 7 lakh houses have been made. Even the amount allocated for this purpose has been withdrawn. No sufficient amount has been provided for steel, cement, road construction, tele-communication and irrigation. Please make sufficient provisions and proper arrangement for them.

At last, my submission is that Bhujia, Papad and the Cane Achar etc. used to be sold in Bikaner in Rajasthan. It is their main profession. The poor and illiterate people used to sell hand made Bikaner Bhujia. They did not make it with machines. You have imposed 8 percent central excise duty on them. The illiterate people make namkeen by doing labour. 8 percent central excise duty on that namkeen has been imposed. It is injustice. The poor housewives who used to prepare papad, how would they be able to pay 8 percent excise duty, I fail to understand this.

Today, this issue of 8 percent excise duty on groundnut

has been raised. Every Sanatani Hindu family does fast. There are the fasts on Ekadashi and Pooranmasi. They live on Sendha Namak and Pepper alongwith groundnut on that day. You have snatched their food and have imposed 8 percent tax on that. Today the Rs. 50 to 60 per kilogram of Bikaneri Namkeen is being sold by the multinational company, in the packing of Papsi food in our market at Rs. 300 per kilogram.

The Government have at no stage, bothered to check it but imposed 8 percent tax on 'Namkeen', manufactured by hardworking poor people of the country. This is not good at all. Tax has also been imposed on people engaged in electrical and tent house business. Some sympathy should have been shown towards them. It is a gross injustice. A loss of crores of rupees has been suffered due to trucks strike in the country but the Government didn't pay any attention towards this.

Sardar Sahab is sitting here. Mostly Sikh and Jaat Communities are engaged in truck business in the country. The Government are going to impose tax on the illiterates. Their strike continued for 8 days. After 8 days, the Government befooled them. Yesterday too, the hon. Minister failed to mention it clearly. Some sympathy should be shown towards them.

In the end, I would like to say that some amount has been earmarked for sick industries. The Union Government had launched the only industry 'Instrumentation Limited' at Kota in Rajasthan. 4000 people and 20,000 families used to earn their livelihood from this important industry. Today, it has become sick due to the wrong policies of the Government. Similarly, it has become sick also due to wrong policies of the officers, their extravagant expenses and frequent trips to foreign countries. Whenever any provision is made for sick industries, the attention should also be paid on 'Instrumentation Ltd.' of Kota. The Government wants to collect tax from the flower decorators. I don't know how the Government will bring three lakh people more under the purview of tax. I can't extend support, at any cost, to such a finance bill which is meant for imposing tax on hard working people. I request the Minister to reconsider on it. It is true that first time the common people could not understand it. So many amendments have been carried out as per the wishes of the leaders but yet more amendments are needed. I request the Government to bring in proper amendments and provide relief to the people and atleast tax proposal should be withdrawn from items such as Bikaneri Papad and Bhujia. No tax should be imposed on poor people engaged in tent and truck business.

With these words, I conclude my speech.

SHRI SATYA PAL JAIN (CHANDIGARH): Madam Chairperson, I stand to oppose this budget. All the hon. members have already spoken on the various aspects of the budget. When the budget was presented, the Finance Minister had, in his speech and later through media, tried to create such an impression in the country as if this budget



of United Front will give relief to the common people which will prove a blessing for them. But the common people have realised the truth within two months.

When the Finance Minister was out of the Ministry for some time, due to political reasons, a sort of hide and seek was going on and there were rumours of his joining or not joining the Government. After the Finance Minister resumed his office, the most heppiest people were the big industrialists of the country and the chamber of Indian Industry. The big industrialists and Industrial houses were happy due to his joining the Ministry. It was not because they have personally any love for him or they consider him good. The big Industrialists of the country feel that after Shri Manmohan Singh if any person has protected their interests more than anybody it is Shri P. Chidambaram, the present Finance Minister of the country. I would like to ask as to what the common people had got from this budget? Any proper provision has not been made in this budget for solving poverty, starvation, unemployment, potable water, electricity, roads and housing problems. Shri George Fernandes was speaking in the morning. I agree with him. The common man, whose family is already starving due to inflation, who was hardly in a position to purchase ration for his family, has not got any sigh of relief from this budget. No increase has been made in the daily wages. The ration has not become cheaper and the common man did not get any employment opportunities. Actually, the common man did not get anything from this Budget. Some concessions have been given and that too in customs and Excise duty and only the big Industrialists and big Industrial houses have been benefited from this budget.

This budget does not provide any relief to lower section of society such as, clerks, constables, peons small shopkeepers, rickshaw pullers, auto rickshaw drivers, gardeners, guards etc. Our Finance Minister has not spared any one and has done his level best to bring more and more people under tax net.

The tent owners do not charge anything for installation of tents on the religious and other occasions. Shri Balwant Singh Ramoowalia is present here with us and he would subscribe that several religious programmes are held everymonth in Punjab. Prime Minister Shri Inder Kumar Gujral has recently visited Punjab and the tent owners association offered free of charge installation of tents for all the programmes hold these. But our Finance Minister imposed heavy tax on them. The income tax inspectors have started chasing them. These new taxes have been imposed in the name of service tax. This is causing great difficulties for the common people. I understand that you should have imposed taxes on the rich class who has got blackmoney and can pay it. This Government would run by imposing tax on common men and shop keepers. You have presumed that if the sales are more than 40 lakhs, the profit would be 8 lakh and 5% tax would be charged on it. The income tax inspectors would now on start chasing the small shopkeepers which would lead to corruption and add to the woes of common people. The self proclaimed

Government of down troden people has not even spared the bidi of the common people. The elite class smokes cigar and expensive cigarettes. The poor, rickshaw pullers labourers smoke bidis.

SHRI SUKDEV PASWAN (ARARIYA): It is injurious to health.

SHRI SATYA PAL JAIN (CHANDIGARH): Smoking bidi is injurious to health and the relief announced would be appreciated. What do you mean by that. The arguments being put up by the Government does not have any basis. Your saying that smoking bidi is injurious to health then you should ban it. One BJP-H.V.P. Government in Haryana openly said that alcohol is injurious to health and enforced prohibition. If you think that Bidi is injurious to health, then you should ban smoking. But you can not do that. The rich people smoke Cigar and expensive Cigarettes and the poor man should not smoke even bidi. Your Finance Minister has tried to take out the only five paise coin lying in his pocket.

Today sports industry is fast developing. I had gone to meet the Finance Minister with a delegation. Today every household has sports cycle. Doctors advise the patient to exercise on cycle and you have many other sports equipments to reduce your weight. The Finance Minister has imposed 13 percent excise duty on it and there is no custom duty on it. Sports goods are exempted from custom duty. Thousands of small scale sports units are on the brink of destruction.

We were glad that our Prime Minister belonging to Punjabi Community would do something for Industry of Punjab. I have with me a letter which has written by the then External Affairs Minister Shri I.K. Gujral to Shri Chidambaram in which he had written, "I had gone to Punjab." The people working in the industries there met me and I am sending their representation so that you can ponder over it. I am sorry to say that a person writes a letter to his Finance Minister as an External Affairs Minister but soon he assumes the charge of the Prime Minister, he does not want to pay any heed towards it. Today, the whole of the industries of Punjab are on the verge of closure. Now when the hon. Prime Minister had paid a visit to Punjab, several delegations met him and I would like to urge upon him that this clause should be withdrawn. The items excluded from the sports goods category are not only exercizers.

[English]

*Explanation:* Sports goods for the purpose of this Entry do not cover articles and equipments for general physical exercise.

[Translation]

All such articles which are used for the purpose of general physical exercise have been excluded and my submission is that the Government must ponder over it and this excise duty should be withdrawn. There is no custom duty on account of which the imported items would

[Shri Satya Pal Jain]

be available at cheaper rates and the items produced indigenously would be sold at higher rates. We have been encouraging the multinational companies which will not be in the interest of indigeneous companies.

I would like to raise the issue regarding the Union Territories. This Government has been doing injustice with us. Chandigarh is a Union Territory and is under the Central Government. The budget in respect to every department has been increased 10-12 percent. It's growth is 10-12 percent per annum in a natural way.

But the budget for Chandigarh, which was 471 crore rupees last year, has been reduced to 463 crore rupees. The report of the Standing Committee on Home Ministry has been laid before the House and it has been stated in it that there is no plausible explanation of it. The budget for us should be increased. It is gross injustice with us. I would like to submit that the hon. Finance Minister should accept our demand and the recommendations of the standing Committee on Home Ministry should also be accepted.

The C.G.H.S. facility is not available in Chandigarh. It is the capital of two States. This is the policy of the Government that C.G.H.S. facility should be available in all the State Capitals. Not only this, but the bench of the Central Administrative Tribunal has also instructed the Union Government to make available this facility here. Questions after questions are being asked and the hon. Union Finance Minister and Health Minister have been speaking the same thing for the last five-seven years that it is being considered. I would like to submit that an early decision should be taken in this regard. There is no policy regarding the sales tax in Chandigarh. Punjab and Haryana have their own tax structures and on account of which the Union Territories have to face a lot of problems. I would like to submit that the hon. Finance Minister should call on the representatives and traders and take a decision in this regard.

Madam Chairperson, you also have leftist thinking. The hon. High Court of Punjab and Haryana has directed the Chandigarh administration to issue water and electricity connections to nearly one and half lakh jhuggi dwellers. But if the Union Government does not allocate funds, the directions of the hon. High Court would not be implemented. Therefore, I urge upon the Government to allocate more funds for this purpose. Repairing of roads and the problem of potable water should be pondered over.

VAIDYA DAU DAYAL JOSHI (KOTA): Is anyone noting down all these things or are we speaking in vain? ...*(Interruptions)* What is it that they do not know Hindi? Are we merely speaking for entertainment? ...*(Interruptions)*

[English]

MR. CHAIRMAN: The Minister is noting the points.  
*(Interruptions)*

[Translation]

VAIDYA DAU DAYAL JOSHI: Please listen, you have not listened? ...*(Interruptions)* If we do not get the reply we would not let the House run. ...*(Interruptions)*

[English]

MR. CHAIRMAN: The Minister is noting the points.  
*(Interruptions)*

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): Even if Hindi is not known, English translation comes here. Madam Chairman, I was just putting on the headphones here ...*(Interruptions)*

SHRI SATYA PAL JAIN (CHANDIGARH): Madam Chairperson, I will conclude after putting forward two points. The hon. Prime Minister has made a good announcement recently during his visit to Punjab. He said that the construction work of rail link between Ludhiana and Chandigarh would be completed soon. This announcement has been made continuously for the last twenty years. Every Prime Minister while visiting Punjab, made this announcement. I want that it should soon be completed. But it would be completed only when the Union Government provide funds for it. This line starting from Chandigarh via Kharar, Mohali and Moranda is being constructed and it is only 25 kms long. I want that the Prime Minister should stick to his announcement. Arrangements should be made to solve the hanging problem and the houses which are being demolished there, that should be stopped.

Madam, I will conclude with this final point. Much has been said about the voluntary disclosure of income scheme. I would like to say something about this. The first thing is that this scheme should not be applicable to those who had been in power in India. Be it an M.P., M.L.A., I.A.S. or I.P.S. Chairpersons of corporations or Boards, who hold public offices, who could be charged with corruption or have been charged with corruption, such persons should not be allowed to take benefit from this scheme, otherwise, these people could try to launder blackmoney received through corruption or other illegal means. The Finance Minister should take a suitable action on this cannot. I want a reply from the hon. Minister to this point otherwise those people from whose houses a sizeable amount of money to the tune of Rs. three crore has been seized and from the houses of whom it is yet to be seized, they could launder their black money taking recourse to this scheme. The second thing is that this money should be spent on any good scheme. It may be used to solve water problem. It may be used for Cottage Industry, it may be used to solve housing problem. This money should be spent on productive activities so that the country could be benefited. This money should be diverted to the Juggi-J. clusters, to generate electricity, to develop Juggis and if this money is diverted to above area, it will be beneficial.

Madam, with these words I conclude my speech. I am thankful to you that you gave me an opportunity to speak

and listened to me attentively. I also thank to the members who are sitting here to listen my speech.

21.52 hrs.

(SHRI P.M. SAYEED *in the Chair*)

SHRI K. PARASURAMAN (CHENGALPATU): Sir, on behalf of the DMK party, I rise to speak and support the Finance Bill moved by hon. Finance Minister, Thiru P. Chidambaram.

The Finance Bill is an instrument to implement the central Budget. It suggests how to mobilise funds for Budget Expenditure. Various measures have been proposed in the Budget for collection of revenues to meet the expenditure during 1997-98 for carrying out welfare and anti-poverty programmes throughout the country. The Budget brought forward by the hon. Finance Minister is a well balanced, growth oriented and a reformist Budget.

Sir, our friends on the opposite side accuse the Government that massive loans have been taken from International Monetary Fund and the World Bank and we have been paying them a heavy interest on the loan taken. But I would like to remind the House that the loans taken from those agencies are fully utilised for construction of bridges, dams, railways, highways, ports, power plants, metro-rail, etc. which benefit the common people in the country.

The Budget for 1997-98 has received commendation from all sections of the people. More autonomy for RBI, amnesty on black money, liberalisation and removal of controls on agriculture, dereservation of many small scale items, ushering in full convertibility, new evolution formula to benefit the States like the PF contributions and telcom incentives are some of the important and creditable proposals which will be considered and passed in this House through this Finance Bill.

The Finance Minister has claimed that he would stick to fiscal deficit target of less than five per cent, that is, 4.5 per cent of GDP. It is doubtful how the Finance Minister would be able to achieve this figure of 4.5 per cent of fiscal deficit against an increasing Defence expenditure, huge subsidies on food items, petroleum, fertilizer, etc., and failure to mobilize resources through disinvestment of public sector equity.

Sir, the hon. Minister of Finance has been kind enough in adopting exemption-oriented approach and concessions-extended approach towards lowering the taxes and customs duties and raising the income-tax ceiling. He deserves exemplary appreciation.

Sir, I regret to state that no significant new measures to encourage the infrastructure sector have been mentioned in his speech. Funds for National Highway programmes of Rs. 500 crore are not at all sufficient for a vast country like ours. There is no mention about the National Highways Development Fund for financing the large road investment requirements in the country. Broadening of roads, con-

structing of new roads and connecting them to the National Highways should be given priority over railways construction because it is less expensive; less time-consuming and easy to implement.

MR. CHAIRMAN: Please conclude.

SHRI K. PARASURAMAN: Next comes power sector. All help should be extended to the States for establishing mini-power plants.

Sir, I do not agree with the view that inflation rate should be brought down as low as possible. It is now 6.64 per cent. Bringing down the inflation to six per cent or 5.5 per cent may not contribute to economic growth. If wasteful expenditure and very little actual production take place, there is no use in talking about inflation. Bringing down or pegging the price of household goods and essential items would not help the economy, if the purchasing power of the common people is lacking.

The hon. Minister of Finance has, a week ago, brought down bank interest rates on deposits and loans. Some time back, Cash Reserve Ratio and Statutory Liquidity Ratio have also been brought down. These measures have been taken to encourage the corporates and productive units so that economy may pick up. For the past two or three years, you would have noticed that there has been a very low demand for textile, electronics, leather items, TVs, scooters, cars, dwelling units, travel etc. It is because of lack of purchasing power in the people.

You cannot have the cake and eat it too. You cannot have a low inflation rate and seven per cent growth in the economy if there is a little purchasing power and industrial recession.

[Translation]

SHRI SUKHDEV PASWAN (ARARIYA): Mr. Chairman, Sir, while supporting this budget, I want to put forward some of my views. India is a country of farmers and 70 to 80 per cent population of India resides in villages. But the Government has not been paying as much attention on farmers, as actually should have been paid. We remember that during the V.P. Singh Government in 1989, the price of fertiliseres was Rs. 105. 50 p. per bag. The D.A.P. fertilizers price was Rs. 188.50 p. and the price of Potash was Rs. 60 per bag but it is unfortunate that whichever party came in power at the centre, it expressed its sympathy towards farmers but they did not provide as much support to the farmers, as should have been provided to them. If today the farmers stop their production in reality, the country would be on the brink of starvation. Every Government must have a soft corner for farmers, labourers and poor people. They do not set the facilities they need. The hon. Minister is sitting here, I appeal to him that he should pay special attention towards the plight of farmers. The welfare of farmers would result in the welfare of the country. If unfortunately farmers stop their production, one can easily imagine the situation the country would be in. Mean while our popular Prime Minister is also in the House. We should certainly have sympathy for farmers.

[Shri Sukhdev Paswan]

Sir, wherever there are banks in rural areas, the poor people, the unemployed youths and small businessmen go there for getting bank-loans and bank officials beat them in such a manner as if they were obliging them. There is not even a single bank in rural areas which does not take bribe from them. The application which reaches to a bank through blocks under the I.R.D.P., it takes many months before loan is sanctioned against these applications. The bank employees sometimes ask them to bring a photograph and sometimes they ask them to come after 15 days. They are harassed in such a manner that they are compelled to say: Tell us what we have to do. They somehow spare their time from their busy schedule for coming to bank, but they are harassed in such a manner. This is very unfortunate. The Union Government provide subsidy to Banks for farmers, but they take this subsidy as a bribe. Our hon. Minister and hon. Prime Minister know very well about villages. The rural unemployed youth are exploited by the banks' officers. The then Prime Minister had assured to provide loan to one lakh educated unemployed youth so that they can become self employed. In fact, this amount is being disbursed but the quota and target fixed in this regard is very less. I request the Prime Minister that since the loan is being provided to only 10-15 unemployed youth in a block, their number should be increased because there are lakhs of unemployed youth in each block. At present a loan for Rs. One lakh is being given to them. I request you to raise this amount to Rs. two lakhs and the number of unemployed youth, to whom loan of Rs. One lakh is being provided should also be raised from 15-20 to 100 in each block. The Scheduled Castes, Scheduled Tribes and Backward Class persons get a loan of Rs. 20 thousand under Indira Housing Scheme and Ambedkar Scheme. This amount is not even adequate for construction of a lavatory/toilet. Shri Deve Gowda's Government had raised the amount from fifteen thousand rupees to twenty thousand rupees. I congratulate the United Front Government for this but this is a meagre sum. They are also human beings like us. My request is to raise it from Rs. 20 thousand to Rs. 40 thousands.

Madam Chairperson, the development in rural areas is not upto the mark. Today, even after 50 years, drinking water is not available in the villages. There is no electricity and not too many primary schools are there in the village. It is most unfortunate situation. Teaching is the only means of education in the villages. There are no school building and teaching is being done under trees. I would like to request the hon. Prime Minister to introduce such a scheme wherein all blocks should be covered under the scheme for providing education to all the children.

MR. CHAIRMAN: Your time is over. Please mention the points only.

SHRI SUKHDEV PASWAN: I will mention only two three points and then I will conclude my speech. A huge amount is being spent on construction maintenance of foundation and latrines, lavatories in the big cities like, Mumbai, Calcutta and Delhi. These expenses should be curtailed and allocation be made for development of the villages. Allocation should be made and programme should be formulated for construction of roads and schools and for providing potable water in the villages.

Madam Chairperson, there is a ceiling on 15-20 acres of land in the villages whereas there is no ceiling for land worth thousands of millions rupees in the cities. There is a ceiling on 16 acres of land in irrigated areas and on 20 acres of land in unirrigated areas in the villages. Similarly, I would like to request the hon. Prime Minister to introduce ceiling system in the cities also. A ceiling should have to be fixed that no one could keep more than the fixed area of land otherwise the Government will acquire that surplus land.

MR. CHAIRMAN: At least now, you please conclude your speech because 5 minutes had been allotted to other speakers and you have already taken 10 minutes. You have been given grace period.

SHRI SUKHDEV PASWAN: Madam Chairperson, there is a heavy backlog of vacancies of SC, STs. in the Banks. This backlog has not yet been filled up. Through you, I would like to request the hon. Prime Minister to fill up the entire backlog vacancies in the banks. The officers and employees belonging to the Scheduled Castes and Scheduled Tribes are not being promoted in the fixed time limit. Attention should also be paid towards this. I would like to request to promote these officers and employees within the fixed time limit.

With these words I support this Finance Bill and I thank you for giving me an opportunity to speak.

MR. CHAIRMAN: With this the general discussion on Finance Bill comes to an end.

[English]

The Hon. Minister will reply immediately after the Question Hour tomorrow. The House stands adjourned to meet again on Friday, the 9th May, 1997 at 11.00 a.m.

22.10 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Friday, May 9, 1997/Vaisakha 19, 1919 (Saka)*