

MR. DEPUTY-SPEAKER : It will start at 6.00.

SHRI AMAR PAL SINGH: Postpone it to meet Friday.

MR. DEPUTY-SPEAKER : Time for this topic is extended by one hour more. We will continue the discussion next time. Budget will be taken up at 6.00.

SHRI RAJENDRA AGNIHOTRI : Sir, the main reason for the present unemployment is the Regional imbalances in the country. The strength of the youth is not being put to use. It is going waste. They are sitting idle. Sons of farmers are without work. Mr. Rai was just mentioning that if a tractor goes out of orders there is nobody available in villages to repair the tractor. If a cycles goes out of order there is none to repair the same and this is a country of villages. When there is no prosperity in villages how you can remove unemployment from the country . If farmers in the country are not prosperous how economic machinery of the country can become strong. How you can remove unemployment from amongst youth of the country? How factories can run without problems in the country. When I was a student our teacher used to tell us what is produced by farmers. Farmer grows wheat. He grows corn, sugarcane, kapas, oilseeds. But when his produce goes in the hands of foreign powers, it goes in the hands of big Capitalists they become owners of property worth crores of rupees and the farmers who toil hard, has no cloth to wear. He has no prosperity. He does not get even meals for two times. If he falls ill, he has no money for his treatment. Today our farmers are not prosperous, because whatever he produces he does not get proper money for the same and when he does not get proper money he has no money in his pocket. If he has no money in his pocket who is going to purchase the things produced by small scale industries in the country? When the farmer has no money there will be no body to purchase the things produced by industries.

18.00 hrs.

The whole planning system is faulty. Sir, I want to say that when we discuss while sitting in this great court the youth of India also participate in the discussion. But he can not make arrangements for his meals, he cannot arrange for drinking water throughout the year, he can arrange for his medicines when he falls ill. When he moves in cities in search of employment he does not command any respect. He goes back to villages. The feelings he gets does not provide any proper directions.

MR. DEPUTY-SPEAKER : Shri Agnihotri you may continue next time.

[English]

Now we will resume discussion on General Budget.

18.01 hrs.

GENERAL BUDGET — 1996-97

GENERAL DISCUSSION — *Contd.*

[Translation]

SHRI AMAR PAL SINGH (Meerut) : I want to draw the attention of the hon. Minister towards Alternative Resources of Power. 80 lakh vehicles are running today in the world successfully with power alcohol. Brazil is the example in this regard. Experiments in our country are also being conducted since 1980 in Indian Institute of Petroleum at Dehra Dun for use of Alcohol. So far alcohol mixed vehicles have covered distance of 42 lakh k.m. It has been observed that efficiency of the engines increases with the use of alcohol, emission of smoke is less. I request the hon. Minister that a Relief Scheme may be drawn up to increase production of Power Alcohol. Sugarcane producers may also benefit from this scheme and import of petrol may also come down and there will be a saving of foreign exchange.

Exports in our country are being over invoiced and imports are being under invoiced. I am citing an example in this regard. Our industrialists are sending their money abroad through Hawala on 7 per cent commission and these companies evade Income Tax on the money by showing fake exports and they further avail Government incentives for export promotion. In software sector un-used floppies are being exported. No programmes are being exported. I would suggest to hon. Finance Minister that there is more need to activate Revenue Intelligence wing so that the country could be saved from over-invoicing of exports, under-invoicing of imports and fake exports.

Hon. Finance Minister has increased the allocation by 33 per cent for Police and Para Military forces. An additional provision of Rs. 950 crores has been made. Allocation for Police Force has now gone upto Rs. 4368.47 crores. Hon. Finance Minister has raised 37 crores in allocation for SPG engaged in providing security to ex-Prime Minister whereas allocation for Armed Forces have only been increased by 0.3 per cent. Keeping in view the rate of inflation increased allocation of Rs. 970 crores on Defence Budget is no increase in fact it is reduced allocations whereas the responsibilities for security of the whole country lies on our armed forces. China and Pakistan are encircling our

country. China is continuously conducting nuclear experiments and Pakistan has deployed M-11 Missiles on Indian Borders.

China is becoming a Super Power. It has set up an Army Base on Coco Islands of Myanmar which are at a distance of 50 nautical miles only from Andaman-Nicobar Islands. In spite of all this the hon. Finance Minister has not paid any attention towards Defence Budget and allocation for Atomic Energy has also been reduced. Sir, through you I demand that budget allocation for modernisation of Armed Forces and allocation for Atomic Energy may immediately be raised.

The hon. Finance Minister in his budget speech has talked of giving encouragements of Rs. 30,000 for small tractors and subsidy on fertilizer has also been raised from Rs. 500 crores to Rs. 1724 crores. This is a laudable effort.

I would like to point out to the Government that on the one hand it is divesting farmer of his land by acquiring it and pushing him to unemployment but more than that the farmers are charged Income Tax on the compensation they get for their lands, whereas Income Tax is related to employment and not related to unemployment. I therefore request the Government of India that Income Tax may not be charged from the farmers from the compensation they get for their acquired land though they may not be able to invest the said money from the financial year itself.

[English]

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : The translation says : "You are charging income-tax on land acquired from a farmer." Are you sure that statement is correct?

There is no income-tax on land acquired from a farmer. I heard it in translation. I do not know what you said in Hindi.

SHRI AMAR PAL SINGH : Yes.

SHRI P. CHIDAMBARAM : No. Please tell me the Section. I will verify it.

SHRI AMAR PAL SINGH : Hon. Minister, I am speaking in the House that income-tax is being charged from the farmer on the amount he gets against his land but which has not been invested in the same financial year.

SHRI P. CHIDAMBARAM : I do not want to contradict what the hon. Member has said now. I do not think he is right. I will verify it and come back.

MR. DEPUTY-SPEAKER : You continue your speech.

SHRI P. CHIDAMBARAM : It is all right. It is my duty. I will check it.

MR. DEPUTY-SPEAKER : You go ahead.

[Translation]

SHRI AMAR PAL SINGH : Alright, check it.

Sir, even total on the one hand we are talking in our country about liberal economic policy while on the other hand agriculture based industries such as Sugar Industry are bound by Licences.

[English]

SHRI P. CHIDAMBARAM : There is no tax. If the hon. Member is saying that agricultural land is acquired and there is capital gains and that is being taxed, I think, I know that part of the law. But I will verify it again. There is no tax. Since he has made a statement, I respect his views. I will check and come back. But until then, I do not want you to say it out. I will check and come back.

SHRI AMAR PAL SINGH : Hon. Minister, in my constituency, Meerut, many farmers are getting money against their land. If they do not invest that money in the same financial year, they have been charged income-tax. I know that.

SHRI P. CHIDAMBARAM : I will find out.

SHRI AMAR PAL SINGH : I request you that the money which the farmers get against their land when it is acquired by the Government

SHRI P. CHIDAMBARAM : I will find out.

MR. DEPUTY-SPEAKER : All right. He will check it up.

[Translation]

SHRI AMAR PAL SINGH : Income-tax should not be charged on that money of the farmer.

Sulphur Khandsari Units with 6 per cent recovery are not permitted Vacuum Boiling. If they are permitted to use Vacuum Pan their recovery rate would go upto 9 per cent. It would not only save three per cent national loss but quality of the sugar would also improve, economic exploitation of the farmer could stop, employment opportunities would arise in rural areas, there will be a saving of Power and these units may

be able to generate power for their captive use from their boilers.

Small units crushing 5000 quintal sugarcane per day or units with less capacity than this may be exempted from levy. Excise duty can be charged as compound excise duty as was done prior to 1981.

Even today there are restrictions on free movements of agricultural produce from our State to another. I will cite an example in this regard. Molasses are produced from Sugarcane but U.P. Sugar Mill owners are not permitted to take Molasses outside the State and sell the same outside. It is controlled by the State Government. I would request the Finance Minister that all the Central assistance being provided to that State may be stopped which puts restrictions on State's Agriculture produce or produce of agriculture based industries of the State. Our country is not self-reliant in respect of Edible Oils. The Minister of Finance has therefore reduced Import Duty on Edible Oils from 30 per cent to 20 per cent. Our country gained independence 50 years ago and the Government has not been able to convert waste land into agricultural land. I request that all the waste land available in the country should be allotted to progressive farmers in the country so that they could convert the same to agricultural land suitable for pulses and oilseeds cultivation. If the Government substantially increases support prices for oilseeds and pulses the country could become self-reliant in respect of oils and pulses. Even though support price for pulses is Rs. 840/- per quintal yet it is available to consumers today at Rs. 30 per kg. If the support price is raised to Rs. 12000 per quintal the country will become self-reliant in pulses.

Sir, I request the Government that keeping in view the interests of paddy farmers there should be no restrictions on the use of 10 Horse Power Paddy Machine. India is a country of villages. Private Banks, Multinational Companies, big Industrialists had themselves proposed in the FICCI Meeting that each unit may adopt a village to each to develop the same as a Model village. I request that efforts should be made to implement this proposal made by FICCI.

The hon. Finance Minister has proposed tax on such industries which were so far not paying any tax, specially companies such as Reliance and Tata. This is a appreciable step. But Soft Drink Companies such as Pepsi and Coca Cola should also be taxed. Budget figures indicate that 22 per cent money is proposed to be raised through additional loans and one per cent through foreign loans. It is an irony that our Defence Budget is nearly 12 per cent whereas 25 per cent provision has been made for repayment of loans taken

by the country. It is not a good omen for the economy of the country. I am therefore to suggest that all the valuable Government land in Metropolitan Cities, the land belonging to sick units in Metropolitan cities should be disposed immediately through auction and we should strive to repay foreign loans.

Sir, the NRIs who are investing in our country or desirous of making investments should be given citizenship of the country. NRIs who make investments under Double citizenship should be free. Unless small scale industries are given protection and unless family planning is compulsorily introduced in the country, it may not be possible to solve the problem of unemployment in the country. There is no provision in the budget in this regard. I therefore oppose the Budget presented by the hon. Finance Minister ...*(Interruptions)*

MR. DEPUTY-SPEAKER : Before I name the next speaker I want to inform Shri Sontosh Mohan Dev that Direction No. 115A from Directions by Speaker provides :

[English]

"The speaker shall not be bound by the lists or order in which names have been given by Parties or Groups or individuals directly. The lists shall be for his guidance only."

SHRI SONTOSH MOHAN DEV (Silchar) : I have full respect for you, Sir, I do not mean or I do not have disrespect for you. I will not dispute with you.

MR. DEPUTY-SPEAKER : I have not finished what I have to say.

SHRI SONTOSH MOHAN DEV : You should not take it otherwise. You have got every right. Can we not ask you to help us? It is because I have to deal with so many members.

[Translation]

MR. DEPUTY-SPEAKER : Please let me finish.

[English]

SHRI SONTOSH MOHAN DEV : Sir, I am not questioning your authority.

[Translation]

MR. DEPUTY-SPEAKER : I have to say something more. The hon. Speaker has directed that I should help Shri Sat Mahajan. I am therefore calling his name

[English]

SHRI SAT MAHAJAN (Kangra) : Sir, I have taken

this liberty because I have to catch my train.

Sir, at the outset I would like to congratulate the hon. Finance Minister for the Budget that he has presented. While I am offering bouquets there are, of course, no brickbats, but there are some suggestions—some sweet and some sour.

Sir, I want to start my speech with a couplet by Iqbal.

[*Translation*]

Sitaron se aage jahan aur bhi hain,
abhi ishaq ke imtihan aur bhi hein,
Mohabbat hamain un jawano se hai,
sitara per jo fenkate hein kamand.

About the budget I would like to say that appearance is good, it has good qualities, but your compulsions are your drawbacks in the budget. 70 bind 13 parties....

[*English*]

Sir, he had to do a very tightrope waling. He has tried to balance it as best as possible. This Parliament had very great traditions of having very good Finance Ministers except, of course, for a brief spell when the concept of planning was given a go-bye and real Plan concept came into being. Otherwise, every Finance Minister had done his best, rather his very best in the formulation of Budgets.

Sir, in this Budget also our Finance Minister has raised the hopes of the people. He has made many promises and tried to throw up an array of dreams—economic dreams. His tight rope walking had been excellent. He has proved to be a worthy successor to Dr. Manmohan Singh. But I have a grudge against him, the grudge is that in spite of having inherited such an excellent legacy from Dr. Manmohan Singh he has not mentioned a single word of praise about the legacy and the good work that he did. Dr. Manmohan Singh did that under the political will of our leader, Shri Narasimha Rao. He has totally liberalised the whole thing. He should have at least said something for the commendable job that Dr. Manmohan Singh did.

Sir, I must also congratulate the Finance Minister for his guts to state that he would stick to the reform process that had been initiated by Dr. Manmohan Singh and they would not be reversed. The reforms include privatisation, liberalisation and globalisation. He has tried to carry forward the reforms process. He has

promised this House that the foreign investment to the tune of Rs. 10 billion dollars would flow into this country. It is possible because the ground for it had been prepared by Dr. Manmohan Singh. So, courtesy demanded that he should at least have praised his predecessor, who is no less an economist than anybody in this country.

Sir, our Finance Minister has made many innovations in this Budget and I congratulate him for that. He has said that money has been allotted for development of new Infrastructural facilities which were very badly needed and has laid emphasis towards strengthening the existing infrastructure. He has promised the constitution of a high level Commission on Expenditure Management which would submit its report within six months. I hope, he sticks to this schedule.

Sir, he also has promised that he would bring in a comprehensive Bill on BIFR and SICA, the provisions of which have become outdated. I am very happy that he has gone in for this. It is because our industrial growth has gone up to 14 per cent and it should not be allowed to come down. Our agricultural growth is 0.9 per cent. I would like to make a suggestion through you that the recommendations of the BIFR should be made mandatory. Otherwise, they have no value. Unless that is done, BIFR and SICA would be of no use. As you are going to bring in a comprehensive Bill on this, I am making this suggestion.

Sir, it is said that well begun is half done. He has made an attempt to strengthen the NABARD. The allocation for NABARD has been doubled this time in the Budget.

The hon. Minister has given the concept of IRDF and DFSC. An amount of Rs. 500 crore will come from the Government, Rs. 500 crore from the RBI and Rs. 4000 crore will be contributed by the private sector and other sectors. That is very good, and that will help the rural economy also.

The recommendations of the Members of Parliament in the District Committees are not carried out. What is the use of these District Committees when their recommendations are thrown into waste paper baskets. To start with the Development Commissioner does not take action on them, and secondly, the Banks do not consider them. A minimum of 10 per cent to 15 per cent recommendations only are carried out. The poor farmer totally gets exhausted. The hon. Prime Minister has proposed that he would help the *kisan*. The *kisan* does not understand the mechanics of banking. If you really want to help the poor farmer, please make the procedures simpler so that he can understand them and

ask the authorities as to why a certain scheme is rejected.

The hon. Minister has claimed that this is a pro-poor Budget. However, while Sardar Manmohan Singhji gave a fillip of 57 per cent to the social sector, the present allocation is only 23 per cent. I have gone through the Budget document very thoroughly, I stand corrected if I am wrong. More than 50 per cent was slashed down and that is not fair when the hon. Minister claims that he is going to do a commendable job in the social sector.

The hon. Minister has done a very good job in making direct allocation to the National Highways Authority. As a hill man I can tell you that our maintenance charges are four times more, our construction charges are four times more when measured in comparison with the Gangetic plains. We cannot maintain our lives, and everything goes out of gear.

Agriculture really needs fillip and the hon. Minister has made right allocation to it. For fertilisers and small sector, the hon. Minister has given money and I congratulate him for that. The hon. Minister has given more money for irrigation facilities, and he deserves to be congratulated for that. The hon. Minister has allowed five year tax holiday for all investments in irrigation. That is an imaginative and commendable thing he has done.

At the same time I warn the hon. Minister on certain counts. He is a very good economist. I do not have as much knowledge as he may have, but with the little knowledge I have, I can say that it is just his imagination that he would be able to bring down the national deficit from 5.9 per cent to 5 per cent. It is a very good intention but I have my doubts about that becoming a reality. The hon. Minister has said that inflation will remain at 6.5 per cent and growth rate will also be 6.5 per cent. Arithmetically it looks nice, but I have my apprehensions that the rate of inflation would go double digit. We have to be very clear about this. Growth may be there, but inflation too will go up because of the hike in the petroleum prices — you were not a party to it, but you are a party to it now — and because of the hike in railway freight. The rate of inflation cannot be checked in the circumstances, whatever the hon. Minister may do.

The hon. Minister has stated that he would invest Rs. 5000 crore in public sector. How can he do it? This is just an imaginary thing. Shri Manmohan Singhji had said that he will have Rs. 7000 crore from the public sector. The actual amount he could get was only Rs 357 crore. When Shri Manmohan Singh, after

promising Rs. 7000 crore, could get only Rs. 357 crore, how will the hon. Minister be able to do it? He has the same bureaucracy as Shri Manmohan Singhji had. The hon. Minister has to explain the mechanics of it to the House.

The hon. Minister has given very meagre relief to the Income Tax payer. He knows that the Fifth Pay Commission is going to submit its report in September. What will happen then? On the one hand he would be giving and on the other he would be taking away what is given, in the form of Income Tax. The business executives whose perks amount to Rs. 1 lakh per month have been left untaxed, and the middle class people are left to suffer. Those who stay in five star hotels paying Rs. 30000 a day have not been taxed. Their perks are in five star hotels paying Rs. 30000 a day have not been taxed. Their perks are not touched at all. Why did the hon. Minister not tax their perks? Why is it that the middle-class, salaried person not given the relief that is due?

You have programmes for poor, infirm people, destitute people, primary residential schools and what not. ...*(Interruptions)* This is my maiden speech. I have worked on it. I have the privilege to speak. Others have read the speeches.

[Translation]

MR. DEPUTY-SPEAKER : The discussion on the Budget has to be completed today and there are a number of other hon. Members to speak.

[English]

SHRI SAT MAHAJAN : After this, I will come to Himachal. I will stop then.

Sir, I want to know why you have not taxed them. There is a non-plan expenditure going up to Rs. 15000 crore. This is one of the worst things which can happen. I am not going to take much of the time, but this is the height of it.

Now, I come to Himachal Pradesh. That is my State. What did the Nagaland Member say? I want the whole House to share my agony and anguish. I am a patriot. He is a patriot. He said, we have come to mainstream. You are all ignoring the hills. Hills are simmering with discontent. We are at the point of explosion. Why am I telling you? Because the people used to come in Services, in Defence quota, they have removed. ...*(Interruptions)* Hon. Speaker is from the hills. But he cannot speak here. He can only listen.

I fully agree with what the Nagaland Member has

said. Our economy was known as money order economy. Our people used to fight; some money used to come from them. Again the injustice has been done to Defence. That is very important. Defence and development are needed together. Pakistan has 14 per cent of its GDP as its Defence Budget, China has six per cent. Do you know, we have only given an increase of Rs. 919 crore. Some of this amount gets distributed among transport, fuels, petrol and inflation. I will say that we had the Himalayan humiliation in China war and I want to tell you that he is no less a patriot than us. But he had said that he would give the money. No, you should not ask for it. You provide them money. If Defence is gone, the whole country is gone. I know that you are equally worried about it. The development and other things should not get priority over Defence. The security of the country is first.

Now, I am coming to Himachal Pradesh. Gross injustice is being done to Himachal Pradesh. We are at the point of explosion. The Ninth Finance Commission gave a shock. That was not set right. We are a special category State. The then Prime Minister created this state of Himachal Pradesh not from the view of economic viability, they created us because this was the aspiration of the people. If you compare us with them, we may be small in number and we cannot talk of facing this people. I am telling you that we are facing the enemy. We are at the border of China and other neighbouring countries. If you ignore us, you are ignoring your defence. We are not getting any payment. We are defending our borders. You are destroying us slowly because no revenue is there. I want to tell you that the Centre owes Rs. 1200 crore towards BMP. That is our legitimate share. I am not blaming you. I expect justice from you, because you have the guts to do it. Others may not have. You are young and dynamic; a man with a vision and the country can expect from you and hills specially expect you to do justice to them. I know you are the one who have the guts. Maybe you are having some compulsions.

My friend, Shri Shivraj V. Patil rightly said that hydel energy is not necessary. They are cutting into the basic roots of the hills. The Rajadhyaksha Committee in 1980 said that hydel generation was the only answer. Coal cannot be depended, railways cannot be depended and an investigation should be done into these. At that time, he said 54 per cent thermal, now it has gone down to 45 per cent. What is happening now? Thermal energy is going up. In 1995-96, it was 14.5 per cent. In April, the thermal growth is eight per cent and hydel power is minus 16 per cent. This is butchery on our economy. Why Jammu and Kashmir is on fire?

It has not really happened because of religion but it has happened because of economics. If you had earmarked more money for Amarnath Yatra, this tragedy might have been avoided. But you have put some restrictions.

Pandit Jawaharlal Nehru and Shrimati Indira Gandhi used to dance with the tribals in order keep up their aspirations. Our Chief Minister, Shri Parmar used to dance with the tribals whole night to bring them into the mainstream of the country. The people who are sitting here do not know what they are doing for the hills. It is right time that not only people of Nagaland should be paid proper attention but also others. We must speak for all the hill people.

Chamera-I was completed in 1994. Chamera-II, whose capacity is 300 MW, should have been taken up. Thousands of workers are sitting idle. Machineries worth crores of rupees are lying idle. Nobody is touching them. I beseech you to order them to start it immediately.

Nathpa Jhakri is a 1500 MW capacity project. The project site is 300 kilometres away from Shimla. They are working with remote control. It had already been delayed by three years. I do not think that it will ever come. If you do not want to do it, you return it to Himachal Pradesh. We will do it. Through you, we will seek the help of the World Bank. We have the capacity to do it.

You have introduced MAT. This concept was tried earlier also in the hills. For God's sake, do not introduce it. The hill people are not interested in it. If you introduce MAT in the hills, then, you will not exempt them from tax. We are giving them incentive on power. If you put them under tax net, then no industry would like to go to the hills. It is because, we have locational disadvantage. Before, I stop, I would like to recite a couplet.

[Translation]

"Tumhen chahun, tumhare chahne wale ko chahun,

Mera dil fer do, mujhse yeh souda ho nahin sakta."

You have recently stopped insurance sector from going into private sector.

[English]

We are saddled with this market in the world. I know, from your heart, you do not want it but to please your partners, you have done it. This is a great disservice. I have read Dr. Manmohan Singh's speech.

I have read the *Economic Survey*. I have read your speech also. I compared both the speeches. You have promised that insurance will be brought in and foreign investment will come and so on. By doing that, I do not think you have done justice to the country.

[Translation]

I will only say that nobody should worry about our party.

"Hum dariya hein,
hame apna hunar maloom hai,
hum jis taraf bhi chal parenge,
raasta ho jayega."

[English]

So, Sir, with these few words, I support the budget.

[Translation]

SHRI K.S. RAYADU (Narasapur) : Mr. Deputy-Speaker, Sir, with the blessings of people in my constituency who have sent me here as their Representative and with the blessings of our beloved leader Shri Chandra Babu Naidu, I rise to make my maiden speech in this August forum.

Shri Chidambaram, Hon'ble Finance Minister has presented the budget for the year 1996-97 after a careful consideration of the prevailing situation in the country. He has presented a well balanced budget doing justice to all sections of the society, particularly the farmers and other down trodden sections of our society. I congratulate him for the excellent work he has done in presenting his maiden budget.

Sir, our Finance Minister deserves kudos for presenting a totally farmer oriented budget. Perhaps no other Finance Minister in the past had provided so many incentives and facilities to the farming community as the present Finance Minister has done. The subsidies announced on powertillers, Sprinklers, tractors and drip irrigation in this budget is really not worthy. Subsidy on fertilizers has also been increased substantially. I compliment the present Government for according a place of pride to the farming community in this budget.

Agriculture Sector contributes nearly 30% of the total revenue. Hence there is every need that we should strengthen the agricultural sector.

[English]

MR. DEPUTY-SPEAKER : One minute. There is no

chair-person present by chance. So with the consent of the House, I ask Mr. P.C. Chacko to preside atleast for half an hour. Yes, you can continue.

18.40 hrs.

(SHRI P.C. CHACKO in the Chair)

*SHRI K.S. RAYADU : Mr. Chairman, the banks used to lend atleast 18% of their amount to the farmers in the past. But in the last four or five years the percentage of the amount advanced as loans to the farmers has come down drastically to 13%. Hence I appeal to the Finance Minister to restore status quo ante by enhancing the percentage to 18% of loan amount available with the banks if not more.

With the advent of Science, the agriculture has undergone a revolutionary change. New hybrid seeds are being evolved. High yielding varieties have come to stay. New methods of cultivation are fast replacing the traditional methods. Using of exact type of fertilizers and their required quantities is also a necessity for modern day agriculture, for this we require Krishi Vigyan Kendras to educate the farmers. KVKs are the best training centres for the farmers to get educated in the advanced methods of cultivation. Hence, the Government should take steps to establish more and more KVKs in the country. Infact, our goal was to establish Krishi Vigyan Kendras in all the districts in the country by 1985. But we could not achieve our goal. Out of 430 districts, the KVKs are functioning only in 183 districts in the country now. The central Government should take steps to establish KVKs in all the districts in the country for ushering in new agricultural revolution in the country. All these KVKs should be supplied with the latest information on agriculture.

It is heartening to note that the country is occupying the first place in fruit exports. Really we should feel proud about it. Equally heartening to note is the fact that we stand second in the export of vegetables. But what is important to note is the fact that the producers of fruits and vegetables are not deriving any benefit out of it. But the farmers are not aware of the benefits in exporting their produce directly. Nor any vegetables directly from the growers. The growers are disposing of their produce to the middle-men at an ordinary rate. The middle men, in turn are exporting them and are earning huge profits. So while the middle man is gaining, the actual producer is losing. The Government should purchase fruits and vegetables from the farmers directly and export them on their own. Government should take steps to see that the gain goes to the actual growers and not those who exploit them.

*Translation of speech originally delivered in Telugu.

Sir, still there are several restrictions on importing tools culture. Because of the liberalisation of the economy, restrictions have been done away with on import of machinery tools which are useful in the industrial sector. But these restrictions still continue on the import of tools and implements which are used in agriculture. Hence, in order to benefit the farmers and to make agriculture cheaper, I request the Hon'ble Finance Minister to remove the existing restrictions on the import of tools and other items which are useful in agriculture.

Sir, we are aware of the fact that 70% of our population is dependent on agriculture. We are also aware of the fact that many Hon'ble Members of this August House have agricultural background. But in spite of this, the subsidies on various items in agricultural sector do not exceed Rs. 24,000 crores. In United States of America though only 2% of the population is engaged in agriculture. The subsidies available in this sector is well over 4 lakh crores of rupees. Similarly in Japan, the Government is purchasing the produce from the farmers by paying the price three times more than the actual price any where in the world. This is how the farmers get incentives from their Governments the world over. But here, the situation is quite reverse. Hence, keeping all these facts in mind, the Government should allocate more money for agriculture, should offer more subsidies and incentives to the farmers in the country.

Sir, the export of prawns and marine products has gone up by leaps and bounds. We are earning much Foreign Exchange through the export of these food items. Hence, the Government should try to encourage prawn culture in the country. It is one area, where the Government should concentrate its efforts. The Government should give all encouragement to the people who are engaged in prawn culture. At present, the farmers are just carrying on the prawn culture, in the same old methods. New technology has set in. But the farmers are not aware of that fact. They are ignorant of using the right seed in the right time. They do not have any knowledge about using chemicals, insecticides etc. There are no outlets in many areas where prawn culture is popular. There are no all weather roads connecting these places to the nearby market places. Hence, I appeal to the Government to make necessary arrangements to pass on the latest available technology to the farmers who are engaged in prawn culture and also to provide more facilities to these people who are earning precious Foreign Exchange for the country. At present, prawn culture is not permitted within 500 metres from the sea shore. The matter is still pending before the courts. The subsidies, loans etc. are not available to those who are engaged in prawn cul-

ture within the 500 metre range. But what is strange is the fact that these facilities and benefits are not extended even to those who do not come under this stipulated 500 metres. Hence, I request the Finance Minister to issue necessary instructions to the concerned at once to see that atleast those who do not fall within the stipulated range are not subjected to any harassment in getting loans and subsidies. The Government should also take steps to provide marketing facilities. The export policy should also be modified so as to benefit the farmers who have taken to prawn culture. Now these farmers are heavily dependent on the middle men who purchase prawns from farmers at a throw away price and earn huge profits by exporting them. Hence, the Government should take steps to export prawn on its own. The Government should purchase the produce from the farmers directly and export it on their own. Thus the farmers will get a better price and the Government can earn more foreign exchange. Thus role of middle men will also come to an end.

Sir, many people in the country, especially in the coastal areas are engaged in coconut cultivation. All the persons who are engaged in this profession should be provided with the facilities which are now available to toddy tappers. The persons who are engaged in this profession, usually meet with serious accidents while they climb up coconut trees for plucking coconuts. In such accidents usually the workers die or get disabled permanently. There is no security for their life. There is no insurance cover for them. Hence, I appeal to this Government to extend all the benefits which are now available to toddy tappers to these workers also.

Sir, the time has now come to bring in some radical changes in the policy related to insurance. The insurance policy which is now applicable to the agricultural sector is more or less restricted to the persons who avail loans from the banks. It is not at all insurance against the crops. Now insurance facility available for every article in a rich man's residence. A costly silk saree can be insured. Golden ornaments can be insured. Any precious item can be insured. But the same facility is not available on farming for a poor farmer who produces grains to feed us by pleading his wife's sacred Mangal Sutram. It is most unfortunate. The present policy which is against the poor farmer should be given up. A policy which is of help to the poor farmer should be adopted. The Government should at once take steps to change the whole system. In addition to providing insurance cover for the purposes of loans from the nationalised or co-operative banks, insurance cover must also be made applicable to the farmers against their crop failures. The insurance cover must be available to the farmers against their crop failures. At present, a Mandal is being considered as a unit. I request the

Government to change this policy and a Panchayat should get the insurance amount against their crop failures. Thus I earnestly appeal to this Government to change the present insurance policy to accommodate not only those who take loans from the banks, but also those who insure against their crops. I hope and trust the Government would soon make these necessary changes in the insurance policy and take steps to implement them throughout the country.

I want to say a word about the ports in my state. We have important ports like Kakinada, Narasapur and Visakhapatnam. Barring Vizag, no other port has been developed. I request the Government to develop the ports at Kakinada, Machilipatnam and Narasapur. The development of these ports will give a boost to our export trade especially prawn and fish. The entire region will witness enormous progress and buzz with economic activity if these ports are developed.

Though the process of liberalisation is on, there is not much industrial progress in the country in real terms. In spite of liberalisation, entrepreneurs are still running from pillar to post to get their licences. Still there is a lot of redtapism. The liberalisation is evident only on paper. In practice, the liberalisation is nowhere to be seen. This is the main reason why we are lagging behind industrially. The Government, if it is really interested in rapid industrialisation, should take steps to implement the much pronounced policies under liberalisation and encourage entrepreneurs to set up their industries by providing the facilities they need and also by making many more concessions available to them.

Sir, we have many mini Cement plants in Andhra Pradesh. They are facing many difficulties. A concession of Rs.150 per tonne in Excise Duty upto 99,000 tonnes is available to them.

The concession is not applicable if they sell their cement by other brand name or Trade Mark. Only a fraction of the quantity of cement in the State is being consumed in the State while the rest of the cement is sent out to other parts of the country. There, this cement is being sold with different brand names and Trade Marks. Hence, the concession is not applicable to these mini cement plants. Thus these cement producers are deprived of the benefit of the concession in Excise Duty. The policy of the Government is to encourage entrepreneurs in general and that too small scale sector in particular. Hence, I request the Government to modify their notification and issue necessary instructions to the department to extend the concession even to those units which sell their cement outside their state with a different brand name or trade mark.

Our Hon'ble Prime Minister has taken a noble decision to strengthen the Public Distribution system and make available to everyone in the country rice at half of its price. This particular measure will benefit all the poorer sections of our society. I whole heartedly congratulate our Hon'ble Prime Minister for this noble gesture.

Sir, this scheme is now already being implemented in Andhra Pradesh under the able guidance of our beloved Chief Minister, Shri Chandra Babu Naidu. Nearly one crore and ten lakh families are receiving the rice at subsidised rates through P.D.S. outlets in the State. I want that the Scheme be extended to the entire country. Andhra Pradesh should be taken as an example not only in this case, but also in various other subsidy schemes announced by the Hon'ble Prime Minister.

In rural sanitation, a lot needs to be done. Women are held in the highest esteem throughout the world. But in India rural sanitation facility is available only to 15% of the population. Even now women folk in the country-side go to open places in the outskirts of the villages to ease themselves. This is unfortunate. So I request the Government to allocate enough funds so as to provide sanitation facility to all the people in our rural areas.

Similarly there is an urgent need to provide sufficient funds required for the rural development. Nearly 2 lakh villages in the country do not have approach roads. Necessary funds should be provided to construct all-weather roads to connect every village. As far as the national highways are concerned, the Government already have many good proposals before them. For example, there is a proposal to widen these roads. These roads should be developed into four lane roads, as they exist in other countries. But there is a financial crunch. I agree. But, within the available resources, we should utilise them judiciously and see that these roads are well developed. If it is not possible to widen the national highways into 4 lane roads atleast they should be developed as two-lane roads without any further delay. This one measure contributes to the all round development of all the areas and regions of the country.

Postal Department is one such department which serves all the sections of the society throughout the country. I concede that the present Government have allocated more funds to the department. But that is not just sufficient. Some more funds are necessary.

[English]

MR. CHAIRMAN : Please conclude.

[*Translation*]

SHRI K. S. RAYADU : One minute, Sir.

More funds should be allocated to Postal Department, so that it can serve the people well. In my constituency, Narasapur in A.P. which happens to be the Postal Division Head Quarters, land has been acquired some 8 years ago at the cost of Rs. 9 lakhs. Though the department has acquired land spending so much money, no effort was made to construct the building for which it was acquired. I am sorry to say this. Since the Government has already acquired the land at a huge cost, the government should at least now, try to complete the building at an early date by making necessary allocation for the purpose. Already the Government has spent some money. The work should not be left untouched after spending so much of money. Hence, I earnestly appeal to the Government to take up and complete the construction of Postal Department building at Narasapur as early as possible.

There are many beautiful tourist spots in Andhra Pradesh. They have the potential to become major tourists attractions in the country. Hence, the government of India should try to develop these places of tourist importance. Vizag, Narasapur and Ichhapur have very good beaches. They can very easily be developed. In addition there are places like Nagarjun Sagar and Arrak Valley. The Government should at once take steps to develop these areas as major tourist centres in the country. In the present tourist map of India, Andhra Pradesh is nowhere to be seen. We are lagging very much behind in the tourism sector.

Sir, the present Govt. at the centre is a pro-farmer Government. This government is not only responsible but a responsive Government as far as the needs of the farmers are concerned. But Sir, the farmers in Andhra Pradesh are quite restless for one particular reason. The farmers in the state do not know what is going to happen to nearly 30 lakh acres of cultivable land. Sir, it should not be forgotten that which part of the country we may come from, whenever we may represent, to which State we may belong, we are first and foremost Indians. Construction of Almati Dam is sending alarming signals to farmers in Andhra Pradesh. They are now agitated over construction of this dam, because it robs them of the precious water required for cultivation for their lands. I request the Hon'ble Prime Minister to keep in mind the interests of Andhra farmers and do justice to them by finding an amicable solution to the problem.

Finally Sir, before I conclude, I once again compliment and congratulate our Hon'ble Finance Minister for presenting such an excellent, pro-poor and pro-

farmer budget.

I conclude my speech, Thanking you for the opportunity you have given me to speak.

[*Translation*]

SHRI SUBHASH CHANDRA (BHILWARA) : Mr. Chairman, this is my maiden speech in the Lok Sabha. I seek your cooperation if I take a little more time.

Mr. Chairman, while presenting the Budget hon. Finance Minister stated in the beginning that when the Common Minimum Programme was started he was not the Minister. Prime Minister announced the Common Minimum Programme on 4th June 1996. He further said that his commitment to the Common Minimum Programme was more than to his post and he has given a base to the common minimum programme. It contains a point.

[*English*]

"The United Front government is committed to fight corruption, particularly, the corruption in high places and will take such steps as are necessary and in accordance with law to restore the confidence and credibility of the officers and institution of the State."

[*Translation*]

I now come to their aims. They have mentioned seven aims. The Budget was presented on 22nd July, but aim to fight corruption is missing therefrom. What happened between 4th June to 2nd July that what was mentioned in the Common Minimum Programme about fighting corruption was deleted in the budget. Budget also encourages corruption. If the Budget is good it checks corruption, but if its directions are wrong then it encourages corruption.

SHRI P.R. DASMUNSI : There is no provision under the Head "Corruption".

SHRI SUBHASH CHANDRA : The Finance Minister has stated in the Budget speech that those who evade taxes must have to face criminal charges. I believe that tax evasion is done with the connivance of the government machinery. But there is no mention about Government machinery and only this has been mentioned that those who evade taxes would face criminal charges. In this way you are encouraging government machinery. Those who are caught would face charges but you will not take any action against government machinery.

I will take other items one by one. To pay attention towards condition of poor people is one of their

aims. It has been said that minimum basic facilities would be provided in time-bound manner. I have yet to see or find any such thing in the number of Budget I had opportunity to see that the duty has been redanced on costlier textiles and raised on clothes meant for poorer sections. Whatever you do not think cloth as a basic necessity. Costlier textiles were earlier charged duty at Rs. 20 which has now been reduced to 10. It was Rs. 10 on cloth meant for poorer sections, but now it has been doubled by introducing a new system of Modvat. About 2 crores people are employed all over India in Textile Industry. Out of them about 10 lakh are working in Composite Mills and one crore 90 lakh people are employed in Powerloom, Handloom and small Scale Units. Composite Mills have been lots of benefits under MODVAT Scheme.

19.00 hrs.

Burden of taxes has gone up on small powerlooms. Presently 40 per cent duty is charged on overall Govt. on manmade fibres used by lower strata of society. What is included in the duty. Custom duty on the fibre i.e. excise duty and additional excise duty on cloth which has now been provided will take duty to 45 per cent on the cloth. Cloth is a basic need of rich as well as poor. If 45 percent duty is going to be levied on cloth what could happen to the industry and the people who use that cloth?

Whenever a new Tax is introduced in the Budget. Estimated receipts in respect of that tax are indicated. Hon. Finance Minister has said that about 5 percent service charge has been levied and an amount of Rs. 70 crores would become available during this year. But he has introduced 'Modvat' on cloth and it has not been indicated any where in the Budget the amount likely to be received therefrom. But in detailed accounts distributed alongwith the Budget about Basic Excise Duty against col. 76 and 84 it is mentioned that Basic duty should be levied on cloth, which they have now provided but not a simple paise has been mentioned against receipts column. Either the Minister of Finance is not competent enough to make any estimate or he feels that this duty is not to be levied this year. You have not included the same in receipts in the Budget.

Sir, they have taken a new loan of Rs. 55688 crores. There is a provision of Rs. 55688 under Borrowing and Liabilities and Rs. 60000 crores for payment of Interest. This means the condition of economy is such that we have to borrow in order to pay interest amount. Apart from this it is mentioned at an other place that repayment of the loan is Rs. 60000 crores. You are taking loans for repayment of loans. In addition you have to borrow in order to pay interest and they have mentioned in the Budget the aim is to ensure economic

stability and budgetary foresightedness. But the Budget does not indicate the economic stability how it was going to be ensured. What is going to happen to the country when we have to borrow to pay interest? An amount of 60000 has to be paid as Interest and Rs. 55688 crore is a new loan. Last year payment of interest amounted to Rs. 52000 and this year it has gone upto Rs. 60000. In this way the amount of Interest is increasing each year. The government has so far never considered the steps to control this borrowings? What is going to be the future of the country?

It has been mentioned under the objects of the Budget to make balance of payment situation feasible through better export performance and increased foreign investment inflow. It is good to mention that balance of payment should be better but what efforts are actually being made in this directions? They have tried to tilt the trade balance further. How? They have by lowering import facilities on all items encouraged imports and not much special benefits are being provided to exporters. Earlier they had a benefit that export Income was exempt from Income Tax but now that has also been imposed. Today on the one hand we are talking to improve trade balance while on the other hand we are making efforts to increase the trade deficit.

Mr. Chairman, Sir, so far as personnel Income Tax is concerned its limit should be increased. If you increase the limit of personal Income Tax it would not make much difference to the Budget but would provide relief to a large number of people. Whichever government is there it works for the welfare of the people. If the limit for income tax is raised it would benefit the public and check corruption. But the aim of the government is not to check corruption and hence it is not increasing the limit of personnel Income tax.

I want to make one more submission to the hon. Finance Minister. The hon. Members know their constituency better as they are elected from that constituency. They know what is needed in their constituency and where there is need for development. If we see the figures for the last three years, we see there has been much development under this arrangement. While sitting in the centre you do not know how much development is required in particular areas. I am therefore to request you the amount under Local Development Fund may be increased.

Sir, a new provision has been made in the Budget. It is about Rural Infrastructural Development Fund which is to be controlled by NABARD and which is to be funded by contribution by Commercial Banks which do not fulfill their targets of priorities for advances. It is stated that share capital will be increased. May I know what does it means, I think the Commercial Banks

would be insisted that they may not provide finances where it is to be done according to priorities. Actually Commercial Banks get money for lending to priority sector. This is the inference one can draw from this provision in the budget. If this the meaning of this provision then how the country would develop.

About the development of agricultural they say that Rs. 30 thousand would be provided for purchase of tractors. Sir, I come from an area where farmers have small holdings and they are not in a position to purchase tractors. Government should make some special provision for such farmers separately. Farmers in my area even now use bullocks and other animals for agriculture. I therefore want that there should be separate provision for such farmers in the Budget. A big farmer can make all arrangements for development of his agricultural but a small farmer is not in a position to do any such thing.

In the end, I hope that the hon. Finance Minister would pay attention towards the issues raised by me. He would also try to fulfill the aims mentioned by him in the Budget. I oppose this Budget, because this Budget encourages corruptions. In addition, it is also a Budget which is against interests of Industry. In fact this Budget has taken Textile Industry to the verge of collapse.

[English]

SHRI PRITHVIRAJ D. CHAVAN (Karad) : Thank you Mr. Chairman. The 1996-97 Budget presented by Shri Chidambaram, the first Budget of the United Front government, is to be supported in so far as it continues the basic economic policies of the Congress Government. In fact, some have called it 'Manmohan Singh plus or minus two per cent.' We are happy that the Congress policies have been endorsed by all the constituents and the supporters of the United Front Government.

The up-dated Economic Survey has confirmed that the economy grew at an unexpectedly high rate of seven per cent; industrial growth was over 12 per cent; foreign exchange position was comfortable and inflation rate was under control. Thus, Shri Chidambaram has inherited a very healthy and vibrant economy as compared to what the Congress Government inherited in June, 1991. And it is for this reason that I had expected a much bolder more innovative effort. But I suppose, the Finance Minister has constraints of balancing the various conflicting political interests, to please every political pressure group and include every favourite political theme of every constituent. I call it 'a great opportunity missed.'

Coming to the micro economic side, the fiscal deficit target of five per cent appears difficult to achieve. Firstly, Rs. 5,000 crore PSU disinvestment target is difficult. There is no disinvestment commission for this lot. We expected something very different from it. And in view of the prevailing market conditions, I think, the disinvestment story will go the same way as it went the last year. Secondly, the telecom licence fees are unlikely to materialise, for obvious reasons. Thirdly, there are indications that a slower industrial growth may affect excise collection. In some sectors, the spending will have to go up, particularly defence. Defence spending is lower in real terms. It has only increased by three and a half per cent.

In real terms, it is down by three and a half per cent. In terms of the GDP, a very disturbing trend is apparent. The defence spending is going down from 3.4 per cent of the GDP in 1988-89 to 2.7 per cent of the GDP in 1991-92 and now you have brought it down to 2.2 per cent of the GDP. It is not a very happy situation considering the developments in the neighboring countries. These factors will not allow the Finance Minister to contain the deficit at five per cent of the GDP. Covering the fiscal deficit does not mean that you have to curb investment. Actually, the attack should be on the revenue deficit. And I am sure, the Finance Minister has promised various steps like the expenditure commission and other things. And we wish him luck so that over a period of time, he will be able to come up with schemes which will reduce the revenue deficit.

Interest payment is a major area of worry. Today it claims about 96 per cent of the fresh borrowing net of repayment. It is almost equal to the entire fiscal deficit. Therefore, in view of the very high interest outflow, I strongly recommend that the PSU disinvestment amount should be used only either for PSU restructuring or to retire the high cost debt and in no case, should it be adjusted for consumption expenditure even if it is for a laudable cause like education or health.

SHRI P. CHIDAMBARAM : Will you yield for a moment? I think, I should clarify it because this comes up again and again. As long as we are a net borrower in the market—we are a net borrower today, we have difference if you borrow money and spend it for health or education or if you disinvest and take that money and spend for health and education.

This money is fungible, only when you cease to be a net borrower; there is no borrowing in the market, than the disinvestment money, if it goes into health or education becomes a consumption expenditure and therefore, should not be spent in that manner, should

go into retiring old debt. As long as we are net borrower, it makes no difference. It is simply an accounting way of looking at it. Anyway, you are going to borrow so, I do not think, there is any argument that we should use disinvestment money only for retiring debt.

I just wanted to clarify this.

SHRI PRITHVIRAJ D. CHAVAN : Well, I appreciate your point. But a signal has to be sent that you seriously intend to create a corpus for PSUs restructuring.

Subsidies are an important item of expenditure. Our food subsidy is higher, it is good. But I think you should have afforded a lower food subsidy if you had targeted the food subsidy better by restructuring the PDS so that it only goes to the really poor people living below poverty line. He has promised to do that. I hope he does that and takes some money from the food subsidy.

Subsidy on the phosphatic and potash fertilizer is a welcome move. Probably, it will redress the imbalance which has been created in the use of fertilizers.

One cause of worry is that the Finance Minister in his speech has not really emphasized BOP. I am sure, it is in the back of his mind. But it does not appear to be a main item on the agenda. Considering the trade gap of about seven billion dollars, I do not think we can afford to relax. You have said that you need to increase our export effort. Imports are increasing, and that is the cause for all of us to worry.

Sir, the Budget has been called pro-poor. Is it really pro-poor? Actually, in case of rural employment allocation, it has come down from Rs. 4,771 crore to Rs. 3,835 crore or a cut of about 20 per cent. Even for the JRY scheme which is a main component of this. It has really helped to empower the rural masses and the Panchayat Raj Institutions. It has gone down by about Rs. 850 crore. Even for the rural development itself, the allocation has gone down by 11 or 12 per cent. IRDP allocations getting reduced in terms of number of beneficiaries. Even in provisions for SSI, which is the major employment generation sector, you have brought down the allocation from Rs. 961 crore to Rs. 935 crore. What has been done?

Sir, there is some tokenisms and that tokenism results in these so-called 'Prime Minister's Scheme'. He has very cleverly disassociated himself from many of those things. He has very cleverly given all the credits to the Prime Minister. What is it—Rs. five crore for old age; Rs. five crore for residential primary schools? How many schools can you create by Rs. five crore?

Each Novodaya School costs Rs. one or two crore, we can have two or three schools only in the country in Rs. five crore. Rs. 10 crore for Women's Development Corporation; Rs. 5 crore for Illness Fund; Rs. 5 crore for death of lorry drivers at the rate of Rs. 50,000 per driver. That would cover about 1000 lorry drivers in one year. If I take the State of Maharashtra, which has got a population of over 10 per cent of the country's population, perhaps 100 lorry driver would be benefited. These are all token schemes. Perhaps the total amount of Rs. 70 crore in these 'Prime Minister's Schemes' amounts to about 0.03 per cent of the total Budget. Rather than that, it should be better to introduce a comprehensive insurance scheme for all these sectors. I hope you will pay some attention to that.

This Budget clearly shifts emphasis from direct attack on poverty through rural employment generation schemes to investment in infrastructure, which is good -- I mean, the second part is good. Investment in infrastructure has to be done because infrastructure investment cannot be left on the market process alone. The initiative about setting up a new fund for highway authority is also good. But even in the power sector I think the allocation should have been increased because we are not having a great success in private participation.

It is very good that the Irrigation is emphasized. We support that.

Now, I will come to taxation proposals because I am not sure whether I will get a chance to speak on the Finance Bill.

As far as personal taxation is concerned. I am very happy that the Finance Minister has not fallen prey to the populist demand for a higher income tax deduction. But instead, he has given relief in the lower slab and salaried employees.

In the next Budget—I hope you do get a chance to present it—I wish that you introduce some indexation based on the number of people under the direct tax bracket, per capita income and rate of inflation. Such schemes have been successfully tried in Chile and other developing countries. We must design the scheme in such a way that the number of people paying personal income tax increases gradually. There is a clamour, usually at the time of every Budget about increasing the exemption limit, say, from Rs. 40,000 to Rs. 60,000 as is proposed by the BJP. If you devise a scheme of indexation, it would be very good.

I have a suggestion to make. The upper limit for higher tax rate has to be increased from Rs 1.2 lakh to above Rs. 2 lakh for obvious reasons because the

corporate salaries have risen from a ceiling of Rs. 7,500 per month which we had some time ago to Rs. 50 lakh to Rs. 1 crore per annum. This needs to be looked into.

Regarding the problem of black money, there is no innovation. I hope that you would give it proper attention during the next year.

I suggest that rapid increase in computerisation is one answer for better monitoring. I hope that your Department is doing it already in respect of computer generated unique permanent account number. I think that the only solution is to make printing of the permanent account number compulsory on all commercial documents, invoices and such other things so that computerised cross-checking becomes easy. I am sure that the Department is taking steps in this direction and that you would give it every attention that it needs.

The Minister is also famous for simplifying documentation. He had thinned down the Trade Policy, which he wrote in one evening, from hundreds of pages to twenty to thirty pages. I would request him to simplify the tax forms as they exist in some of the advanced countries.

Now, I come to the famous or the infamous or the most commented upon tax, the Minimum Alternate Tax. It has been a favourite theme of the Left. I would say that it is populist. But I object to the impression that the 'zero tax' companies were doing something illegal. They were not doing that but an impression has been created that they were claiming exemption which was legally permitted? Are we punishing them because they were successful, because they were using capital and human resources more efficiently? Were they not investing in creating more jobs? If you felt that they were paying heavy dividends out of the taxes saved, perhaps, you should have reduced the exemption or restructured their depreciation rates. I hope that when you get the opportunity, you would use it to clarify that they were not doing something illegal.

I am sure that MAT would certainly put a damper on new investment, at least for some time to come. Figures like Rs 4,500 crore and Rs. 5,000 crore of last investment have been quoted. I do not believe that, but certainly the new investment plans would have to be rethought.

Two earlier editions of MAT Tax had to be scrapped because they lead to a tremendous amount of litigation. I hope that it does not happen this time. I suggest that the Minister of Finance should think of making the amount saved on these taxes to be compulsorily paid into the Infrastructure Development Fund rather than taking it for tax purposes, so that industry partly

foots the bill for infrastructure development.

Coming briefly to the indirect taxes, I was a little bit disappointed that on the Excise side there is no movement towards comprehensive, all encompassing V.A.T. as he has promised, but he could have taken some steps towards these eleven rates.

SHRI P. CHIDAMBARAM : It was eleven but now it is seven.

SHRI PRITHVIRAJ D. CHAVAN : But you promised to bring it to four rates. We are looking forward to that.

We are happy that you have introduced the selective audit in excise. It is good. It reduces the paper work and the burden of small scale industries but there must be a foolproof and transparent scheme to select the assessees. Otherwise, it would lead to corruption.

There are two specific items on the excise side. The first is that you have exempted writing and printing paper for the use of text books, that is the paper used by the State Corporations. It is good idea. The intention is very good, but what is happening practically?

You have introduced a new Section called Section 57 CC. Under that section, the companies have to return a MODVAT amount at the flat rate of 20 per cent. No paper manufacturer is willing to pass on the benefit. I am told that the Mumbai High Court has held this illegal, or at least, given a stay under this particular section and has called it unjust. Please look into it. I think that it should be modified.

Next, I would like to mention about the service tax. you have introduced service tax on courier services and it is good. But are the courier services legal? They are not legal. There is need to amend the Indian Postal Act, which is 100 years old in order to permit the courier services to operate. If it is not amended, it would be challenged in the Courts. I am sure you are taking steps to amend the Act, Otherwise, there will be unnecessary litigation.

I had written a letter to the Minister of Finance about postal tariffs and I am very happy that he has accepted the suggestions and has introduced a Rs. 2 competition post card. This suggestion might have come from many other sources also. But he has not gone ahead in increasing the rate of ordinary post card. The rate was fixed about 22 years back. It costs 15 paise. But it requires Rs. 1.75 to deliver a post card but it is sold at 15 paise. All right, poor people need it. But there should be a limit to amount of subsidy. The Postal Department

is losing Rs. 500 crore every year and no new post office can be opened. Please look at it.

Sir, I have taken much of the time and I know that time is very short, I would conclude by saying that I am a little disappointed but definitely I have great hopes that the hon. Minister of Finance when he gets time and when he gets over the political compulsions would be as innovative as he was in the Congress Ministry when he was heading the Ministry of Commerce.

I just want to remind him the first 10- days are very important. You achieved everything last time in the first 100 days but later on it became very difficult. The end of the 100 days is fast approaching. Please do not miss this opportunity and let the country not think that a great opportunity has been missed.

Finally, I support the Budget, I wish it could have been a little bolder.

DR. T. SUBBARAMI REDDY (Visakhapatnam) : Sir, first let me support this Budget and say that this is very balanced, bold and brilliant Budget. It would become a phenomenon if the hon. Minister of Finance is a little flexible to accommodate our humble suggestions given in our speeches. A few days back, Dr. Joshi, our colleague said that this is a Congress Budget. He sarcastically criticised it.

On this occasion, I would like to highlight to the august house and also to the nation that we should not forget that during the Congress regime under the leadership of Shri P.V. Narasimha Rao, Dr. Manmohan Singh, the Industrial growth went up by 6.70 per cent and foreign exchange reserves improved to \$ 20 billions. Our poverty has come down from 25 per cent to 19 per cent. These were the achievements of the last five years.

So, let us not try to politicize the issues and let us not try to criticise each other. Let us build this great nation on the philosophy of national spirit that whoever does good things must be admired and appreciated.

Today the most burning problem for the present Government is employment. We have to remember that we are entering the 21st century. Millions of young people who would be completing 18 years will be seeking employment. There is frustration among the youth as there is no employment.

Similarly, the entire country is reeling under poverty. How to remove the poverty and how to create employment and how to remove this frustration among the youth. The only solution for these two problems is massive industrialisation and tremendous agricultural

productivity. What I feel is everybody is dreaming of achieving tremendous progress and prosperity which I am worried is not possible, under the present circumstances.

There is unprecedented cries for money all over the country in institutions and in banks. On the other side, our capital market has fallen down. It has become disastrous. Nobody is prepared to invest in industry. No banks and institutions are inspired to participate in the building up of industries. Then, what is the fate? I am just asking about it.

Without industry, even the government cannot get income. On the one side, you have been telling the Finance Minister : what about agriculture and rural development? You are asking about so many schemes. If he has more deficit of Rs. 5,000 crores, I think he must have an Aladin Lamp so that whatever he wants, he can have them. It is not possible. Therefore, the only solution is that the income of the nation should go up. The increase in the income of the society should go up. For that growth of industry is very important. Therefore, I am now requesting the Finance Minister that he must make much more efforts to see how to improve the growth of Industry.

Unfortunately, a few people have also played some mischief. Because of that, there is a bad name for the capital market. Let us not go on a wrong track. The SEBI is so much intense and worried that they do not come forward and give cooperation for anything. I have been hearing about it. Therefore, this is the right time now to see that no mistakes takes place. At the same times, a practical approach, a constructive and an effective approach to build this nation, industry and the society.

The most important thing is MAT. I welcome it. The Minister of Finance has got very novel ideas. A number of industries are minting money. Of course, because there is a way of depreciation, they need not pay tax legally. But, at the same time, the Minister of Finance felt that we should get more income for this country by making industries to pay a normal tax of 12 per cent. That is a very good idea. The Minister feels that when industry makes money, what is wrong in their payment. They must pay tax. But we have to bear in mind that for any new industry or for an industry already started or started recently, they make a budget on certain bases of having Tax exemption for five years.

Therefore, whatever income they get, they will pay back the interest and instalments to banks and institutions. Now suddenly, you impose this MAT Zero Tax. What I have been told is that no new industry will become viable. They would not be able to pay to the in-

stitutions. We must check up how far it is correct. In case they cannot pay the instalments and the interest to the institutions, no institution will give them a loan and there will be a disaster for the growth of industry. You kindly bear it in mind. We have discussed it several times informally. You have been telling the House that they must pay when they make money. We appreciate it. But at the same time, they should not be in a bad position.

The next thing is regarding paper industry. Bagasse is a product used only for burning for fuel. But I appreciate that you want to rationalise it. In the spirit of rationalisation, if a man, who manufactures a paper product on the basis of bagasse and pays five per cent excise duty, he is made to pay ten per cent, the paper industries will not be non viable. That is what I have heard. Therefore, kindly examine it, there may not be much revenue. Let us not give a psychological feeling that the new Budget is simply hampering the growth of the product which is agro-based. Let us see that also.

I feel that CRR and SLR and the Reserve Bank Policy should be re-examined to control inflation and, of course, cash flow into the market. Recently, the CRR was relaxed a little. If it is relaxed a little more to see that banks are found with more money, then, they will also come forward to participate in building up of the industry and also the trade.

Then, I am really congratulating the Finance Minister for having thoughtfully started the Infrastructural Development Corporation. It is really wonderful need infrastructural facilities to build industry in our country. In this connection, what I would say is that after the announcement, the Corporation will be formed and somebody will be the Chairman. But in the entire vast country, nothing much may move. As Mr. Chavan has said, as a token, if you put things, there will be no use. I agree that you cannot give thousands of crores of rupees to a corporation. But at least, its existence should be felt by the people by its investment example in one or two industrial cities where this corporation can give some assistance. For example, you may consider Visakhapatnam port or Mangalore city. Today, these are good port cities which have got the potentialities to develop the industry.

Now, in Visakhapatnam there is heavy shortage of water and there is no chance to get water unless Polavaram project comes. It takes more than 8 years to get this project. Till that time, people cannot even dream of water. At the cost Rs 200 crore, Bhagirathi water project, was thought over when Mr. Vijayabhaskara Reddy was the Chief Minister but for want of money, it was not started. If Rs. 200 crore

would be provided through the Infrastructure Development Corporation, as a token of experiment of your dynamic approach to give infrastructural facilities for the industry, it will be for earning you a good name and to be written in golden letters. People of that area, mainly in Visakhapatnam, are expecting thousands of industries to come up. So many industries are being started but for want of water, everybody is hesitating to go ahead. Rs. 200 crore is not a huge amount, it may be thought over when the corporation would be constituted.

I will not take more than five minutes, if I speak for more time, then members may feel heavy(interruptions)... You may think why I am talking only about industry. It is because I have studied it. Merely by giving speeches, we cannot eradicate poverty in this country. Based on emotions and by attacking each other nothing can be achieved. We want constructive, practical approach to build this great nation and to make this country one of the great nations of the world, we should have irrigation, power and industry.

Firstly, we should go away, about bureaucrats. Everybody thinks that if they start with something, there is a snag and something dangerous. It is because of the unfortunate events, there is snag and something dangerous. It is because of the unfortunate events which I need not repeat. Only because somebody does a mistake, everybody is not bad. If a political leader has done a mistake, it does not mean that every political party is bad and every politician is bad. So, let us have a positive spirit. Let us not suspect everybody. Let us inculcate in the blood of bureaucracy in this country that whoever is doing good things, remaining honest and sincere will always be supported by the Government. They need not hesitate and as long as they are sincere and honest, there is nothing to worry. Such a type of dynamic inspiration is needed from this Government.

We are happy that Government is going along with definitely good ideas. Of course, those ideas are of the Congress. So, people will say that you are following Congress. Perhaps if Congress has not achieved those ideas in five years, you would not have dared to follow those ideas. Why should we talk of Congress or the Communists or the BJP? Let us all be together. Let us build this nation and not always politicise matters. If somebody says something good, let us take it irrespective of the political party he belongs to. Let us forget the system of thinking in terms of politics. We must feel proud that India is the biggest democracy in the world. But we are really suffering from lack of communication from mind to mind and thinking you are different and I am different. This is not a game of sports. Let us have that positive spirit and respect each

other. If somebody is doing good things, let us respect him. When somebody is doing something wrong, let us have the courage, heart and mind to come forward to tell him that this is not good and that he must not do like that. That should be the spirit. I call upon all the political parties on this occasion to go ahead with this inspiration, stimulation and philosophy.

While concluding, I do not want to repeat what everybody has told about rural development, housing schemes, tourism and other things. I need not tell all these things. I acknowledge the various ideas given by various hon. Members to develop this country in the field of roads, transport, etc. which is very important.

Sir, we need a lot of money for the transport sector. We cannot dream of any real progress of the country without the beautification and modernisation of the roads. Although the previous Congress Government came out with a number of proposals and there were also plans from the ADB and schemes of the World Bank, yet due to red tapeism and confusion in putting forward these proposals, it could not achieve as much progress as was expected. So, I urge upon this Government that whatever schemes had been started by the previous Government should be accelerated and carried forward. I was told by Mr. Venkataraman, the Minister for Surface Transport that they had no margin money for the ADB schemes and Shri Chidambaram says that there is no money even to provide for the margin.

SHRI.P. CHIDAMBARAM :I have provided an extra Rs. 200 crore for this.

DR. T. SUBBARAMI REDDY : There is one very big project for roads in Haryana. There are also road projects all over the country. All that I would like to request is that these projects should be given topmost priority.

Sir, in conclusion, I would once again like to congratulate the Finance Minister and support this Budget. At the same time, I would also like to say that if the Congress Government does good things, all must appreciate; when Shri P.V. Narsimha Rao does some good things, all must appreciate; when Dr. Manmohan Singh does some good things, all must appreciate; when Mr. Chidambaram, as Minister of Commerce, frames the trade policy and we achieve good export, all must appreciate. Likewise, if there is something wrong, all must also criticise. Therefore, let us bring in a new era in a new spirit, new thought, new philosophy and new inspiration. Let us be together ; let us be united and let us build the society and this great nation in such a way that the entire world feels proud of this greatest democracy in the world and let them

feel that we are all one and united irrespective of any political affiliations. Thank you.

[Translation]

MR. DEPUTY-SPEAKER : Shri R.L.P. Verma, before you start let me tell you that five more Members including you are left to speak. It would be better if you conclude your speech in 10 minutes. Try to conclude early.

SHRI R.L.P. VERMA (Kodarma) : As I am speaking at the close of the debate I will not say any thing about policies but would talk only about the problems of any area. The Budget presented before the House appears to be a good Budget but if we look at it from practical point of view it appears as mirage. I put my objectives before you.

Country attained independence almost 50 years ago and during whole of this period our whole system has been foreign-oriented. We have been against Swadeshi, because of which we are not able to take our country forward. Though a number of schemes in respect of poverty alleviation, providing employment to educated youth were formulated yet we have not been able to provide irrigation facilities to poor farmers so far. Still there are about 10500 villages in South Bihar, which is known as Jharkhand or Vananchal, which have been identified as problem villages. We have been raising our voices in this regard for so many years and have been writing to Central Rural Development Ministry. About 2 thousand people have died of diarrhoea and shortage of water during the past few days in Giridih District. What we get in reply from here is there is no cause for worry. The benefits of all the schemes go only to few people. All the schemes are on paper only. That is why there is no transparency in these programmes. Till now why the Government has not mended its machinery. Bureaucracy is on looting spree. It has not been checked because of which the schemes are implemented on paper only. I want the hon. Minister to take some effective steps in this regard.

I want to raise another issue relating to his Ministry. A huge scam is happening in currency and Coinage Department. It involves Berud Portel Co. of Britain. Paper is being imported in the country through their Indian Agents for Security Press and Security Paper Mill. In addition, security fibres, security and currency thread, laboratory equipment, spare parts for machines and machinery are being imported. Certain Indian companies are capable of manufacturing these things at half the imported price and are doing the same, but such companies are being neglected. These companies are exporting their merchandise but these are not being utilized in the country. This scam involves crores of

rupees. I have written a letter to hon. Minister giving full details of this scam. Shri R.L. Rao is its D.G.M. He is commissioning in this scam of crores of rupees. It may appear to be small scam but actually it is bungling involving hundreds of crores of rupees similar to Telephone Scam, Sugar Scam and Security Scam. If the hon. Minister does not pay any attention towards it, this indigenous industry would be destroyed.

Today Swadeshi Movement is going on in the country. But all the indigenous schemes and industries are dying. One East India Co. came to India which made India slave of the British Empire. But today 1600 foreign companies are registered in this country. All our industries are bound to go under their control. 51 per cent of equity of Maruti Industries has gone into Japanese hand, and shortly it will go into their hands. TOMCO and many such companies of India have been sold. Foreign Companies are by and by tightening their control over Indian companies in such a manner that no industry here would be able to progress. If we go through foreign, industrial and economic policies of our Government we get a feeling that very soon we may ruin our industries. All our Public Undertakings are running on losses. They are running on losses which have accumulated to thousands of crores of rupees and all have established direct contacts with foreign companies. With the result these Undertakings have started functioning as Agents of Foreign Companies. Therefore, if we have to run our Public Sector Undertakings we should make them accountable to public. The Chairmen of those undertakings, which run on losses, should be held responsible for the losses. They should be entrusted with the responsibility of an undertaking as a businessman and work as a beaurocrates. If the undertakings are run in beaurocratic manner they would become bankrupt and if these are managed like business houses it will change the fate of our country. The Government should therefore reconsider the matter by taking this attitude.

50 years have since we became independent. This is not a small period. We are going to celebrate Golden Jubilee. But we do not have drinking water, the poor do not have their houses. There are no roads in Villages, there is no electricity in villages. There are no facilities available in villages. Everybody is migrating to Urban areas. Rural people have converted Delhi into Slum. You will see there are 1200-1300 colonies in Delhi. We cannot provide water and electricity to those slums and we are talking of development.

Mr. Deputy Speaker, Sir, this is a Juglary of words. This is a mirage. The country has to be taken out of this situation and the hon. Minister has to initiate revolutionary steps in this regard. It appears that he

has decided to follow old track. Policy of Liberalisation and GATT Agreement is still being continued, which makes it clear that they have decided to follow the old policies. There is a saying :-

"Leek-leck chhakre chalte hein

chalte hein kaput aur kayar

Leck chhorkar jo chalte hein, ve

kahlaate hein saput aur nahar!"

The Finance Minister is acting on the line of this saying. I request Shri Chidambaram to change his track. When you are talking of social Justice and Poverty alleviation and announced a number of other welfare measures but these things do not appear to be translating into action. It appears that you are still following old track. Foreigners are entering into our country. They are not coming here to emancipate us. They are coming here as Businessmen. They are coming here as East India Co. They will destroy our country and run away. You have to control them and for this purpose a high Power Committee may be set up.

Sir, I would now mention some of the problems of my Constituency Kodarma. My constituency consists of two districts of Giridih and Kodarma. I have been continuously representing the area since 1977. During 1978 I made a demand to lay a Railway Line from Giridih to Ranchi and there was some talk to give some money for the same during 1991 and had an amounting of Rs.20 crores been provided atleast earth work would have been completed by now. There is no mention about this project in the present budget whereas during 1991 Budget it was promised to be taken on priority. It has now been deleted. This is injustice towards people of Chota Nagpur Area.

Sir, Vananchal and Jharkhand areas are sparrow giving golden eggs to the country. Even today 50 per cent mineral wealth and forest wealth of the country, out of country's total resources is extracted from this area. The Central Government and the State Government are jointly exploiting such wealth. These Governments think that it is better to keep this golden egg giving sparrow to keep behind bars and should be exploited. There has been a demand to give full statehood to Jharkhand and Vananchal areas. Agitation has been going for the last 60 years. This has been a biggest and lengthiest movement. Some time they say one thing but later on something else is said. But the area has not yet been converted into a separate State. More than a year has gone by since Jharkhand Development Council was formed and it was decided to allocate 25 per cent of the total budget of Bihar to the

council but so far even 25 paise have not been paid. This shows their mentality. This is grave injustice towards them.

Mr. Deputy-Speaker, Sir, Member of Parliament of the area is purchased. It has now been proved. A case in this regard has been filed against him. I am therefore to say that provision should be made in this Budget itself for laying 294 km. Railway line of Jharkhand area. If such a step is taken it would be construed that this Budget looks after the interests of poor and Adivasis. Otherwise it would be construed that you have not done anything for 2 1/2 crore people.

Sir, there are 10500 such villages in Jharkhand area where there are no wells or drinking water facilities. Harijans and Adivasis draw water for drinking purposes from a dirty water drain. In order to save from this situation and provide them with drinking water facilities it is necessary to undertake works at warfooting. It is therefore necessary to create special fund for digging of wells and construction of tubewells.

I want to submit another point in brief. Target has fixed to provide loan to 400 people of Giridih District this year under Prime Minister Employment Scheme but only 142 people have so far been provided half of the stipulated amount. It is evident from this that the target fixed has not been fulfilled and only 25 per cent target has been achieved. Same condition prevails in Kodarma and Hazaribagh. There also 25 per cent targets have been achieved. Poverty conditions still prevail these on account of non achievement of the target. Similar examples in respect of one or two persons have come to my notice only yesterday. They have informed me that they had taken a loan of Rs. 15 thousand as unemployed youth. They have to pledge their certificates etc. They have become overage hence they cannot get any job under the Government. They will die with the burden of this loan. There should be change of attitudes in this regard.

MR. DEPUTY-SPEAKER : Mr. Verma, please conclude.

SHRI R.L.P. VERMA : We had demanded that few useful schemes should be introduced. Konan River Project was started in 1978 at a cost of Rs. 11 crores. It is still unfinished. An amount of Rs. 178 crores has already been spent on it. I feel beaurocracy would take its cost upto Rs. 500 crores and still it will not be completed. 15 years have since gone. Lakhs of acres of land has been converted into canal and farmers have not been paid any compensation so far. Funds should be provided for this project. There should be time-bound schemes. If the schemes are not completed within

stipulated time span then stern action should be taken against officers responsible for delay in completion. They should be sent to Jails. Similarly Kesho Reservoir Scheme and Panchkhero Reservation Scheme are also pending. These are incomplete inspite of amount of Rs. 5-10 crores having spent on them. Heavy Water Treatment Plant was to be set up at Jhumari Tilaiya Dom but this has yet to be implemented.

MR. DEPUTY-SPEAKER : You may conclude now..(Interruptions)

MR. DEPUTY-SPEAKER : Other hon. Members are also to speak.

SHRI R.L.P. VERMA : It is alright. I want to say one more thing. There are a number of such projects in my area. Agriculture Science Centres were sanctioned for Bhandaro and Kodarma. This is Rs. 3-4 crores Scheme, but it is being kept pending. These centres should be set up because there is no Industry in this area. With the opening of Agriculture Science Centre in the area, the local rural labourers would come to know of scientific agricultural methods and they would be able to look after their families in a better way.

SHRI RAMASHRAYA PRASAD SINGH (Jahanabad): I would like to make a few submissions before you. The Govt. has presented Budget for the year 1996-97. I convey my thanks to the Minister of Finance for the same as he has made a good effort. He has presented a balanced budget. A number of hon. Members have pointed out different aspects of this Budget. A number of hon. Members have described it is a good budget while a few have said that this Budget is not for poor people. The question arises this government is not for poor people only. This is a government of Capitalist Democratic govt. It has therefore brought a Budget which looks after interests of all the sections. It is beneficial for farmers, beneficial to working class, beneficial to Industrialists. It is beneficial to all the sections though benefits may vary to different sections. However, this is a balance budget. I convey my thanks to the Minister of Finance for the Budget and pray for his long life. It has ben sated in the Budget that government would strive to alleviate condition of those living below poverty line. This is not a new thing but an old thing. This point had been raised during Congress Governments period and certain Schemes were also formulated and implemented.

20.00 hrs.

I want to mention about improvement of slums. The Budget also talks of bringing the rate of inflation down. But I want to say one thing. Black money in our country

is running a parallel economy. So long as black money is on the increase rate of inflation can not be controlled. Market can not be controlled. I would request the hon. Minister of Finance that efforts may be made to bring black money out. It would help the country. You have reduced allocation for I.R.D.P. but there are a number of ongoing schemes which are related to rural area. These include Prime Minister Employment Scheme, Jawahar Rojgar Yojana, a new scheme which covers certain blocks of each district of the country. A scheme to provide mid-day meals being implemented in villages. Jawahar Rojgar Yojana was introduced by Late Shri Rajiv Gandhi. He had informed the House that when hard earned money of the public is sent to villages only 15 per cent money is put to purposeful uses and the rest 85 percent is lost on the way. Everybody knows it. who will monitor that money sent is properly spent or not.... (*Interruptions*)

MR. DEPUTY-SPEAKER : We had to finish it by 8.00 pm but we have still four members to speak.

[*English*]

SHRI P. CHIDAMBARAM : Sir, we will extend it and complete the discussion.

[*Translation*]

MR. DEPUTY-SPEAKER : Alright.

SHRI RAMASHRAYA PRASAD SINGH : I want to make one submission about my area. If proper control is not exercised on the Banks, the Prime Minister Employment Scheme would fail, they are not going to benefit any body. Cows, Buffaloes, Goats and Pigs were provided to poor labourers to raise them from below the poverty line. But these animals were not of good species. I am speaking particularly about Jahanabad. If you look through the records for the last five years you will find that the money given to poor people has been wasted. The grants given were misused with the result that Buffalo worth Rs. 3000/- was supplied at Rs. 5000- you can yourself see how anybody can look after his family.

I want to say something about Prime Minister Employment Scheme. A boy came to me and said that he was trained for employment but even after that they demand 30 percent commission. He had applied through me so I will submit the same to you. There is a need to conduct investigations with regard to such cases of corruption. I have already said that if less money is spent properly on beneficial schemes our country could develop. We can reduce poverty, check unemployment, but we are not doing this.

Hon. Finance Minister, our country is an Agricultural country. What are the needs of a farmer in an Agricultural country. Farmer does not want anything from you, he merely wants water in his fields, make irrigational facilities available to him, provide him quality seeds, give him quality fertilizer and farmers are prepared to give you anything. But during all these 40-50 years Agriculture has even neglected. The result is that the condition of even these farmers is not good who possess even 25 acres of land. This condition is bound to aggravate employment situation.

Mr. Finance Minister, I would make one more submission. Ours is a federal structure. You have State Governments under you. Legally there are separate laws for running governments, but there are certain such things which you have to do. Unemployment situation is looming large before the country. We have land ceiling laws but these have not so far been implemented by you. Had these laws been implemented by you the problem of unemployment would have been solved to a large extent. Our agricultural yields would have increased, our National Income would have gone up. Today we are borrowing in order to pay interest, such a situation would not have arisen. We would have increased agricultural production and raised our income to such an extent that we would have been able to manage our country as well as world. You have started paying attention towards agriculture. We want you to take agriculture to a better position from its present position. You will earn Kudes for this and farmers would never forget you.

I want to mention a few more things. Today Jahanabad has become a terrorist area. They have reduced laws to smithereens. They are sentencing people to death. You have to check this situation, you are Finance Minister, so you have to control this situation, you have to see those youth, who are gone astray from the national mainstream, are given employment. A scheme cleared from here has been pending with Bihar Government. Specially Punpun-Murhar Dardha Project is pending for want of funds with Bihar Govt. and its cost is escalating. I therefore request you to provide funds to the Govt. of Bihar for that project as loan and get the scheme implemented, so that irrigation facilities could be provided to 2-3 blocks and people could benefit therefrom. It will weaken terrorists in the area. It will not only weaken but meet its end. You are spending lot of more money on army, ammunition etc.

I have to request you that you have presented a very good budget. You have talked of economic reforms. It appears that you want to base your economic reforms on foreign hands. This is good that you have been able to attract foreign investments into the country. But you

continue to monitor this. Don't allow the situation to go out of your monitoring. Don't allow them to act in arbitrary manners. Only this way our country may benefit. If they are allowed to act at their own they would destroy our Industry here.

Our first Prime Minister Late Pt. Jawaharlal Nehru had in this very House said while construction of H.E.L. at Ranchi, this is a temple of India. Hon. Finance Minister, Sir, what is your position? That Industry sustains lot of industries.

This Industry could have helped in the establishment of many a new Industries, but what is the condition of that industry today? We want you to pay attention towards this undertaking. Try to give a new life to that undertaking.

An hon. Member has pointed out that you have to manage our National Industries in a business like manner. Private Sector Industries earn lot of profits. More capital is invested in our National Industry in comparison to private sector but our Industries are getting weaker. There are two ideologies in this country. One category says that privatisation should be there while the other is against privatisation. It wants to strengthen Public Sector, because unless public sector is strengthened, poverty can not be removed from the country. This is correct that privatisation is not going to alleviate poverty from the country.

In the end, I want to say that the hon. Minister should pay attention towards the problems of my area, which I have mentioned.

[English]

SHRI R. GNANAGURUSWAMY (Periyakulam) : Mr. Deputy Speaker, Sir, I rise to support the Budget. This is my maiden speech. I am very much thankful to the hon. Deputy Speaker for having given this opportunity to me to talk on the Budget.

Sir, I begin my speech with the blessings of my leader, Dr. Kalaignar Karunanidhi. I remind the House the couplet of Thirukkural.

"ITHANAI ITHANAAL IVAN MUDIKKUM ENTAAINTHU
ATHANAI AVAN KAN VIDAL"

A proper job should be entrusted to a proper man. So the Finance Ministry is entrusted with a proper and able man. He has done a noble job by presenting a very good Budget.

Sir, on the other day, when the Finance Minister was presenting the Budget, he was saying that this Budget was aimed at implementing the Common Mini-

mum Programme, popularly known as C.M.P. The C.M.P is the *magna carta* of the United Front Government. As it has been claimed by the Finance Minister it is his brainchild.

The Budget has got very many welcoming features. I will list one or two. They are : The Report of the Expenditure Commission on Expenditure in four months, discussion paper on subsidies to be tabled in Parliament, Rs. 2,466 crore allocated to States to implement the basic minimum services like midday meal scheme, PDS to be restructured, Companies Act to be rewritten, Tariff and Investment Commission should be set up, new Sick Industries Companies Bill to be introduced in the Winter Session of Parliament. These are all the very few welcoming features of the Budget and the list would go further.

Sir, in this Budget, there is a reduction in customs duty. It is worked out to be at eight per cent. Of course in cases like fertiliser, it is something more than that. This reduction in customs duty, of course, is for augmenting the purchasing power of the community and it is also increasing the demand due to reduction in price. At the same time, this reduction of import duty is also hitting hard the indigenous industries like rubber and textiles. These industries are already in bad days. Lakhs and lakhs of workers are employed therein. So I request the Finance Minister to reconsider the reduction of import duty regarding these industries engaged in rubber and textiles.

Sir, with regard to the introduction of the Minimum Alternate Tax on zero tax companies, it is a welcome measure. Of course, there are some exemptions to the companies engaged in power and infrastructure. The MAT is worked out to be at 12 per cent on book profit though the rate of MAT is meagre. At last, we are giving a good start, at least, in this Budget. The hon. Finance Minister is telling that the Budget is aimed at rural employment and eradication of rural poverty. The words 'rural employment and eradication of rural poverty' seem to be most sonorous. Do the Budget allocations reflect that?

As far as Budget allocation during 1995-96 in respect of I.R.D.P. is concerned, Rs.640 crore was allocated, out of which 19.5 lakh families were benefitted; in 1993-94, 25.4 lakh families were benefitted; and in 1996-97, Rs.656 crore are allocated, out of which only 16.4 lakh families are going to get benefit. There is a progressive degeneration in helping the rural poor. Are we doing justice to the rural poor as we claim?

Similarly, as far as rural employment is concerned, during 1965-66, Rs. 4,771 crore were allocated and in

this present Budget, Rs.3,835 crore are allocated. There is a reduction of 20 per cent. I may be permitted to say that it is a cruel joke on the poor.

The hon. Finance Minister, during his tour to Tamil Nadu, had advised the bank employees and bank managers to be liberal in advancing loans to the underprivileged, downtrodden and underdog masses. But even after this advice of the hon. Finance Minister, they are behaving as if they are the *rajās* without a crown on their head. They are behaving towards the people, who went there to demand loans, as if they are the king of the bank and as if they are giving money out of their own pockets. So, please advise these bank officials and managers to be liberal in giving loans to the poor.

It had appeared in the Press that the Indian Bank had suffered a loss of Rs.1335 crore during 1995-96. It is unprecedented in the annals of the history. The hon. Finance Minister had rightly ordered for an enquiry. This loss was suffered by the banks not due to giving loans to the poor but this loss is suffered by the banks due to the advancement of the loans to the affluent and rich people in the society. So, please advise your bank officials to be sympathetic towards the downtrodden and underdog masses who went there asking for loans.

So far as Agriculture is concerned, the Budget has provided so many sops. It has provided subsidies to various fertilisers. It has also launched an accelerated irrigation benefit programme by which Rs. 900 crore have been given to the States to accelerate and augment the irrigation facilities. So, I would like to say that whatever the money as well as subsidy spent by the Government, it is of no use to the agriculturists. They would not be benefited until and unless you find out a proper machinery so as to enable the agriculturists and farmers to sell their commodities at remunerative prices. So, till that time, the farmers will not be benefited.

In my constituency, the coffee planters are in debt trap. They are not getting remunerative prices due to fluctuation in price. They could not repay the loan obtained from the Coffee Board and from other financial institutions. A proper machinery should be provided to enable them to sell their commodities at remunerative prices. The loan obtained by them should be wiped out or the loans should be converted into a long-term loan to enable them to repay the loan in easy instalments without any interest.

So is the case with the betel vine farmers in my constituency. Betel vine farming in Tamil Nadu is in bad days, an unknown disease has hit the crops and all the farmers have become exodus to Thirupur.

Sir, some solution should be found out. They should be given liberal loans and efforts should be made to bring them back.

Sir, in the case of cardamom cultivation, the cardamom cultivators are living in indebtedness. There are no proper roads near their farms. They are not given the facility of electricity. Though the cardamom is fetching very good foreign exchange, we are not giving them elementary facilities like electricity, road or loan facilities. Sir, I request the Finance Minister to look into the pathetic economic condition of cardamom farmers and arrange liberal loan facilities for them.

Sir, the Budget ensures safe drinking water, universalisation of primary education, assistance for housing, extension of mid-day meal scheme and construction of road links between all villages and hospitals. These are all sops given to the less privileged and underprivileged people of our society. Hence, I support the Budget.

[Translation]

SHRI NAWAL KISHORE RAI (Sitamarhi) : Mr. Deputy Speaker, I support the budget presented by the hon. Finance Minister. I would like to say through you that the Budget presented by the United Front Govt. through the Finance Minister, Shri. P. Chidambaram is a balanced budget for the welfare of villages and betterment of villagers. I am welcoming this budget because this budget talks of providing facilities to the farmers.

This is a country of villages. Concessions have been announced in the Budget for purchase of tractors, equipments etc. Provision has also been made for giving more facilities. Sir, good steps have been taken by the Govt. in the field of education. United Front Government has recently held a conference of the Chief Ministers and the Education Ministers of States in which it has been decided to take steps to make primary education compulsory. We welcome this. We also welcome the steps taken in this budget for education. But through you I would like to suggest to hon. Finance Minister that 50 years have gone since we attained independence and during 50 years what we have attained in the field of education is before us. The expenditure being increased in education by us is unbalanced at places. In this regard I have to request that the Govt. should correct this imbalance and should make special efforts for the areas where rate of literacy is low, where less people are literate and bring about balance in all areas through special programmes. I want to say through you that per capita Rs. 113 is being annually spent in U.P., Bihar and M.P., in Kerala it is Rs. 184 and in Karnataka it is Rs. 160. We want that

where more money is being spent it should be further increased and where rate of literacy is very low we should try to improve it. Per capita expenditure on education in these States should be increased and bring the rate of literacy up. I want to tell you that there were 2 lakh 29 thousand Primary Schools in the country in the year 1950-51. The number of schools has increased and the number has gone upto 5 lakh 73 thousand.

Today the condition is as such that we have been able to make 52 percent people literate. I want that it is not merely enough to make people literate it is necessary to educate them. So far out of there 52 per cent people, we have been able to educate only 18 percent people. 63 percent of the children upto 5 years of age going to school continue their education. Similarly 47 percent of the children upto 8 years of age continue to go to schools. We should try to find out reasons for this state of affairs through some experts committee and try to bring about drastic changes in education. Government has undertaken to educate all by the year 2000. I therefore want to say through you that the Government should provide compulsory and free equal education to all upto 12th class, only then we will be able to do good to the country.

The second problem before our country relates to unemployment. To say there are about 4 crores educated unemployed in our country, and there are many people who do not get their names registered in employment exchanges. The number of uneducated unemployed is even more. The number of unemployed is increasing in the country day by day. The youth are therefore demanding that the right to work should be included as a basic right under the constitution.

United Front government is committed towards social justice. The hon. Finance Minister has an impressive personality and he has played a vital role in the drafting of common minimum programme of this government. I therefore request the govt. through you that the government should make efforts to make right to work as a basic right.

The Government has employment oriented schemes which include Jawahar Rojgar Yojana, Intensive Jawahar Rojgar Yojana, etc. It is also providing funds under IRDP. A number of new schemes have also been initiated. Funds are provided to villages through DM under Jawahar Rojgar Yojana. According to my information the allocation has been reduced under this head, but it should be enhanced only then we would be able to emancipate uneducated unemployed.

Our country has been facing problems of shortage of drinking water as well as shortage of power. We may

be able to solve the problem of unemployment only after solving the problem of shortage of drinking water and shortage of power.

I am speaking on the basis of the figures provided by the Government that in our country de-forestation has been taking place on a large scale. It is imperative that our 33 percent land area should be under forests only then we may be able to solve problems relating to environment and shortage of water. But in our country at present forest coverage is merely 19.5 percent. Unless steps are taken to increase forest coverage problems relating to environment and shortage of water are not going to be solved. Everybody knows that most of our problems are connected with these two problems. It was pointed out by the Mohan Dharja Committee during 1965 that if we attempt to aforest 150 lakh hectare area for 20 years only then we may be able to achieve a target of 35 percent forest coverage. The hon. Finance Minister has provided a amount of Rs. 1000 crores in the Budget for forestation. I welcome him for this.

But I have my concern in this regard. An amount of Rs. 1000 crores is sufficient only for aforestation of 15 hectares of land only. In this way it will not be possible. We have to make more efforts for aforestation and the hon. Minister should pay more attention towards this so that aforestation takes place and environment improves. According to official figures an income of Rs. 40 thousand crores is earned from forest annually in the form of wood, food and fodder. For an annual income of Rs. 40 thousand crores we are spending an amount of Rs. 1000 crores only. This is not justified. We should provide in the budget atleast upto half the amount we earn. This amount of Rs. 1000 crores should be increased. Unless aforestation takes place we may not be able to maintain under ground water level.

Similarly there is a problem of increasing population. The government of India adopted policy of family planning for the first time in 1956. During 1976 this policy was amended and orders were issued to follow the policy sternly. Mr. Deputy Speaker, you may recall that emergency had been declared at that time. Policy changes resulted in distortion into the policy. The then Government had to bow out of office due to this. A number of people like you and me were put behind the bars. A new Govt. emerged as a result of that Agitation. An amendment was carried out through which the name family planning was changed to that of family welfare. It did not produce desired results.

Sir, during 1977 you had also been elected as a leading MP. This programme is being implemented since 1956 but the population of our country has been rising

like floods. We have not been able to make much headway in this regard. This is the greatest problem of our country we have to pay more attention that changing the name to family welfare is not the solution to the problem. According to government figures 32 percent people in the country adopt family welfare measures. Unless we do not arrange orientation programmes, prepare our youth, do not take this programme to villages we may not be able to control population.

India's population had touched nearly the figure of 93 crores 57 lakhs during the year 1995-96 but the population of China is 122 crores and 15 lakhs. There are about 270 persons per sq. km. area in India whereas in China the number is 120. Their population is more than India's population but their programme is systematic. Here in our country people do not get the required calories of food. Each person in India should get a minimum of 24-2500 calories of food each day where as he is getting 2100 calories only. Because of this less intake disabled children are born. According to a sample survey every-third child born in this country is under weight. I am giving these figures on the basis of a Rajya Sabha Unstarred Question No. 2259 dated 27th August, 1996.

In Bihar 93 children out of 1000, in Rajasthan 60 children out of 1000, in U.P. 82 out of 1000 and in Kerala 32 per one thousand die because of undernourishment. We should give a slogan of "reduce population and increase forest area"

Through you, Sir, I want to say that I have been managing Youth Janata Dal Organisation. We have taken a construction programme in hand from 2nd October, Gandhi Jayanti Day and are also running an orientation programme regarding our slogan of "reduce population and increase forest area".

Sir, I wanted to say a number of things but I am taking only few things in brief for want of time. I represent Sitamarhi area of Bihar. North Bihar is area of Rivers and it is mostly affected by floods. Through you I want to point out to the hon. Finance Minister that he may tour North Bihar. He will find that there has been no Kharif crop for the last 10 years. What ever developmental works are undertaken are washed away due to floods. Floods affect road, Rail lines, electricity poles and all development goes waste. We therefore want that a special survey may be conducted in this regard and some such arrangements may be made there that farmers of North Bihar are benefited. So far as floods in rivers all over India are concerned we should try to make such arrangements which have been made in Russia. Our Finance Minister is more knowledgeable person, he can check out a programme. In Russia they

have embarked upon. Here also such programmes may be undertaken and water ways of rivers may be constructed. It would help in controlling floods and provide irrigation facilities as well. All the rivers emanating from Himalaya destroy North Bihar. Talks are being held with Nepal for a number of years to solve this problem. Hon. Finance Minister should take interest in it and try to find out a solution from this problem concerning all the rivers by constituting Indo-Nepal Water Commission. I suggest that as depth of Bagmati, Kamla Balan, Kosi, Gandak rivers is not much because of siltation, funds may be provided to di-silt these rivers and construct water ways as has been done in Russia. This will not only control floods but also help in creating irrigation facilities.

Sir, we welcome hon. Finance Minister that he has made a provision of Rs. 401 crore rupees for increasing depth of rivers. So far as flood control and irrigation are concerned this amount of Rs. 401 crores may be converted to Rs. 4001 so that the above rivers could be included under this scheme. You have included Godavari, Krishna, Kaveri, Swarnrekha, Sabarmati, Tungbhadra, Tapti, Mahananda, Satluj, Brahmaputra rivers in this. Amount of Rs. 401 is not enough for even these rivers. This amount is inadequate. I therefore request that you may consider those rivers also which have been mentioned by me. I hope you will increase the allocation and included these rivers while replying to the debate. Programme relating to this Aduade group of rivers has been pending with the Planning Commission. It had been forwarded to it by the Government of Bihar.

Sir, there is a need to construct National Highway in North Bihar. The Government of Bihar has requested the Central Government to construct Muzaffarpur-Sitamarhi-Sonebarsa-Muzaffarpur-Bhitamor Road with funds from World Bank. North Bihar is neglected in respect of Railway lines. It was stated in Budget speech by the Railway Minister that survey is being conducted for Broad Gauge Rail Line between Dharbhanga-Markatiyaganj via Sitamarhi and for a new rail line between Muzaffarpur-Sitamarhi-Sonebarsa, but when I enquired about the position I was informed that financial committee is not according approval to it. It is therefore not being taken up this year. We want the hon. Finance Minister to visit North Bihar and take steps to solve these problems. Dumra Block, Bajpati Block, Pupri Block, Sarsad Block and Riga Block areas of my flood affected constituency Sitamarhi do not have any assured employment generating schemes, with the result that poor people are not getting any employment. The then Rural Development Minister had announced that certain steps would be initiated early. I am bringing this to your notice because you may take steps to implement the

same. Moreover there has been long pending demand from Pupri area of my constituency for opening of a Life Insurance Corporation Office. A letter in this regard has been written to you and Banks are also required to be opened in a number of Blocks. All these points have been submitted to you in writing. You may consider the points in reference to North Bihar.

With these words I welcome this Budget which is in the interests of poorer people and farmer-oriented and congratulate you for the same. We wish you a long life and hope that you will assure us to tour North Bihar in order to solve the problems of the area and also hope that you will launch a special Rabi programme by solving the problem of floods in the area.

Sir, I thank you that you have given an opportunity to me to speak. The hon. Minister has presented a village and farmer oriented Budget. I support this Budget.

[English]

MR. DEPUTY-SPEAKER : The House stands adjourned to meet again at 11 a.m. on 2nd September, 1996.

2042 hrs.

*The Lok Sabha then adjourned till Eleven of the
Clock on Monday,
September 2, 1996/Bhadra 11, 1918 (Saka).*