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SHRI J.M. AARON RASHID (PERIYAKULAM): Sir, I feel happy to participate in this discussion on Budget for the year 2007-08 which was presented in this august House by our Union Finance Minister, Shri P. Chidambaram. This Budget in my opinion is a historic one for it seeks to allude to the skills of our farmers thereby increasing the agricultural productivity giving a new direction to agricultural sector as a whole. This would greatly benefit the poor farmers and the agricultural labours too. I welcome and support this Bill. For the prosperity of the country and for the economic progress, the farmer who toil and moil in the soil contributes to the economy of this country through his sweat and tears. This Budget seeks to address to agriculture sector. There is a considerable allocation of funds to refurbish water bodies. There is a saying in Tamil that only when the height of the bund in the field is raised, the water level will also increase thereby increasing the yield of the crops. It says without saying that the lot of the poor can be increased by way of concentrating on to the ways and means to increase agricultural production. That is one reason why the Chief Minister of Tamil Nadu Dr. Kalaignar Karunanidhi on his assuming office last year announced that the poor living below poverty line would be provided with rice two rupees a kilogram. This must be extended to the people of all the States.

Tamil Nadu has shown the way. I mention this because the Budget prepared by our Finance Minister has spelt out several schemes and fund allocations that would greatly benefit the farming community. At a cost of Rs.1800 crores with the help of NABARD, water bodies would be renovated, desilted and strengthened thereby enabling conservation and storage of more water. Developing water resources is a right action to give a boost to agricultural production. We are also going in for better and efficient water management so that water is utilized in a simple thrifty

*Translation of the speech originally laid on the Table in Tamil

way with a proper training in this regard, so that it benefits our countrymen in a big way.

Farm credit quantum has been enhanced upto Rs.2,25,000 crores. And it is the target for the financial year 2007-08. This year's Budget lays stress on education. This will enable us to take our country to great heights in the comity of nation.

Our UPA Chairperson, Annai Sonia Gandhi, who has earned the goodwill of crores of poor and the poorest of the poor of this country, is showing us right path and guides this Government to fulfill the aspirations of the people. The Government and the stewardship of our Prime Minister, Dr. Manmohan Singh, is trying to meet the expectations of the people. Dr. Kalaingar Karunanidhi who assumed office as Chief Minister of Tamil Nadu in the company of UPA has waived agricultural loan to the tune of Rs.7,500 crores. He has introduced a direct marketing method to take the agricultural produce directly from the fields to the market directly by the farmers themselves directly. This cash and carry method has helped the farmers to get remunerative price saving from the clutches of the middlemen. There is no incidence of farmers' suicidal death in Tamil Nadu because the farming community is getting a better deal under the dynamic leadership of Dr. Kalaingar Karunanidhi. Tamil Nadu is a pioneering State in alleviating the problems of the peasants.

In this year's Union Budget, Rs.381 crores of rupees has been set apart for the welfare of the minorities. Under the guidance of Annai Sonia Gandhi, Dr. Manmohan Singh's Government has introduced a Fifteen Point Programme to improve the conditions of the minorities. Implementing fully the Sacchar Committee's recommendation would result in improving the living standard of the minorities by way of providing education, job opportunities and help for entrepreneurial ventures.

Equipment for drip irrigation is now exempted from customs duty. This is a welcome move. Similarly, under 'Aam Aadmi Beema Yojna' rural agricultural labour will be provided with social security by way of extending insurance cover. This would greatly benefit the farmers, who are left fend for themselves when they are swayed by the vagaries of weather round the year. These are measures in the right direction aimed at the farming community thereby providing social security.

Mid-day Meal Scheme was introduced for the first time in the country by our late Chief Minister Kamaraj in Tamil Nadu. He wanted to extend the benefit of education to the poorest sections of the society and he introduced Noon Meal Scheme in the schools to overcome the problem of increasing dropout rate. He strongly believed that a revolution in providing education would lead us to the path of self-sufficiency. Emulating the spirit our Union Finance Minister has increased by 35 per cent the allocation of funds for this scheme, which has touched a sum of Rs.23,142 crores.

In 2007-08, the allocation for higher education has been increased from Rs.1,837 crores to Rs.3,794 crores. This has become a shot in the arm of the Government led by the United Progressive Alliance (UPA). People are welcoming the spirit behind the move. Our Finance Minister has also announced one lakh scholarships to the tune of Rs.6000/- per student in the rural areas to lure the meritorious students to continue their education. We find lakhs of students in Uttar Pradesh alone dropping out of the school every year. Extending of this Central Scholarship will be a boon to our future generation.

Import of medical equipment will now attract reduced customs duty as it has been brought down from 12.5 per cent 7.5 per cent. With social concern and to help overcome the deadly menace of HIV AIDS, the Union Government has set apart Rs.969 crores. This is a welcome move. National Rural Employment Guarantee Scheme (NREGS) carried out in 200 districts in the country by UPA Government under the guidance of Annai Sonia Gandhi has now been extended to 320 districts. This is a happy announcement.

The move of the Union Government to increase from Rs.6200 to Rs.15,000 the limit on micro credit extended to the poor people through nationalized banks shows the human touch with the Government led by Dr. Manmohan Singh under the able guidance of Annai Sonia Gandhi.

The Finance Minister has also spelt out his action plan to enhance the quality and standard of about 300 Industrial Training Institutes (ITI) in the country by way of extending an interest free loan to the tune of Rs.2.5 crores. Income tax rebate on the interest paid against educational loan is a welcome move. Similarly, the tax limit ceiling of rupees one crore pertaining to small industrial units has been enhanced to rupees 1.5 crores. This shows the concern of the Government to improve the lot of the entrepreneurs in the small scale industries sector. In the case of salaried employees, the standard deduction has been enhanced to rupees 1.10 lakhs. Under S.G.S.Y. schemes carried out through NGOs shall henceforth have an allocation of Rs.1,800 crores after its being increased from Rs.1,200 crores. Under S.J.S.R.Y., the urban poor will get an additional allocation which now touches Rs.344 crores.

This Government has also come forward to express its concern for the welfare of the depressed sections of the society by way of increasing the scholarship for M.Phil and PhD courses. The students hailing from the Scheduled Castes and the Scheduled Tribes communities will now get this lucrative scholarship.

This Government has also unflinchingly shown its concern for the disabled people of the society. In order to guarantee one lakh jobs for the disabled people, the Government has come forward to extend E.S.I and E.P.F. facilities for the first three years to the organizations that provide jobs to them. This relieves some pain in the hearts of our disabled brethren. Extending my support to this year's Union Budget, let me add a few points.

Hon 'ble FM has announced before this August House that the country is now poised to achieve the 10th Plan target GDP growth rate of 8 percent during his regime. No doubt, this is a commendable achievement but it is a matter of concern that this growth has been proved to be an urban phenomenon, impacting largely the urban economy where the so-called upper class people get the benefits. Further, it is a matter of investigation whether the provisions made in this Budget 07-08 will lead to the prosperity of the real *Bharat* i.e., the rural India.

All of us know that more than two-thirds of our billion population are dependent on primary sector. This provides employment to 64 percent of the country's total workforce. All the Hon'ble Members would agree wish me that rural prosperity is a 'must' for a nation like ours. However, ever since the beginning of the UP A rule, while sectors like manufacturing and services are given a special thrust in one way or the other, the primary sector has been severely neglected. The agriculture sector has been witnessing downward trends in the growth of production and productivity in a number of food-grains across the country. Considering a rampant rural-urban migration, one can easily say that it is the lack of development of rural and agro-based infrastructure which is the main culprit in the ongoing socio-economic divide between the rural and urban areas.

Many a time, disguisedly unemployed rural agrarian folk are compelled to shift their occupation to other economic activities and sometimes even migrate since present-day agriculture in India has low capacity to generate additional income. There has been no dramatic technological breakthrough in agriculture in

* The speech was laid on the Table.

the country since the 'Green Revolution' of 1960s. The potential of the existing agro-based technologies has not been fully exploited and the growth rate in the productivity for most of the food-grains as remained virtually stagnant during the last two decades. This clearly indicates lack of basic and prioritized research and development initiatives in the field of agriculture and agro-technology.

The Budget 2007-08 has no new or innovative provision for the Indian Agriculture. This is why the agriculture sector, in spite of minimal relief ensured in the 07-08 Union Budget, is not going to witness a dramatic change in the coming future. Hon'ble FM's measures like allocation of funds to multiplicity of farm-based schemes, facilitating access to credit, extending training and provisioning insurance and rural infrastructure are well-intended. However, these provisions are very unlikely to have a positive impact on agriculture since the most critical aspect regarding the intended outcomes and the delivery mechanisms of these policy directions have not been addressed skillfully. Hon'ble FM has himself conceded the fact that an average growth during the 10th Plan period was only 2.3 percent which was quite below the desired level of 4 percent a year. Considering the gestation lag in the investments in the farm sector, accumulated and acute supply-side constraints may not give the requisite thrust to the Indian Agriculture to score the planned growth rate.

Here, I must refer to my State, Orissa, the land of lord Jagannath. The State is endowed with rich natural resources in the form of vast mineral deposits, forest, productive land, bountiful surface and ground water resources, long coast line, and picturesque places and pilgrim shrines with tremendous tourist potential. However, it is a matter of great concern that due to the Centre's continuous apathy and step-motherly approach towards effective, adequate and successful exploitation of these resources, the State has never had a chance to generate satisfactory income opportunities for the millions of its inhabitants. All of us know that this State directly witnesses the problems of poverty and destitution due to its socio-economic backwardness. Half of its population is estimated to be under the poverty trap. Large proportion of people in the state has very poor living conditions.

That is why I couldn't resist myself to question the Government's policy reflected in this Union Budget -

- Do the economic policies in the UP A era have suited only the rich and urbanites?
- Does it mean that the whole policy framework bypassed the "Aam Admi" who are small, marginal farmers and agricultural labourers and are reeling under poverty line even after more than 59 years of our Independence?

Proposal to reduce the customs duty on polyester fibre and yam from 10 percent to 7.5 percent is encouraging as our textile industry is suffering from intense competition in this economic boom period. I could have been happier, if the budget would have considered innovative mechanisms to protect the interest of our poorest of the poor country-side weavers. They lack technology and marketing. The traditional skill and knowledge are on the verge of extinction. The lack of proper implementation of Central Schemes

on development of handlooms and handicrafts has made the weaver's life miserable not only in the State of Orissa but also across the States.

Sir, Orissa feels proud not only of her rich socio-cultural heritage, but also of the skills and knowledge base of her million weavers who are capable of weaving a silk *saree* of an average length which can be stored inside a small bamboo stick. I must bring to the notice of the Hon'ble Members here that the art of the rural artisans and weavers in the State is dying day by day; suicidal incidences are on the rise; distress sales are rampant and access to credit which is essential for the smooth operation of artisan activities is severely constrained. In earlier occasions, I have raised my concern about the problems faced by our rural artisans in this August House. Since the budget failed to outline any comprehensive package for the up-liftment of these poor weavers and artisans, I may not consider it as a Budget for the '*AAM ADMf*'.

The Hon'ble FM mentioned that revenues were buoyant for the third year in a row. A review of the balance sheet of the country would paint the picture otherwise. With the help of a little arithmetic we can easily conclude that India has a very grim financial situation. While the revenue receipt was stated as buoyant, both revenue and capital expenditure are stupendously large and considerably higher than the degree of buoyancy in the revenue receipt. Further the interest payments towards our internal debt are more than 60 percent of our total revenue receipt. This indicates that we are not far away from an internal debt trap.

Further in the Budget Estimate for 2007-08, it was stated that the total projected revenue receipt would be Rs. 486,422 crore against the revenue expenditure of Rs 557, 900 crore. Again, the fiscal deficit was pegged at 3.3 percent of GDP amounting to Rs. 150,948 crore. Seeing these mind-boggling figures in the deficit account, the current situation seems grim and is going to pose immense difficulty in our way to achieve the Fiscal Responsibility and Budget Management Act targets, which we have passed in this August House a few years ago.

"Bharat Nirman" which has six vital infrastructure components VIZ., irrigation, roads, water supply, housing, rural electrification and rural telecom connectivity is yet to give the rural economy a new shape as very minimal expansion and strengthening of existing rural infrastructure and creation of additional infrastructural facilities have been achieved in a transparent manner in various infrastructurally backward States like Orissa. This programme apart from a media hype could not succeed in generating a synchronized approach to converge the benefits of this infrastructure building initiative with various other development oriented programmes already in operation in rural areas like, programmes for alleviating poverty, generating gainful employment, ensuring social security, enhancing standards of health, hygiene, sanitation and education. This has resulted in under-utilization of resources and corruption. This Budget, instead of hiking allocation under this composite programme could have addressed the problem areas in the implementation and outlined stringent measures towards effective and intended execution.

I am pained to state before the House that the plans and policies meant for the million poor have not yielded desired results even after attaining 59 years of Independence. In the socio-economically backward states like Orissa, assessments of various anti-poverty programmes (by the Planning Commission, Government of India) indicate that several problems like complex administration, high administrative costs, mis-utilisation of resources, ill-defined multiple objectives, lack in quality and accountability and inadequate monitoring had been the prime reason for the high incidence of poverty in the rural Orissa. In the State of Orissa, the percentage of rural families living below the poverty line is found to be very high. The State is also witnessing acute shortage of rural infrastructure. Industrialisation in the State is inadequate which has a direct impact on the service and primary sector. In spite of immense interest shown by the MNCs, Lack of connectivity, power shortage have discouraged many prospective global entrepreneurs to come to Orissa and invest here. Hon'ble CM of Orissa have also urged to your good self and the Hon'ble PM regarding the provision of a special package to Orissa keeping in view the backwardness of the State. These are the reasons for which I have been sincerely requesting for Orissa to be considered as a special category State and entitle it to attain special attention and special package from the Centre.

I extend my heartiest thanks to the FM for his initiatives towards opening RRB branches in 80 uncovered districts in the coming financial year. In this context, I am compelled to note here that the Budget with its very few directionless paltry sops may not give the requisite boost to the agribusiness in backward States like Ours. With the shortage of staff in the bank branches and existing fierce competition in the Indian finance market, the FM's dream in easing credit extension mechanism in the rural areas may not come true.

In a democratic country like ours, we would prefer to accept the growth of agriculture sector vis-a-vis other sectors like manufacturing or services since 75 percent of our population lives in rural areas. We must realize that we want a vibrant agricultural scenario in the country by reforming and developing this sector in a way where we would like to increase food-processing activities, retailing business on farm products and cold-chain capacities in the rural areas. We have to realize the potential of this sector not only in distributing the growth benefits to the common masses but also to contain successfully the evils of inflation.

I would congratulate the Hon'ble FM for enumerating various schemes dedicated towards upliftment of rural areas, insurance covers, better health and educational initiatives. However, a simple calculation will expose one thing - all of these high sounding plans,

programmes and budgetary figures boils down to Rs 1,64,900 crore which is barely 24 percent of the total expenditure proposed.

The Budget announced incentives for small scale industries where exemption limit for excise duties on small scale industries, service taxes were raised to Rs. 1.5 crore and Rs. 8 lakh respectively. These announcements have to be read with the announcements of Ministry of Commerce and Industries, where the latter has decided to de-reserve 125 items from the lists of items reserved for small scale industries. This means now the big companies will be able to manufacture the de-reserved items thereby throwing the country's 24 lakh registered small scale units to the vagaries of open market competition. Lacking in modern technology, financial resources and research and development, the Small Scale Units of the country will have to pass through a difficult phase in the near future. This will have a detrimental effect on the 30 million people recruited in these small scale units across the country.

The present budget, to me, is completely inflationary budget. We have seen that the dual excise taxation policy of the government could not cure the inflationary situation. The FM's anticipation regarding the reduction of price of cement products died down when within a few hours of the announcement of the Budget, the cement industries of the country, instead of reducing their price per unit, actually raised per unit price for which the incidence fell on the common man who paid an average of Rs. 20 more than what he was paying earlier (i.e. in the pre-budget period) for a similar pack of cement. Before prescribing such a dubious and impractical double taxation framework for cement sector, the FM could have gauged the demand and supply situation in this sector and could have taken appropriate steps to increase the cement manufacturing capacity in the country. Increase in the money movement in the country, high interest rate structure, acute shortage in the food-grains supply, faulty policies regarding procurement and buffer stock operation and distribution of food-grains have continued to plague the rural economy and affect the price situation adversely.

The Budget has completely failed to lay any significant measure for the booming corporate sector in the country. With the tax proposals for the corporates like increase in the dividend distribution tax, removal of the tax-free status for the soft-ware industries and additional impost on cement manufactures have led to immediate and sharp fall in the stocks of most of these companies.

As regards introduction of a novel product for senior citizens "reverse mortgage", I would like to condemn the policy of the government in this regard. As per the policy a senior citizen who is the owner of a house can avail of a monthly stream of income against the mortgage of his/her house, while remaining the owner and occupying the house throughout his/her lifetime, without repayment or servicing of the loan. This policy may not be suitable simply because the banks will be entitled to sell-off the property through auction after the death of the loany senior citizen. Further, if the sell proceed exceeds the amount of the loan taken by the deceased, the remaining amount will be given to the legal heir of the person deceased. The following example would highlight the gravity of the situation:

If "A", a senior citizen staying in South Delhi gets Rs. 50 lakh under this scheme dies after leaving a property worth Rs. 1 crores then his legal heirs (who do not hesitate to desert him at the time of his crisis) would be advised to pay back the loan. If this does not materialise, the property will be sold and the remaining amount of Rs. 50 lakh would be given as a bounty to the legal heirs. This, to me, is unethical and impractical. Further, the value of property across the country is not the same. Will our Hon'ble FM think about the senior citizens living in remote and rural areas where one house property costs as less as Rs. 30,000/- ?

In the Union Budget, there is hardly any evidence that the government-is going to follow its long cherished commitment of smooth economic reform. Sluggish agriculture growth, lack of irrigation and infrastructure, low level of socio-economic indices and high inflationary situation have not been addressed skilfully and appropriately in this Budget. Increase in allocation is fine, but we should think about the increase in the quality of expenditure on the sectors like education, health and infrastructure. The Union Budget is silent on the implementation part of the high sounding programmes.

The Union Budget 2007-08 has lost the confidence of the people at large, failed in fulfilling the high sounding objectives of poverty alleviation, defeated in reigning inflationary situation in the economy and prescribed no new recipe for agricultural resurrection.

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... Mr. Finance Minister, the time is running out. ...

... 2004 ... There is a plethora of schemes ...

... 50 ... There is a plethora of schemes ...

MR. CHAIRMAN: Please conclude now because the time allotted to you is over long time back.

MD. SALIM : Sir, I will cut short my speech and make only points. ...

... 63 ... 500 ... 100 ... 1500 ... 11 ... 21 ... The Government is committed and the NCMP is committed that you have to ensure social justice. You have to show that you are concerned for all sections and segments of the society, particularly those sections and those segments of the society who are till now, even after sixty years of Independence, not able to come on the path of development. ... There is a growing gap in this country. We are sitting on a time bomb. The gap between the have-nots and the have-lots is increasing. The Government is required to do a lot to bring down the gap and bring it to a manageable condition. The gap should be bridged. Thank you.

MR. CHAIRMAN : Those hon. Members who want to lay their speeches can do so.

Now, I request Shri Kharabela Swain to take the floor.

SHRI KHARABELA SWAIN (BALASORE): Mr. Chairman, Sir, can I speak from this seat?

MR. CHAIRMAN: Yes, you can.

SHRI KHARABELA SWAIN : Sir, while dealing with the Budget proposals for 2007-08, let me first deal with the Economic Survey of 2006-07. One of the salient features of that Economic Survey is that India needs East Asian level of taxes since India has moved into East Asian growth trajectory.

16.15 hrs.

(Shri Devendra Prasad Yadav *in the Chair*)

This sets the tone for the entire gamut of the Economic Survey. It says that it requires high growth rates with low inflation and it wants to rein in inflation without demeaning the growth^[R34].

That is the theme on which, time and again, the hon. Prime Minister and the hon. Minister of Finance of this country keep on promising and insisting. The most important factor of this Economic Survey is, it will usher in growth essentially through growth that removes supply constraint in agriculture and through infrastructure and social sectors.

Sir, two points have been specifically identified in the Economic Survey. One is retail. It has got the potential to link the distressed farm sector to booming industry and service. The second one is tourism. The Economic Survey says that tourism can generate a large number of low-skilled jobs. Broadly I can say that there are four or five specific indicators of this Economic Survey. One is an organized retail sector to get a lag up, to boost the farm income and lower the price. India should be promoted as a 365-day tourist destination. Measures to revive the debt market and encourage more individual and FII investments in them, stronger regulation for commodity future, no rushing in into the convertibility of the rupee and food loans to farmers should be provided against the Kisan Credit Cards were also some of the indicators of this Economic Survey. But let me tell you that I am very disappointed, as many of the people are with regard to the Budget of 2007-08. It is the hon. Finance Minister's tight rope walk between inflation and growth. He has danced to the price tune and he has very insistently tried to save his Party, the Congress. The slogan of this Budget is inflation *hatao* growth *badhao* and *Congress Bachao*. That was the main theme of this Budget. ...*(Interruptions)* I will not pass any comment against him. Anyway, he is a new Member. ...*(Interruptions)*

MR. CHAIRMAN : There should not be any cross talk in the House.

...*(Interruptions)*

SHRI KHARABELA SWAIN: Should I tell you that you should learn how to put a correct supplementary question? ...*(Interruptions)*

MR. CHAIRMAN: Please take your seat. I am not allowing. This is not fair. Please take your seat. I am not allowing you. Nothing will go on record except the speech of Shri Kharabela Swain.

*(Interruptions)** *â€*

SHRI KHARABELA SWAIN : If you try to stop me, I will consume more and more time. You do not know me. I will not sit down. ...*(Interruptions)* I will consume more time. ...*(Interruptions)* You are also a new Member. So please sit down. ...*(Interruptions)*

MR. CHAIRMAN: Mr. Swain, please address to the Chair. Nothing will go on record except the speech of Shri Kharabela Swain.

*(Interruptions)** *â€*

MR. CHAIRMAN: No, please take your seat.

...*(Interruptions)*

SHRI KHARABELA SWAIN : When you spoke well, I appreciated you. You should also know how to appreciate the good speech. So you please sit down^[a35].

* Not recorded

I have appreciated your speech in the past. You may remember it.

Let me tell you that the hon. Finance Minister has dealt - for about 15 minutes - with the issue of uplifting the rural sector. He has mentioned this in his printed speech. But I was surprised that even the Congress people, the hon. Members of the Congress Party were not happy about it. They did not appreciate it. So, I will say that this is not a visionary Budget. It is set by political exigencies. This was the best opportunity for any Government, given the high tax revenues and growth combination, to announce a big bang strategy for sustained high growth. Why I tell this is for this reason. I appreciate what the hon. Finance Minister says. I agree to the point that the GDP ratio is at its peak. The tax revenue has doubled. The fiscal deficit is a record low. The expenditure as a percentage of GDP is the lowest. The growth has been unprecedented. I appreciate this. When I appreciate these things, I think that he had a great opportunity to go for the economic reforms because the hon. Prime Minister and the hon. Finance Minister, time and again, say that they want a 9 per cent or 10 per cent growth in the Eleventh Five year Plan. Mr. Minister, how can you do it? How could you achieve

this 9 per cent or 10 per cent growth if you do not go in for a big bang economic reforms? You do not go for the reforms. You do not go for the reforms with regard to the public sector undertakings, disinvestment in the public sector undertakings. You do not go for the reforms in the labour sector. You do not go for the reforms in several other sectors to which I will come at a later stage.

Sir, I agree that they always talk about inclusive growth. They also mention about inequality. Inequality is a necessary fall-out of growth. I know that. But it has to be corrected by subvention and policy intervention. I want to know where the policy intervention in this Budget is. Where did the Government intervene so that the fate of the economy of this country is changed? Rather, the strategy of the Budget for 2007-08, it seems to me, is governed by incrementalism. You just throw some money at a problem and you wish that the problem will go away. The hon. Finance Minister – what he did is - has put more and more money in every sector like health, education, Sarva Shiksha Abhiyan, Mid-Day Meal Scheme, infrastructure and he thought that all the problems will simply vanish and go away. But they will not go away because of this. What about the delivery mechanism? What about the delivery system?

I can tell you with regard to about 26 Ministries. By the end of last December, only 40 per cent of allocated money of those Ministries has been spent. Can you spend the rest of 60 per cent within the next three months only – by 31st March? Can you do it? So, it is not the allocation which matters. It is the delivery mechanism that matters. What has been the outcome? It is not a question of outgo. It is a question of outcome which this country is interested in. I am interested in it. The hon. Finance Minister is also interested in it.

Now, I will come to the question of agriculture because agriculture is firmly associated with inflation. The hon. Finance Minister is very much interested in doing way with this inflation. Please see the first several paragraphs. For about the first 10 minutes, he has dealt with it. He tried to deal with the problem of inflation. Inflation, he said, is basically a constraint of supply. [\[R36\]](#)

It is a phenomenon. But you go through the Budget. Here the agriculture is only a theme. There is no clear cut agenda with regard to agriculture. For the last 10 years, the production of pulses, rice, wheat and edible oil has been constant. You can ask me as to what we were doing when our party was in the Government. I agree with this. But now the economy of this country has got a boost. More than 9 per cent GDP growth is there. The Government has got more money now, the Government has got more leeway, and the Government has got more space and more elbow room to deal with the problems of agriculture.

Sir, about 11.5 per cent of our farmers are facing misery. I would like to ask a question to the Finance Minister and to this Government. What has been the provision in this Budget to deal with the supply side constraint on wheat, rice, pulses and oilseeds? Is it sufficient to say that we would irrigate 24 lakh hectares of land and give Rs. 2,25,000 crore as rural credit? Even the hon. Member from the Left Parties Mr. Salim was saying that merely increasing the rural credit will not help.

I know the Finance Minister has succeeded in doubling the rural credit within three years and he has even exceeded that. But why are our farmers still committing suicides? I would like to say that one of the major steps that is to be taken to stop suicides of farmers is to have a real crop insurance scheme which should be operative in this country. There is a crop insurance scheme now, but there is nothing insurable under this scheme. It is only subsidy distribution by some banks. They are merely distributing the subsidy given by this Government. On what basis are they distributing this subsidy? Every block has been taken as a unit. It means, if the crops in an entire block are destroyed, then only the farmers are eligible to get some subsidy or some insurance amount.

Sir, you yourself are a leading farmer and you are leading the farmers' community. Do you believe that the crops in an entire block would be wiped out totally any time? Is it possible? Several times we have insisted with the hon. Minister and with the Government to treat the Gram Panchayat as a unit. If there is a crop loss in a Gram Panchayat, then the farmers should be eligible to get some crop insurance.

Now, the Government says that the revenue collection has gone up by 30 per cent. Every year it is going up by 20 per cent to 30 per cent. So, why do you not make more allocation for crop insurance. I would like to say with firm authority that if this crop insurance is applicable in real sense, farmers' suicides will stop in this country. I said several times that during the tenure of the NDA Government, the growth rate was only 4 per cent. We did not collect any revenue. That was the situation at that time. It was not because of any fault of ours but because we took some very stringent reform measures, you are enjoying the results of that. That is what we did.

SHRI J.M. AARON RASHID (PERYAKULAM): Sir, this crop insurance scheme was introduced by the NDA Government. The hon. Finance Minister has given Rs. 2,25,000 crore for rural credit. He is misleading the House. ...*(Interruptions)*

MR. CHAIRMAN : Please take your seat.

SHRI KHARABELA SWAIN : Sir, the Left Parties are not only controlling this Government, but they are also controlling the economy of this country and we saw an example of that this morning in the House.

SHRI J.M. AARON RASHID : Sir, let him speak about the Budget. ...*(Interruptions)*

SHRI KHARABELA SWAIN : If you say like this I will attack you more and more.[\[R37\]](#)

MR. CHAIRMAN : Mr. Swain, please address the Chair.[\[R38\]](#)

SHRI KHARABELA SWAIN : That is why, the Government is so scared of the Left. It is total capitulation in front of a Party which does not have any agenda and the Party which has brought West Bengal, where they have ruled for the last 30 years, to an abysmal state. Everybody knows that pretty well. But still, just to enjoy the power, just to enjoy the post of ministership, they are capitulating before the Left...*(Interruptions)*

SHRI J.M. AARON RASHID : They were with them also...*(Interruptions)*

SHRI KHARABELA SWAIN : They themselves say that they were never with us. How can they just force us?...*(Interruptions)*

MR. CHAIRMAN : Please address the Chair.

SHRI KHARABELA SWAIN : I will just make some points to the hon. Minister that Mr. M. Swaminathan, one of the greatest leading agriculture scientists of this country has made. How do we go for proper utilization of every drop of water and should we go for that? Have we done something? Have we indicated anything like that through this Budget? How to increase the productivity? Are the pilot projects taken up for restoring the water bodies sufficient?

I think, the hon. Minister mentioned about Orissa when he said that in Karnataka and Orissa, the World Bank is going to sign some agreement for the restoration of water bodies with us. I hope that very quickly, by the end of this month, as he said, it happens in Orissa. I shall be extremely happy. I agree that this is one of the good projects. I think, the Government will also take very strong steps in that regard so that not only in Orissa or Karnataka, but in other States of this country also, the hon. Minister will be able to say how the water availability increases and how the rain water is stored for the irrigation projects.

The hon. Finance Minister has spoken about reforms in Agriculture Extension Service. It is a good proposal. I thank him for that. He wanted to create the Agricultural Technological Management Agency. But he wanted that the District Magistrate or the District Collector would head it.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): It is already so. That is the present set up.

SHRI KHARABELA SWAIN: All right. Then, I would like to inform him that the District Collector or the District Magistrate heads about 60 other organizations. Does he have any time to go for agricultural upliftment. So, I would appeal to the hon. Minister not to go by that thing and kindly see that somebody else, some other specific officers, who will just deal with agriculture, heads this agency so that something happens to agriculture. It will never happen if you ask the Collector to head it because most of the time not a single meeting is held in one year.

Sir, I would like to say something about fertilizer subsidy. Does it require a change, Mr. Minister? I think, it requires a change. We must see to it that the fertilizer subsidy directly reaches the farmer. It should not go to the manufacturer of the fertilizer. It is only now that the manufacturer or the factory owner who gets it. It never goes to the farmer. So, I would appeal to the hon. Minister to see to it that it reaches the farmer and he should also see to it that the health of the soil improves.

As far as growth is concerned, I will come to the second point, which is with regard to the development of infrastructure. The high growth can be sustained if the problems of poor infrastructure and skilled manpower shortages are addressed. The Budget has failed to do so. The Economic Survey stated that there is a paucity of skilled manpower in this country. The Finance Minister says nothing about it. He is merely increasing the number of ITIs. He did not mention anything about how to deal this problem.

Now, there are several news items where we find that by 2010, if this condition prevails in India, rather we will have to import some of these skilled persons to deal with this problem. Shall we face this problem when India is supplying its skilled manpower to all over the world? Does the hon. Minister think that just by merely increasing the number of ITIs we are going to solve this prob[\[r39\]](#)lem?

What about the IITs? A country like India is having only seven IITs. Do you not want to have an IIT in an upcoming State like Orissa? It is because Orissa has attracted now Rs. 4 lakh crore of investment; so many industries are just now coming to Orissa. But we do not have skilled manpower because we do not have a single Central university, we do not have a single IIT. Do you not want to have one of them in Orissa? A country like India requires not only seven IITs but it requires about 500 IITs. You can have more than one in several States. Even in poorer and backward States like Orissa, Bihar, Jharkhand and Chhattisgarh you should have IITs. I would like to appeal to do that. A kitty of big power projects, a fund for airport upgradation, a time-bound plan for clearing investments would have enabled faster capacity creation, driving output supply and competition to keep the prices down. It would have happened if you have given more stress on infrastructure.

with that, and he has gone on for more and more exemptions while he has mentioned several times that there are too many exemptions and these exemptions should have been done away with.

Then, I also told about reforms. *(Interruptions)*

SHRI P. CHIDAMBARAM: Which exemptions? ...*(Interruptions)*

MR. CHAIRMAN: Shri Swain, please conclude now.

SHRI KHARABELA SWAIN : Sir, please allow me five more minutes.

MR. CHAIRMAN: You can take only two more minutes.

SHRI KHARABELA SWAIN : Sir, if the hon. Finance Minister is very unhappy about hearing these unpleasant words, then it is better that we will not say anything. ...*(Interruptions)*

SHRI P. CHIDAMBARAM: I only asked you which exemptions. ...*(Interruptions)*

SHRI KHARABELA SWAIN : I will mention about those things at the time of discussing the Finance Bill and not now because that was the time matters relating to taxes will be discussed.

Why is it that the Pension Regulatory Fund Bill has not been piloted in this Parliament even though it has been cleared by the Standing Committee on Finance almost two years back? The Left Parties always say that they are concerned about the poor people and they say that you increase the capital gains tax and corporate tax. But I would like to know how much of money has been given by this country to the pension holders. There will be a time after some days the Government will have no money except giving pension to the retired employees. [\[R41\]](#)

That is why all the parties combined together, except the Left, agreed that the Pension Fund Regulatory Bill should be passed. It is just because of the Left that this Bill has not been brought. So, most of the time, in a way, they are running this Government. Most of the time, they successfully blackmail this Government...*(Interruptions)*

MR. CHAIRMAN : Nothing will go on record except the speech of Shri Swain.

*(Interruptions)**

SHRI KHARABELA SWAIN: Sir, with regard to health, the hon. Finance Minister said that 22 per cent increase is there. I would not go into the details about it. But I would like to know from the hon. Minister as to what happened to the six of the AIIMS-like institutions, which our NDA Government declared, and which our Prime Minister laid the foundation stones. Every year, when we appeal to the Health Minister, he says 'only the boundary walls have been constructed.' For how many years they would show us only the boundary walls? Mr. Finance Minister, is it your progress? What has happened in Patna where an AIIMS-like institution was to be opened? Have you done anything about this? Is it the success, is it the growth that you are talking about?

Mr. Chairman, Sir, all the time, the hon. Finance Minister is talking about the pilot projects. When our Government was in power, the then Labour Minister Shri Sahib Singh Verma initiated something about the insurance for the unorganized sector. But now, the hon. Finance Minister says that Arjun Sengupta

* Not recorded

Committee is giving them the Report and as per that Report, they would act about the pilot projects. They are just talking about pilot projects after pilot projects after pilot projects. This is the only thing, which this Government knows. They just talk about only the introduction of the pilot projects. But what is the ultimate result, we do not know.

श्री खारबेला स्वैन (काठमाडौं) : ...*(Interruptions)*

MR. CHAIRMAN: No cross talk please.

SHRI P. CHIDAMBARAM: What did he say?

SHRI KHARABELA SWAIN : One or two months before the dissolution of the Lok Sabha, Mr. Sahib Singh Verma, the then Labour Minister declared that he was chalking out some plan...*(Interruptions)* You can say that you did not do anything...*(Interruptions)*

MR. CHAIRMAN: Mr. Aaron Rashid, please take your seat.

SHRI KHARABELA SWAIN : I am asking you Mr. Minister that when you are getting the credit for the NREGP and other things, why do you not get the credit for this also? It is because you are having the proletariats like the Left! You do something about this. Merely telling about the pilot projects will not suffice.

Last but not least, Mr. Finance Minister, I would like to bring it to your notice another very important point. Now, in the name of AIDS and HIV education, some books have come. I have got some literature, which have been provided to the teachers and they would teach it to the students of Class VI. I cannot show it to you because it is out and out pornography. One of the literature says that 'the sex education course helps to curb the teenage pregnancy'. 'No sex education please, we are Indians'. Will you simply go for that? The Muslim Clergies are opposing it; the Jains are opposing it; the Hindus are opposing it; and the Christians are also opposing it. So, I would appeal to you, Mr. Finance Minister to kindly tell the HRD Minister that he should not go in for this type of sex education to the Class VI students in the name of just dealing with HIV and AIDS.

(Interruptions) : ...

(Interruptions) : ... This is not the occasion to raise it here.

â€¦

(Interruptions) : ...

(Interruptions) : ...

...

(Interruptions) : ...

...

(Interruptions) : ...

...

MR. CHAIRMAN: Nothing will go on record except the speech of Prof. Chander Kumar.

*(Interruptions)** â€¦

* Not recorded

SHRI M. APPADURAI (TENKASI): Our Prime Minister while replying to the debate on the Hon'ble President's address told us in this august House, that river water, the life source of human beings unite as and not divide us and requested political parties to treat water as a national asset. All leaders had given us this advice. I also welcome and endorse it. But our Finance Minister knows the need for proper utilisation of river water in our country. Our Hon'ble Finance Minister must be knowing the bitter political battles that are being fought in many States and between States in our country.

As there is no clear unambiguous policy to share the water resources and no adequate steps are being taken by our govt. to discuss and decide this issue, people see only flames in rivers. Please look at the allocation for irrigation purposes. He knows the sad stories about the sufferings of our farmers. Yet he has allotted only Rs. 11,000 crores for the whole of India which has 30 States and 105 crores of people.

In the same budget our Finance Minister has graciously allocated Rs. 96,000 crores to strengthen our defence. As it is a sensitive issue, I am not commenting on it. While this expenditure goes on rising year by year, will there be any end to it? It is time that our nation consider it seriously. Is it not a symptom to show that one too have been pushed into the arms race.

While irrigation has received a meager amount of Rs. 11,000 crores, the Finance Minister had told us that our Banks will lend a credit amount of 2 lacs to our agriculturists. It is only a recommendation. It is not allocation. You are only indicating the place where they could borrow. You are not lending or borrowing. Our bitter experience tells us that for the large number of small land holders this is just a fairy tale.

In India, our Finance Minister has at last accepted that the price rise is due to manipulation and speculative market and not due to dire scarcity.

*The speech was laid on the Table.

Online trade in food grains had been there and this govt. failed to curb it and hence we are forced to pay through our nose.

Even after the submission of the Budget, many more items of goods and primarily cement and other essential needs for construction went up and our Finance Minister had to plead for the mercy of the cement cartel. Our Finance Minister had been telling this notion that private trade and private investment is making our country into a terrestrial paradise, but now he is also lamenting over inflation and price rise.

Hon'ble Finance Minister I request and appeal to this govt. to introduce a new system of information, on monthly basis, if not daily.

Let me tell you, as a common man, I am thrilled to read and hear about the high rise in the share market every day. And our Prime Minister and Finance Minister regularly furnish details about ocean of foreign investment in our country. You are also announcing about the rise in the volume of foreign exchange reserve. Though these matters are beyond the comprehension of the common voters, yet this brings cheer to the demoralized people.

I only request on behalf of the youths in India, and as a citizen, our govt. to publish regularly every month as to how many India'n youths are employed in the newly established industries in India. As you declare that our country is growing the rate of 9% and so on, then there must be an increase in the employment also. Please indicate it regularly.

In this budget the Finance Minister has not mentioned anything about unorganized sector, unorganized labour and any welfare measures to them. In India around 10 crores peoples are engaged in small trade. Now, many big companies in India and many MNCs are entering into this small trades and due to their arrival in small trade, the 10 crores small traders are lost their job and business. So the Finance Minister should take any steps to safeguard these small traders.

In this budget, the Finance Minister has not announced any plan or steps to be taken to curb or abolish black money in the country. As well as he has not mentioned anything about to collect income tax arrears of around Rs. 1,40,0001- crores from the rich, businessmen, corporate.

The Finance Minister also has not allocated enough fund to Sarvashikhsha Abhiyan Scheme to provide basic facilities to the school and poor children in villages. The money allocated for youth programme is very meager and it is only 45% only. I request the Finance Minister to allot more fund. I also request the Finance Minister to allot more and enough fund to the welfare of Women, Children and for the development of backward classes.

In India still around 26 crores of people are living below poverty line and 65% of them are living in villages. What are the steps being taken by the government to eradicate poverty in India and what are the, steps being taken by the government to uplift them. Moreover, around 60 lacks people, mostly women are engaging and earning their livelihood in beedi industries and the

tax/customs duty in beedi has also increased from 7% to 11 % which will affect the beedi workers directly. So the finance Minister should take some relief measures to the affected beedi workers in the country.

I also request as our country is growing and developing the ban on recruitment to government jobs and public sector must be withdrawn immediately. As these measures are missing, this budget had not pleased any sector. That is the merit of this budget. Our Finance Minister's budget had apportioned equal .

SHRI C. KUPPUSAMI (MADRAS NORTH): Sir, I rise to participate, on behalf of my Party DMK, in the General Discussion on the General Budget presented by the hon. Finance Minister, Thiru P. Chidambaran in the House on 28th February, 2007. It has got lot of salient features which would go a long way in benefiting the common man and therefore, the UP A Government headed by Dr. Manmohan Singh under the overall guidance of UP A Chairperson, Annai Sonia Gandhi. I heartily congratulate our hon'ble Finance Minister, Thiru P. Chidambaram for this. I welcome the Budget and its progressive measures, namely focusing on Agriculture Sector like more allocation of funds for agriculture, massive programme for repair, restoration and renovation of water bodies, the agreement for Tamil Nadu has already been signed, farm credit target increased for this financial year etc.

Writing off of agriculture loans :

There are various social welfare schemes which have been brought forward for the benefit of common masses by our leader Dr. Kalaignar, Hon'ble Chief Minister of Tamil Nadu. Dr. Kalaignar has brought forward Agriculture Loan writing off scheme under which. more than Rs.7000 crores have been written off by the cooperative banks in Tamil Nadu. That is the reason why the incident of farmer's suicide is not reported from the State of Tamil Nadu because it is a boon for the farmers who lose all their crops due to natural calamities and other disasters. would urge the Centre to bring a similar scheme throughout the country and to give compensation to the State of Tamil Nadu towards the revenue loss to the State Government due to writing off of agriculture loans to farmers.

Education Sector:

The former Chief Minister of Tamil Nadu, Thiru Kamarajar started the noon meal scheme for school children which has now been extended by our beloved leader, Dr. Kalaignar up to high school with nutritious meals and serving eggs also twice

* The speech was laid on the Table.

a week. We welcome the Mid-day Meal scheme extended in this Budget to 3427 educationally backward blocks. Similarly, one lakh scholarships for class 9-12 students, interest-free loans for industrial training institutes, two lakh teachers to be appointed during this year and 5 lakh new class rooms are welcoming features in the Budget. With this Finance Minister effort Kamarajar dream will come true.

Strengthening of PDS system :

One more achievement of Dr. Kalaignar is that rice is being distributed to the people in BPL at Rs.2/- per kilo through Fair Price Shops. To control price rise, I would suggest to the Government to strengthen the Public Distribution System and to issue all essential commodities through Fair Price Shops. For example, in Tamil Nadu, the system of Public Distribution is very strong and streamlined and people are getting rice at the subsidized rates. The Government should also take measures that all essential commodities are distributed through the PDS System. NABARD should take care to procure the pulses and oilseeds from the farmers with minimum support price and distribute them to the public to maintain the price level and to reduce the handling and transport costs, and eliminating the middlemen.

Social Welfare Measures :

Keeping in view that a large number of workforce are in the informal and unorganised sector, the Government of Tamil Nadu under the leadership of Dr. Kalaingar have brought forward a progressive legislation for providing social security and welfare measures to those workers. They have listed out various categories of workers like cobblers, barbers, washermen, rag pickers, fishermen, agricultural workers, handloom workers, rural artisans, etc. who can register themselves with the Labour Welfare Board, on free of cost. The registered workers are given Rs.1 lakh against accidental death; Rs, 15,000 in case of natural death and Rs.2,000 for cremation expenses to the next kin of the workers. I would request the Hon. Finance Minister to adopt these schemes and implement them at the national level, as he has announced insurance cover for rural landless in this Budget.

For education of their children, the workmen are getting from Rs. 1000 to Rs.6,000 for the purpose of education from the level of 10th class to higher education. Rs. 2,000 for the marriage expenses and Rs.6,000 as maternity benefit to female members. Those workers who are registered with the labour welfare board for a minimum period of 5 years, on the completion of 60 years, they will get Rs.300/- p.m. as pension.

National Rural Employment Guarantee Scheme:

We welcome extension of National Rural Employment Guarantee Scheme from 200 districts to 330 districts. Sir, as the House is aware, Dr. Kalaingar has brought forward a scheme, with his visionary outlook and egalitarian approach, in Tamil Nadu under which unemployed youth who are registered in the employment exchange are given cash assistance as a relief and part of the welfare measure. The landless poor farmers are also being given two acres of agricultural, developed land so that they poor people can use the land for productive purpose and earning their livelihood. I would request that this should be taken as a model scheme and implemented throughout the country and the State of Tamil Nadu should be given grants for this purpose.

Interim Relief – 6th Central Pay Commission :

Sir I would urge upon the Hon. Finance Minister to announce interim relief for the employees of the Central Government since the final report to be submitted by the 6th Central Pay Commission would take more than one year from now, and thereafter its implementation.

Therefore, I would request that pending the final report, all employees of the Central Government should be given interim relief, since the cost of living index is going up and the hike in their salary is overdue.

Income- Tax Exemption Limit:

Income tax exemption limit has been increased by Rs.10,000, extending to Rs. 1,10,000 in the case of salaried people and to Rs. 1,45,000 to women employees. At the same time, education cess on all taxes has been hiked from 2% to 3. I would therefore, request the Hon. Finance Minister to increase the IT exemption limit to at least 1,30,000 so that some relief will be given to most of the salaried class whose salary has increased only marginally.

Ned to bring Aendment to it act to exempt PSU employees allotted accommoda tion:

Sir, I would like to draw the attention of the Hon. Finance Minister to the news-item appeared in the Times of India, dated 9th March, 2007, under the caption "Budget brings Higher tax for PSU employees - New Act, More Burden". It says that the proposed amendment of the IT Act, on the valuation of perquisite in terms of housing accommodation given to PSU employees, will increase their taxable income by 20%. But if the employee pays rent, the amount will be deducted from the taxable amount. The Hon. Finance Minister in his anxiety to tax perqs and benefits being extended to employees of multi national companies, even employees of State Government undertakings and Central Government undertakings who have been allotted quarters are being taxed, as if it is taken as house rent allowance. Most of the employees who have been allotted quarters by the Government Undertakings are staying there because of compulsion, as their services may be requisitioned at any time by the employer and during emergency. Moreover, the quarters that are allotted are only unfurnished and should be considered as a welfare measure. I would therefore strongly request the Hon. Finance Minister to bring forward amendment to section 17 of the Income-tax to exempt all PSU employees, as is given to the employees of Central Government and State Government, from the levy of income-tax, the value of accommodation given by the Central or State Government undertaking.

Need to hike interest rate on EPF:

Now the Hon'ble Finance Minister has made so many announcements for Senior Citizens like tax relief of Rs.2,000, Exclusive health insurance for them, Reverse mortgage scheme and we welcome and appreciate those progressive measures. Now that the joint family system has collapsed, senior citizens have to depend on their own savings and terminal benefits like EPF. Since the interest rate on EPF being paid to workers at the time of retirement is negligible, as a welfare measure, [would request the Government to create a separate fund to provide remunerative rate of interest on EPF to workers so that they are not subjected to market fluctuations.

Inter-linking of major rivers:

As I mentioned earlier, massive programme for repair, restoration and renovation of water bodies would go a long way in judicial and optimum use of water resources. Earmarking the fund of Rs. 1,800 crores to NABARD for planning of 70 lakh structures as a new programme for ground water re-charge is a welcome measure. We would suggest to the Government to take the programme of Inter-linking of major rivers in the North with the Pen insular rivers in the South seriously and expedite all the ongoing projects. I would urge upon the Centre to expedite this project phase-wise so that all the riparian States get water for irrigation and other purposes without discrimination. As the Hon'ble Prime Minister has made a remark on the floor of the House recently, national water policy may be evolved to deal with the problems of water disputes between various States.

With these words, I support the General Budget with the hope that the Hon. Finance Minister will favourably consider all the suggestions which I have made.

SHRI D. NARBULA (DARJEELING): Sir, I must first of all congratulate the Hon'ble Finance Minister with whose efforts the rate of G.D.P. has improved from 7.5 % in 2004-05 to 9% in 2005-06 and expected to 9.20/0 in 2006-07.

In this year's budget the Govt. has given importance in the education and health sector. The allocation for education has been enhanced to Rs.32,353 crores and for health and family welfare to Rs.15,219 crores.

For Sarba Siksha Abhiyan the amount provided for this year is Rs.1 0,671 crores, and for strengthening the teachers' training institutions a provision of Rs.450 crores has been made.

This budget proposes to appoint 2,00,000 more teachers and construct 5 lakhs more class rooms. The amount provided under this scheme should be properly utilized.

For mid day meal schemes Rs.7,324 crores will be provided. In addition to the children in primary classes, the Govt. proposes to cover children in upper primary classes of 3427 educationally backward blocks. Here I would like to suggest that a monitoring committee should be constituted so that the amount provided under these schemes shall be properly utilized and the poor students get benefit.

The central govt. also proposes to introduce MEANS CUM MERIT Scholarship. Under this scheme selection will be made through a National test from among the students who have passed class VIII. The selected student will be given Rs.6,000/- per year for study in Class IX, X, XI and XII. The govt. proposes that 1 lakh scholarship may be awarded every year under this scheme.

This budget has allocated Rs.611 crores to provide Post Matric scholarship to Scheduled Caste/Tribe students and provision of Rs.91 crores has been made for similar scholarship to the students belonging to social and educationally

* The speech was laid on the Table.

backward classes. But considering the percentage of the population of the OBC in the Country this allocation is not adequate so I propose that the amount should be enhanced.

Under Rajiv Gandhi Drinking Water Mission 34,000 schools have been provided drinking water supply till December, 2006, and for this scheme the allocation has been enhanced from Rs.4,680 crores to Rs.5,850 crores now for the year 2007-08 and for sanitation the Hon'ble Finance Minister proposes to increase the provision from Rs.720 crores this year to Rs.954 crores next year. I would like to bring it to the knowledge of the Hon'ble Finance Minister that several primary and secondary schools in the interiors of my

constituency have been deprived of drinking water and sanitation facilities. Several co-education high schools and Higher Secondary schools have been facing great sanitation problems, so I hope that the problems of these schools will be redressed during this year.

The Finance Minister in this year's Budget has kept provision to encourage the farmers. In my constituency 'Darjeeling' though Tea is the main crop, a large number of farmers depend on agriculture. Cardamom (Big) and Ginger are the main crops. Besides these a large number of people also depend on other agriculture products vegetable and floriculture. But for the last few years the cultivation of Cardamom (Big) and ginger are effected and destroyed by some disease. I appeal to the Hon'ble Finance Minister to keep some provision for providing treatment so that the Cardamom (Bib), Ginger and other crops are protected and save these poor farmers from being ruined.

Tea is one of the important crops, which fetches a good amount of foreign exchange. The tea bushes which were planted more than 100-150 years ago really need replantation and re-juvenation for its survival. I am thankful to the Hon'ble Finance Minister for giving a special package of tea fund in this year's budget.

I congratulate the Hon'ble finance minister for introducing a new scheme called AAM ADMI BIMA YOZANA which will provide security to the unorganized workers under this scheme he has proposed to extend death and disability insurance cover through Life Insurance Corporation of India to the rural land less house holds.

Under Rajiv Gandhi Vidyutkaran Y ozana this year's budget has increased the allocation from Rs.3,000 crores to Rs.3,983 crores.

The UP A Govt. has made target to electrify the entire villages in the country by 2009 but several villages of different blocks in my Constituency have not been electrified yet. So I hope that special consideration will be given to the people living in the interior villages of my constituency.

Finally I thank the Hon'ble Finance Minister for giving additional benefits to the assesses by increasing the threshold limit in different categories.

I support this General Budget placed by the Hon'ble Finance Minister before this august house on 28th February, 2007.

DR. PRASANNA KUMAR PATASANI (BHUBANESWAR): Mr. Chidambaram was good at playing around with words, but over a period he sounds bogus and boring. It took some time for the merchant of dream budget to expose himself and attract all-round denunciation. Gone are the days when Chidambaram used to advise the Indian farmer to stop cultivating wheat and vegetables for the world market is already flooded with these items instead go for cut flower and cash crops. He also promoted prawn cultivation on hugely fertile land. To unearth black money he advocated voluntary disclosure scheme. He was the darling of the neo-rich, he promoted playing in the stock market and spending excessively on consumer durables and cosmetics. But that was the Finance Minister of the post-liberalisation nineties.

The new UP A FM is the latest middle-class tormentor. To say that the budget for 2007-08 is lacklustre is to repeat the obvious. The Finance Minister's new-found love for the farm and rural sector will not yield anything. At best it will fatten the pockets of politicians, bureaucrats and middlemen. In any case, the Economic Survey uncovers the banality of UP A claims on rural spending. Sarvasiksha Abhiyan, which the NDA government launched with great vision, is today in total disarray, thanks to a scheming, absentee minister at the helm. All allocations for education will go down the drain, under Arjun Singh, the Economic Survey has conceded that much that the total literacy cannot meet the target. But the increased cess will further pinch the common man.

Under a government, that came to power in the name of aam aadmi, according to a recent survey, almost 47 per cent of a salaried person's income is taken away as tax. The indirect tax is the biggest loot. In the name of service tax the middle class is forced to eke out a wretched living. From telephone, ball pen to school notebooks, even a cup of tea in a decent hotel is taxed. When the FM talks of additional Rs. 1,00,000 crore tax mobilisation he is talking about further

* The speech was laid on the Table.

taxing the common man, for most of it will come from direct and indirect taxes. The tragedy is a small or medium businessman is taxed heavier than big MNCs or desi tycoons.

Import duties have been cut. The Finance Minister proudly claims that hundreds of tonnes of food items are being imported to control the price rise. But the Indian farmer is still under rural indebtedness. His produce does not get better remuneration even though

we pay double the amount for the imported stuff. To tackle rural indebtedness, the FM has no idea.

The Congress has spiked India's dream. The NDA left a booming economy. We were exporting wheat and other food items, stocks were overflowing, there was no scarcity for anything. Inflation was at the lowest at 3.5 per cent, interest rates low, infrastructure industry was peaking. For two years UPA reaped the harvest of this buoyant economy left by the NDA. Things have changed and the Chidambaram budget proves the party is over. Our experts analyse this in greater detail.

Nobody had ever accused Chidambaram of being a pet lover. But the irony is that he has made pet food cheaper, while he insists it will take two to three years for tackling food scarcity. Budget is no magic wand for price control, he says. It is not a matter for low joke as Lalu Yadav has made it out saying that the BJP people are fond of going for walk with their chained

pet dogs. The serious side is most pet food items are imported and the duty cut helps MNCs make a killing in the Indian market. This is poor man's budget, UPA brand.

The budget presented in Parliament shows that Congress refuses to learn any lesson. At a time when the common man feels deeply distressed about the high cost of his daily meals, it was astounding to hear the Finance Minister exult about the "good news for cat and dog lovers", and announce that the duty on pet foods had been reduced from 30 per cent to 20 per cent.

This government's mandate was: relief for the aam aadmi and kisan. But this budget is a total betrayal of this mandate.

Common man (Aam aadmi) is crushed by inflation and has shown his anger by turning UPA out of power in Punjab and Uttaranchal. Government concedes that in the current year that is 2006-2007 inflation rate is estimated at between 5.2 to 5.4 per cent, which is higher than last year.

But if we take a look at the prices of essential commodities, prices have soared by 50 to 100 per cent. Finance Minister says that he is concerned over inflation and has taken various steps in the past and has promised various other measures in the present budget. But, there is big gap between what the government says and what it does.

It is beyond doubt that one of the major reasons for prices of essential agricultural commodities to rise is forward (future) trading system introduced in 2004. Making a beginning with only a few commodities, today forward trading is allowed in 92 commodities. Experts have given ample proofs that prices of pulses and food grains have been rising in leaps and bounds due to forward trading in these commodities. Sometime back government had withdrawn two pulses namely tur and urad from forward trading list and now in this budget Finance Minister has proposed to withdraw rice and wheat from the list of forward trading. While the system of forward trading is causing havoc for the common man, the Finance Minister instead of imposing a blanket ban on forward trading has only promised that commission will look into this whole issue. This clearly shows government's unwillingness to bid farewell to this anti-people forward trading system.

In normal market, price of a product is determined on the basis of its demand and supply in the market and generally the limit of total business is determined by the total production. It is observed that on any single day the quantum of business in different commodities is 5 to 10 times more than its annual production. Once future market starts working, money plays its role. Big dealers and companies may keep on purchasing future deliveries and in absence of supplies prices continue to rise and an artificial scarcity is created in the market. This happens in other countries of the world as well.

Recently, companies have started making purchase of agricultural produce from the farmers directly or through mandis. Supported by deep pockets, these companies are even purchasing the future deliveries of these commodities, which mean these companies have purchased the present and are purchasing the future also. Anybody who dares to sell any commodity in future without really possessing the same, these companies take the price to a much higher level using their financial muscles, and thereby such people incur heavy losses. In this way stocks with these companies keeps on rising and also their power to enhance the prices of these commodities.

Price rise, especially in essential products, has been there in this country, but future trading in commodity market have made the problem of inflation even more acute. If we have a look at the data of future commodity market its worth noting that due to the future markets the prices of essential commodities have increased significantly and the same has affected the consumer badly. The more distressing is that the benefit of higher prices does not reach the farmers.

In the last season farmers could get price of wheat in the range of Rs. 700 to Rs. 800 per quintal whereas the same wheat attracted much higher prices in the future market. As such future market benefit hoarders, agents and various companies, both domestic and foreign, engaged in agricultural marketing. Sometime back an alarming case came to light where the government had made an agreement with Australian company regarding import of wheat, which made huge purchases from Indian farmers at a much lower price than what it was paid by our government. In fact, future market in commodities on the line of share market is an alarm bell for the people of this country. This kind of system will make the life difficult for the common man. We have to put limits on speculative activities. We cannot put the majority population's life at stake for speculators who are not even 0.1 per cent of the total population.

The UPA policies of the last 32 months, despite the sycophantic media hype, have completely undermined the healthy growth process and taken the nation to a path of rising inflation—increasing interest rates spiral. If the present trends continue for another two years, then India will land straight into a financial crisis of the type East Asia and Latin America experienced in the 1990s, and from which these countries are yet to recover even today. These countries were booming economies, with growth rates of 10 per cent

... (Transcription)

... (Transcription)

MR. CHAIRMAN: Mr. Aaron Rashid, please take your seat. Why are you agitated?

... (Transcription)

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* Not recorded

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... (Interjections) ...

... (Interjections) ...

... (Interjections) ...

... (Interjections) ...

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): Are you supporting the Budget? ... (Interjections)

... (Interjections) ...

... (Interjections) ...

... (Interjections) ...

17.43 hrs.

(Shri Varakala Radhakrishnan in the Chair)

... (Interjections) ...

Shrimati Sumitra Mahajan, you can continue now. [r57]

18.00 hrs

DR. K.S. MANOJ (ALLEPPEY): Sir, please take 'Zero Hour' first...(Interruptions)

SHRI KHARABELA SWAIN : Sir, let us have the discussion first and then 'Zero Hour'...(Interruptions)

... ..

... ..

[r59]

... ..

श्री श्री सुप्रसन्न बालू शर्मा (अध्यक्ष) : ...

SHRI A. KRISHNASWAMY (SRIPERUMBUDUR): Sir, what about 'Zero Hour'?

MR. CHAIRMAN: We will consider that later but I cannot give you an assurance.

Now, Mr. Nikhil Kumar, you can speak.

SHRI KHARABELA SWAIN : Please hear me. Let the Members who are there for raising matters in 'Zero Hour' give an assurance that after their speech, they will sit here and listen to others. Otherwise, after speaking if they are running away, there will be nobody for this Budget debate. This is not acceptable. Or, there should be Budget discussion first and then we will take up the 'Zero Hour'.

MR. CHAIRMAN: At the moment, there will be no 'Zero Hour'. We will consider it only after eight o' clock.

Yes, you can speak.

18.24 hrs. (Shrimati Sumitra Mahajan *in the Chair*)

श्री सुप्रसन्न बालू शर्मा (अध्यक्ष) : ...

Madam, I rise to speak on the Budget for the year 2007-08. But before anything, let us see the economic environment of the country in which this Budget has been presented. There has been a steady increase in the manufacturing growth rate so that over the past three years, it has increased to a present rate of 11.2 per cent.[\[MSOffice65\]](#)

Even in the services sector, the growth rate has been steadily climbing and today it is over 11 per cent. These have, together, led to an average growth rate of 8.5 per cent. This is a signal achievement of the UPA Government because, Madam, you will realize that the situation in 2002-2003, as was pointed out by our hon. Minister of Finance was not very encouraging. If, in spite of that, the country has maintained a steady growth rate and when 31st of March comes this year to signal the end of the Tenth Plan period, we will have achieved nearly the target set for us of eight per cent in the Tenth Plan.

It is in this context that we have to see the Budget. Yes, the country does need to be taken care of in some areas which have been left out and these areas which have been targeted by the hon. Minister of Finance. I find this is a good Budget. It will encourage production, it will generate employment and above all, I find it an excellently crafted strategy for bringing out the prices and counter inflation.

There are some very important steps, some classical steps to counter inflation in this Budget. I do hope that these classical steps do not prove counterproductive in due course. But, nevertheless, it is a good Budget and I compliment the hon. Minister of Finance for it.

The hon. Minister of Finance has also, as I said, paid attention to some areas which were left out and, therefore, he has crafted this all-inclusive Budget. He did mention that he had spent 15 minutes on agriculture. Madam, those 15 minutes were meaningful because they contained some good suggestions to help develop the agriculture sector and increase its growth rate.

For some time now, our agriculture sector has not been showing good results. It has barely registered a growth of 2.3 per cent against a target of four per cent. The hon. Finance Minister has decided that he will pay special attention to agriculture. An important statistic is that whereas in India nearly 70 per cent of our people are dependent on agriculture, only two point, seven per cent, of the Americans are dependent on agriculture. Still the United States produces food not only for itself but it feeds almost half the world. So, we need to see what is wrong with us that such a huge country, bigger than the United States, where 65 to 70 per cent of the people are dependent on agriculture, are unable to produce food for ourselves. It is in this context that we have to see the proposals made in the budget in respect of agriculture.

But I shall first take up education. I compliment the hon. Minister of Finance for paying special attention to the education of minorities' children. He has provisioned for increasing the share capital of the NMDSC by Rs. 63 crore and providing Rs. 108 crore for development plans in districts with minority concentration of population and above all provided nearly Rs. 210 crore in different scholarships for different courses. These are all extremely well-considered steps and he deserves to be complimented.

There are two things, however, which I would like to submit for his consideration. [\[MSOffice66\]](#)

There is no mention about improving the quality of education of madarasas. Madarasas are cash-strapped because of which they are unable to produce the requisite good quality education, I repeat this is entirely because of lack of finances. So, my appeal to the hon. Finance Minister is that he should set apart a bigger portion of the kitty in the next year's Budget for Madarasa education.

My other appeal is to include more madarasas in the list of those approved by the Government for funding. Not only madarasas, there are other educational institutions also which do not get financial aid from the Government. In my State of Bihar, it is called in Hindi ~~कक्षा~~ ~~कक्षा~~ ~~कक्षा~~ and this ~~कक्षा~~ ~~कक्षा~~ ~~कक्षा~~ had led to almost disastrous consequences in the State. I am well aware of it that this is a policy that needs to be brought to an end almost instantaneously. I remember that way back in 1989, the then Congress Government had taken a decision to end it from 1st February, 1990. But it has not been done and the effects have not at all been happy for our younger brigade, our youth. It is in this context that I say that if the madarasas are cash-strapped, then we are not doing justice to our minorities because they will not be able to get proper education and when they do leave the madarasas, the level of their education will be so unsatisfactory that they will not be able to be good citizens of this country. I repeat that they must be included in the scheme for financing of educational institutions in a larger number.

The second thing is and we note with satisfaction that nearly 1,400 ITIs have been included in the Finance Minister's list to be made into Centres of Excellence, but I regret to say that not one of them belongs to Bihar. I would appeal through the hon. Finance Minister and the Government of India to my State Government to please pay attention to this so that there is in Bihar at least one, if not many more, Centre of Excellence in the ITIs. The ITIs are extremely useful for preparing people for vocation and employment. If these are to be made into Centres of Excellence, it will be for the overall good of our younger generation.

The hon. Finance Minister has also dwelt on the power sector. I have not much to comment on that provisions he has made for this sector. But there is one significant feature that I wish to bring to the notice of this hon. House and to the Government of India. The Integrated Energy Policy document that has been brought out has worked out its requirements of power in times to come, for the next 25 years or so, assuming the targeted growth rate of eight per cent in the Eleventh Five Year Plan. This is not correct. The target of our growth rate in the Eleventh Five Year Plan period is to be ten per cent and therefore, the calculations in the Integrated Energy Policy document, should be corrected because they flow from a wrong assumption. An important factor in these calculations is that this year, which is the last year of the Tenth Plan period, we were supposed to or were expected to generate 41,000 megawatts of power. Unfortunately, there has been a big shortfall and only 23,000 odd megawatts of power may be generated by this year end. [\[s67\]](#)

There is extreme importance today to be given to power generation. In this context, I go back to my State. Recently, the Union Cabinet's Committee on Economic Affairs, has approved the setting up of a 1000 MW Super Thermal Power Project in Nabi Nagar in my constituency in Aurangabad. I thank the Government for it. It has been a long-standing project. We have waited for it for the past 18 years and it will now see the light of the day and so we thank the Government of India for it. However, it was originally conceived of as a 2200 MW Power Project. Its capacity has been reduced to 1000 MW. I have a two-fold request. One is, that as of now, it may be okay, and the work on construction will begin. It will be taken up by NTPC in collaboration as a Joint Venture with the Railways, and there will be four units of 250 MW each. That is fair enough. However, even now a decision could be taken that in time to come, this Project will be upgraded to 2200 MW as was originally conceived of. If it is done, it will not be doing any favour to Bihar because Bihar is, at present, extremely power deficient. As far as installed capacity goes, there is today a total of only 653 MW. Again this, there are two major Super Thermal Power Projects which are not functional – Barauni and Kati. I would appeal to the Government of India that it should do all it can to see that both these are made to be functional.

Bihar needs power, and this Nabi Nagar Super Thermal Power Project, should be expanded to its original 2200 MW capacity. If it means setting up of another Plant there, then that should be done. This should be possible since the feasibility study has already been conducted, and it has been found feasible to put up a 1000 MW Power Project. Then, why can the second one not be set up there? I would request the Government of India to kindly pay attention to this.

I come now to the question of agriculture. There are some thoughtful steps that the hon. Finance Minister has suggested. He suggests increase in the farm credit. He has also thought of several plans for the distressed districts, he has thought of water-related schemes. Let us take up farm credit. There is a big increase of 28 per cent from last year, which is very good. But whatever the statistics may say for the last year, the fact is that the farmers access this credit with great trouble. They are put to extreme inconvenience, Government must do whatever it can to reduce this inconvenience. The basis on which such credit is given is the Kisan Credit Card. First, the farmer finds it extremely difficult to get a Kisan Credit Card issued. Then, when he finally gets it issued, he finds it even more difficult to get credit on that. A part of this inconvenience can be done away with, if Kisan Credit Cards are made an item of general issue, just like PAN and Identity Cards. These should be issued by the Office of the District Collector, who has all the revenue records and knows exactly who is a farmer and who is not. The Kisan Credit Card should be made an item of general issue. I appeal to the Finance Minister that he may do this.

MADAM CHAIRMAN : Please conclude.

SHRI NIKHIL KUMAR : I am only half through, Madam.

MADAM CHAIRMAN: You have taken more than ten minutes on that Bihar project itself.

SHRI NIKHIL KUMAR: My friends from the other side were saying that the agriculture sector has not been given enough importance. On the basis of the *Aam Admi Bima Yojana* alone I would say that the Finance Minister should be complimented. This is an excellent concept, the Centre will meet 50 per cent of the premium amount.^[r68] But I hope that all the State Governments would meet their part and pay the second half, meaning the other 50 per cent of the premium. If the Finance Minister finds any obstruction, he should to it see that such States fall in line. This is because the people who are landless will be benefited by this are really landless. They are living below the poverty line and they need this kind of assistance.

Talking of below poverty line, there have been a great deal of irregularities in the drawing up of BPL lists. This is perhaps because the mode of action adopted by the States is not quite okay. The work has been allotted to people who are not concerned with the District Administration and come under the influence of this or that consideration and as a consequence, the overall result is not satisfactory. In my own State, especially in my District, the BPL list is a bit of a scam. It needs to be rejected. It needs to be drawn up afresh. In drawing the list afresh, if it becomes necessary then we should review the parameters. I, therefore, suggest that the Government of India should pay special attention to the drawing up of parameters afresh, if only for the benefit of those who live below the poverty line.

I now come to the issue of providing social security. The Government of India has come up with some excellent programmes for alleviation of poverty, like the Indira Awas Yojna or the Sampoorna Gramin Rozgar Yojna. But, I am unhappy that the funds given to the States for these are not being utilized. I would like to submit very politely to my friend Kharabela that it is not the question of delivery there. The money has been received and it is there in the District Magistrate's Office. Though received, it has not been spent. This needs to be looked into and reviewed. About 38 per cent of the funds given to my District, and overall in Bihar 42 per cent of Rs.953 crore allocated for the Rozgar Guarantee Yojna only have been utilized. Similarly, for Indira Awas Yojna a total of only 36 per cent has been spent. For the Gramin Rozgar Yojna once again the total amount of expenditure done so far is well below 40 per cent. With this kind of implementation poverty alleviation programmes of the Government of India can not be successful.

An important point about Bihar is that every year North Bihar is ravaged by floods. An interesting statistic is that 46 per cent of Bihar today is flood prone and this means that it is 17.2 per cent of the total flood prone area of the country. I would request the Government of India, that even though this happens to be a State subject, it should take the initiative to draw up flood control programmes, in consultation with the State Government, if North Bihar is to be saved from this annual misery and annual ravages of floods. I do not agree with the argument that this will not be possible because these rivers come from Nepal. It is possible in the 21st century with modern technology available to us to construct dams which will prevent back flow into Nepal which is what Nepal objects to. With utter seriousness, I urge the Government to take this seriously and take steps about this. We must see that North Bihar is saved from the annual ravages of flood.

I now come to the definition of a senior citizen. There are Ministries in the Government of India where a senior citizen is defined as someone who is of 60 years of age or above. But the hon. Finance Minister has pegged this age at 65 years. This is unfair. There should be a uniform age for determining senior citizens and I would appeal to the Finance Minister to bring it down from 65 years to 60 years.

Since I am also the Chairman of the Standing Committee on Information Technology, there is one important point which I would like to mention on that subject.^[KMR69]

The MAT has been applied to the IT industry from 2007 to 2010. It is fair enough. Let it be applied. But what happens after 2010, has to be clarified because these companies which earn for us 31.5 billion dollars in foreign exchange, have to enter into long-term agreements with their partners abroad. They must know as to what is going to happen. That is why I feel that this is an important matter.

DR. C. KRISHNAN (POLLACHI): Thank you, Madam, for giving me the opportunity speak on the General Budget presented by the hon. Finance Minister, Shri P. Chidambaram.

I am speaking on behalf of Thiru Vaiko, leader of the Tamils. Madam, in this General Budget for 2007-08 – being the beginning of the 11th Five Year Plan – the slogan being that the country would be put on a sustained growth path during the 11th Five Year Plan and at the end of the Plan, the growth rate is expected at 10 per cent. This gives us very good encouragement and hopes.

This Budget also aimed at agricultural growth by four per cent; full of employment opportunities; rural infrastructure development; and also preference for health and education to all the sections of the society.

Regarding the allocation of funds, there is an increase of 31.6 per cent in the allocation for Bharat Nirman programme; increase of 34.2 per cent for the education sector; there is an increase by 29.9 per cent for health and family welfare; Sarva Shiksha Abhiyan and Mid-Day Meal Scheme get an increase of 35 per cent.

Mid-Day Meal Scheme is to be extended not only for the primary classes but for the upper primary classes in 3,427 educationally backward blocks in the country. This needs to be extended throughout the country.

Rural drinking water and sanitation is to be taken care of. As such, the proposals in this regard are most welcomed by the public at large. But we pray that the benefits of the above schemes shall reach the poor, who are very much to be cared of, and very much in need in the remote villages and for the poor farming sector.

Giving scholarships to Scheduled Castes and Scheduled Tribes should be very much streamlined and proper care should be taken so that each and every student in the category gets the benefit to continue with their education.

Certain aspects which are also welcomed are increasing the economic viability of the agricultural sector wherein 50 lakh new farmers will be brought into the banking system next year with a target of Rs.2,25,000 crore. This is no doubt a marvelous programme that would help the farmers at large. But I would like to urge the Government that beneficiaries should be from all over the country.

Duties on most chemicals and plastics have been reduced and customs duty on polyester fibers and yarn has also been reduced from 10 per cent to 7.5 per cent. I hope this would bring down the prices of the textile goods. Farmers should be protected with easy procedures while getting farm loans from the banks. There has been no mention about the education loan. Loan of Rs.15,000 per acre for farmers is very meager. [r70] That should be increased at least to Rs.20,000 because of the increased daily wages for the coolies as well as increased fertilizer rates, etc.

Further, there is no mention about water resources management by which linking of the inter-State rivers for the betterment of drought-ridden areas can be made. Our hon. Finance Minister has been very kind enough. He has taken 15 minutes to promote agriculture in the country; I wish, on behalf of Shri Vaiko who is my leader, that he could have taken two more minutes to say something about linking of waters between different States so that the future of the country is not at stake and also the farmers are protected. As was told by the hon. Member who spoke earlier to me, Bihar is flood-ridden and there are areas which need water. Drought-ridden areas will welcome water from the flood-ridden areas. So, linking of the rivers for the welfare of farmers throughout the country has not been mentioned. That needs to be thought of. In the whole of the Five Year Plan, this project has been neglected. This needs to be taken care of and some amount should be earmarked, say about Rs. 1,000 crore and it should be given to the bank saying that if any State is interested in taking up the river linking programme, it could utilize that amount, it will go a long way in linking the rivers. This is the theme of my leader, Shri Vaiko.

I thank you for the opportunity given.

SHRI M. SHIVANNA (CHAMARAJNAGAR): Thank you Madam Chairperson. I am grateful to you for giving me an opportunity to participate in the discussion on the General Budget for the year 2007-08 presented by the Hon. Finance Minister Shri P.Chidambaram. I would have preferred to congratulate Shri P.Chidambaram, because it is his 10th Budget as Finance Minister of this country. But I am not doing so as my expectation that he would render justice to the people all sections of the society has not been fulfilled. The Hon. Finance Minister's colleague Shri Palani Manickam is also present here in this August House.

People belonging to various sections of the society like farmers, employees, and business people would have expected a visionary Budget from the Hon. Finance Minister. But this Budget is not able to fulfill the expectations of the people at large. So it is a very disappointing Budget. Though this Budget has allocated more funds to agriculture and other sectors compare to previous Budget it is still insufficient. In our country people depending upon agriculture remain as high as 70%. But budgetary provisions are not enough to meet the demands of the agricultural sector.

I do not want to speak on national issues. I want to confine my speech to Karnataka and my parliamentary constituency only. Large number of farmers have been committing suicide in states like Karnataka, Tamil Nadu, Andhra pradesh, Kerala and Maharashtra. But the Hon. Finance Minister has not even mentioned the suicide cases of farmers in his Budget. It is very unfortunate. Since the Government is not serious on this issue they have not expressed any concern about why the farmers are committing suicide? And how to address this problem? Farmers have been facing hardship everywhere in the country.

I would suggest that the Government should provide seeds to the farmers at 50% subsidy and loan at zero percent interest rate. It is

* English translation of the speech originally delivered in Kannada.

agreement today that our farmers have not been getting subsidy, quality seeds and pesticides. I would like to point out that there is no marketing strategy with the Government and every one exploits the farmer whether it is, the middleman or the retailer. But the consumer always pays more than 200% compared to the price received by the farmer. It is a matter of regret that the profit on agricultural produce is being pocketed by the middlemen instead of the farmers.

Despite heavy rains in some parts of Karnataka many parts of the state are reeling under severe drought conditions. 160 out of 175 taluks are facing this problem. Because of the drought people of Karnataka are selling their cattle at throwaway prices to slaughter houses. There is no fodder for the cattle. It is high time that the Government should look into this serious problem, come forward and set up 'Go Shala's in Karnataka and provide good MSP for their crops. Another thing I would like to say is that this Budget provides concessions on the food for cats and dogs. But it does not ensure the food security of the common man. There is no tax concession or subsidy on the food used by the common people.

The Government of India has launched several programmes like Indira Avas Yojana, Ambedkar (Housing) Scheme, Rajiv Gandhi Rural Electrification Scheme, Rural Drinking Water Scheme, Rural Telephone, National Rural Health Mission, National Rural Employment Guarantee Act etc. But sufficient funds have not been allocated for all these Schemes. I would like to cite an example. Rs.20,000/- is provided to a beneficiary to build a house under Indira Avas Yojana. This amount was fixed when Smt. Indira Gandhi was the Prime Minister of India. But the same amount is being provided even today. It is really funny Sir, today due to price hike, high inflation is there in the country. Cost of one bag of cement is more than Rs.300/-. One has to pay atleast Rs.200/- per day to a worker/coolie. In such a condition how is it possible to build a house with a meager sum of Rs.20,000/- Sir, this amount should therefore be increased to Rs.1 lakh. It is not only my opinion. My colleagues and other Hon. Members are also supporting this point. It is very much essential to provide 1 lakh rupees to build a permanent house. If you do not do so there would be no use providing a meagre amount of Rs.20,000/-. If a person builds a house by using this meagre amount the house will need to get repaired every now and then. It leads the common man to get into a debt trap. So, it helps neither the beneficiary nor the Government.

As far as Information Technology and Bio Technology are concerned, Karnataka stands 1st in software industry. Bangalore is a brand name in the world. The capital of Karnataka Bangalore is also known as the I.T. hub, and it is also known as the garden city. People all over the world have been attracted by the software industries of Bangalore. It has all the potential to become world no. 1 in software industry. But it is very unfortunate that the blooming Bangalore is suffering from lack of infrastructure problem.

Lakhs of employees work in software companies in Bangalore. These software companies are paying Rs.1,250 crore income tax per month. It will become Rs.20,000 crore per year. But I am sorry to say the lack of infrastructure like quality power supply, drinking water road etc affects the IT sector adversely. Due to these infrastructure problem software companies are going away from Bangalore. For example, Apple Software Company has already left Bangalore. That is why it is the need of the day to provide necessary infrastructure to software industries in Bangalore. The Hon. Chief Minister of Karnataka Shri H.D. Kumara Swamy had approached the Hon'ble Prime Minister of India several times and also the Hon'ble Finance Minister and submitted proposals for financial assistance for this purpose. But no financial assistance has been provided so far. Therefore I urge upon the Government of India to provide at least Rs.1,000 crore for the development of infrastructure in Bangalore. Otherwise we will lose the status of Bangalore as IT city in the world.

It is very unfortunate that Karnataka is always getting step-motherly treatment. Because of political differences Karnataka is not getting adequate financial funds for its development.

White revolution has taken place in our country and the entire credit should go to the farmers who are the backbone of our economy. But what is the farmer getting for this. He is getting just 9.25 paise per litre for milk when the people are prepared to pay Rs.20/- litre for mineral water. Unfortunately the farmer is not getting the same Rs. 20/- per litre for milk. He has to look after his cattles, he has to do their service for 24 hours, he has to purchase fodder for cattles, which is Rs.15/- per kg. But he is getting Rs.9.25 paise per litre for his milk. What an irony it is Madam? A person fills water from a tap into a bottle and he is gets Rs. 20/-. It is very painful for me. Therefore my suggestion is that the remunerative price of milk should be fixed at least at Rs.20/- per litre. Otherwise living condition of the farmers cannot improve. It is meaningless if the farmers do not get remunerative price for their produce.

I would like to appreciate the mid-day meal scheme launched by the Government. I wish to suggest that along with mid-day meal a

glass of milk should be provided to all students. So that it would inspire our farmers to increase the production of milk. And it helps our children, the future of our nation, to get nutritional food.

My parliamentary constituency Chamaraj Nagar is a hilly region. It is a most backward district not only in Karnataka but also in the country. 36 percent of people are living below the poverty line in my constituency. Human Development Index report says that the Chamaraj Nagar ranks 25th place out of 28 districts in Karnataka. Our district has been carved out of the Mysore district 8 years back but still there is no development in Chamaraj Nagar. It is dominated by the people who belong to Scheduled Castes, and Scheduled Tribes. I was born and brought up in such a hilly and backward area. There is no college, there is no hospital, no good school, no power project, no university, no medical and engineering college. My people have been getting education in educational institutions run by an NGO, that is Vivekanand Girijan Sangh. Therefore it is my humble request to the Finance Minister to provide sufficient funds to build infrastructure and ensure family welfare measures under special provisions in my constituency. Therefore the Government should consider it under special budgetary provision and allocate adequate funds to set up educational institutions, hospitals, stadium for promoting sports and games. And initiate all the necessary steps to provide housing to the weaker sections and the Tribals.

Malai Mahadeshwara Hill in Karnataka is one of the famous pilgrim centres. Every day thousands of pilgrims are visiting the Malai Mahadeshwara Swamy Temple. But there is no adequate infrastructure facilities like road, drinking water, guest house, lodging and boarding for pilgrims. Famous Hogenekal falls is also nearer to Malai Mahadeshwara Hills. That is why the Centre should provide adequate funds and take steps to connect Hogenekal fall with M.M.Hills. That's why I request the Government to come forward to improve the infrastructure in Malai Mahadeshwara Hill so that it becomes a major pilgrim centre.

Sir, in this Budget the Hon. Finance Minister has increased the income tax exemption limit by only Rs.10,000/-. There is inflation and price hike sir. I would like to request Hon. Finance Minister to increase this exemption by Rs.50,000/-. And as far as physically challenged persons are concerned the exemption of 75,000/- should be increased by 1,50,000/-. Sir. I would like to point out that developed countries like America have given cent percent exemption to physically challenged persons. But in our country we are imposing tax on the physically challenged. Therefore I urge upon the Government to give complete exemption to the physically challenged.

Sir, I would like to say about Bangalore Metro Project. In this Budget only Rs.164 crore has been allotted to the Metro Rail Project. It is like giving small amount of buttermilk worth of only 10 paise, to an elephant. How is it possible to take up such a big project of Rs.50,000 crore with this meagre fund? Therefore I want to impress upon the Government to provide at least Rs.1,000 crore for this project.

Sir, there is no mention anywhere in this Budget about inter linking the rivers. There must be a National Water Policy. Sir I would like to suggest that interlinking of rivers is the only way to solve water disputes. It will help us to improve the standard of living of the people and our nation will progress and prosper. But this has not been mentioned and funds have not been allocated. We have already completed 10th five year plan and we are entering into 11th five year plan, but nowhere interlinking of rivers has been mentioned. I am of the opinion that if the Government delays interlinking of rivers it would affect the federal structure of the country. Therefore this should be included in the Budget.

Apart from this I would like to suggest to the Government to reduce the rate of interest on the loan, provided to farmers. The Government has been providing loan to buy a car at 6% interest whereas a farmer who is the back-bone of Indian economy has been paying more than 9% interest on agricultural loan. Is it not an irony Madam? I have raised this issue several times but there is no response from the Government. Therefore I urge upon the Centre to take necessary steps to provide agricultural loans to farmers at 4% interest and to fix Minimum Support Price for all agro-produce including onions, tomato, wheat, rice, potato, pulses.

As far as Anganwadi workers are concerned they are working for the whole day. But they are getting only Rs.200/- Rs.300/- per month. That's why I request the Hon. Finance Minister to take steps to regularize their service and increase monetary benefits.

I would like to draw the attention of the Union Government towards the conditions of tanks and lakes in the country. Almost 90% of lakes have been accumulating silt. As a result the storage capacity of these lakes have been decreasing gradually. We are exploiting ground water. Level of ground water has also been declining. Therefore I urge upon the Government to provide adequate funds as a special budgetary allocation to desilt lakes.

Narayana Hridayalaya in Bangalore is famous. It is doing a good job giving good treatment for cancer patients. People from all over the world are getting treatment here in the hospital. Therefore I urge upon the Government to accord deemed university status to Narayan Hridayalaya.

With this I conclude my speech.

The Tata Institute of Social Sciences conducted a study. It said:

"The farm sector does not get redeemed from all its problems just by lending the farmers more and more. This only leads to enlargement of the debt trap. One debt is affected to redeem from another debt and culminating in extreme steps by the farmers taking recourse to suicide."

This thinking has in its credence in the fact that last year Prime Minister visited Vidarbha. He talked of doubling the agricultural credit. This does not help. Hon. Prime Minister, for whom I have the highest regard as an economist and as a person, went to Vidarbha and announced a big package. But what is the position today? Before the hon. Prime Minister went to Vidarbha, the average suicide rate in Vidarbha was one suicide in every eight hours.[\[MSOffice72\]](#)

After the hon. Prime Minister declared the package, it has been reduced to four hours. There is a suicide case in every four hours. So I would like to tell the hon. Minister of Finance that just by announcing the credit facility, the problem cannot be solved. He has to be given remunerative price and to give the remunerative price, please avoid the middle man. To avoid the middle man, distress sale should be avoided. How can the distress sale be avoided? It is not only by giving the crop loan, but you should also give the agricultural product loan. After the agricultural product is ready, the cold storages should be arranged in the entire country. He should have sustaining capacity to keep it in the cold storage. If he does not have the sustaining capacity, naturally he will go for distress sale. So to make him sustainable, you have to give him the agricultural product loan, and after he receives the product, he should be given agricultural product loan by which he can have sustaining capacity and he can store it in the cold storage and he can sell it when he gets the remunerative price.

Along with that, I also urge the Government to bring the interest rate at four per cent. It is also mentioned in the *Economic Survey*. The Swaminathan Committee had also recommended it and the State Government like the Karnataka Government is giving the interest at four per cent from the cooperative sector. This demand was made well before the presentation of the Budget. I had made the demand during the discussion on the Motion of Thanks and now I also urge that before you could reply, please talk to the hon. Minister of Finance, talk to the hon. Prime Minister and see that interest rate is reduced.

There is one more thing which you can do and that is the crop insurance. When Shri Kharabela Swain was speaking, somebody told that it was your baby. Yes, I agree that it was our baby. I agree with him and I am not disagreeing with that. But when the crop insurance scheme was introduced by the NDA Government, it was the beginning. Now after that four or five years are over. What is the position? It has added more problems than the solutions. It is a very cumbersome process. Can the Government not make it farmer friendly? For example, I am telling you that five years average is taken. For example, in my own district, in my own State, four years there was drought. If you take the five years average, the lowest ever will be treated as average productivity and he will not get the insurance benefit. ...*(Interruptions)*

MADAM CHAIRMAN : Please conclude.

SHRI PRAHLAD JOSHI : What is the position? I am also telling you about the relief in my own constituency. In my constituency, 2003 kharif crop insurance the claims have not been settled. A number of 742 farmers are supposed to receive their insurance claims and from 2003 to 2007, four years have passed. Many a time personally I have gone to the regional office of Agricultural Insurance Corporation at Bangalore and a number of farmers have also visited there. So I am again bringing it to the kind attention of the hon. Minister of Finance. Do you know if you go to the regional office of the Agricultural Insurance Corporation at Bangalore, farmers will be treated like beggars? It is not this Government or that Government, it is the bureaucratic approach that has to be changed and you have to tell them that they are our masters. They have to be treated well. They have not got their claims for the last four years. If they go, they are using force and they are sending them out. So with all these things, I am requesting the hon. Minister to improve the Crop Insurance Scheme.[\[a73\]](#)

You can bring it to the Gram Panchayat level. Previously, it was up to the Taluka level. Subsequently, in our Government's period, it was brought up to the hubli level. Now, you can bring it to the Gram Panchayat level which will definitely yield results. So, one is remunerative price. Another is about crop insurance and the third is about power generation. If quality power is given to the farmers, they will not ask you anything more. It is not only many areas but also the entire country, with the exception of a few States, where more than six-hour electricity is never given in the villages. It is given just for six hours. In some of the States, it is given in midnight. They are giving electricity during midnight. How can the farmers utilize electricity for drawing water even though they are having bore-wells and wells? They are not able to utilize it. In such a case, power generation has to be given utmost priority. It is unfortunate that nothing is properly mentioned about power generation.

Then, transmission loss is around Rs.30,000 crore. Every year, we are losing about Rs.30,000 crore as far as transmission loss is concerned. We have kept only Rs.800 crore to control the distribution and transmission loss. It has to be looked into. As far as power

generation is concerned, for a period of 50 years, you are in power. Out of the total 60 years of Indian Independence, for 50 years, you are in power. But till date, you are not able to supply quality power.

Coming back to Education, I do not want to go into the entire details of education. But I can only put two or three questions. If you can kindly note and give me replies to them, I will be happy. You have increased the cess by three per cent. I have got one question about it. All the three per cent which you have increased as cess, will it be used for education? This is the first question.

Second, the Tapas Majumdar Committee, which was constituted by this Government, has very clearly recommended that six per cent of GDP should be spent on education. Are you going to do that? My third question is this. Though, in totality, you have allocated more to education including Sarva Shiksha Abhiyan, yet, in other way, you have reduced the allocation. Why is it so?

About foreign universities, the CNR Rao Committee, which was appointed, has cautioned the Government to be cautious before giving them entry into the Indian education system. What are you going to do with the CNR Rao Committee's recommendation? This Committee was appointed to study the investment thing as far as foreign universities are concerned.

These are my question about education. The hon. Minister Shri Palanimanickam and the hon. Finance Minister both are from Tamil Nadu. You have given Rs. 50 crore to the Coimbatore Agriculture University and the Gobind Ballabh Pant Agriculture University.

SHRI S.S. PALANIMANICKAM: It is one for the South and one for the North.

SHRI PRAHLAD JOSHI : My constituency of Dharwad is an educational hub. There, we have two Universities. One is the Dharwad Agriculture University. It is doing yeomen's service. It is doing a very good service. There one is the DCH Cotton – Dharwad Cotton Hybrid. That product has been discovered by the Dharwad University. It is giving good service. In the name of excellence, you are giving that money to the Coimbatore Agriculture University. Kindly extend it to the Dharwad University also. I would request you to do this. Further, you are planning in the Eleventh Plan, some IITs in the country. Hubli-Dharwad, the northern part of Karnataka, is a neglected area. It is the educational hub. There are two Universities, two Medical Colleges and three Engineering Colleges. They are having a lot of connectivity nowadays. The IT sector is also developing there. So, I would urge upon the hon. Minister to sanction an IIT for the Hubli-Dharwad area. I have touched upon agriculture and price rise.

I would once again urge upon the hon. Minister to give serious thought to it and do something which can help the countrymen. [\[R74\]\[R75\]](#)

SHRI N.S.V. CHITTHAN (DINDIGUL): Madam Chairperson, I thank you for giving me an opportunity to participate in the discussion on the Union Budget for the year 2007-08.

At the outset, I would like to compliment and congratulate our able Finance Minister for presenting his sixth Budget from the year 1996-97. I would also like to hail our Finance Minister for his efforts to usher in growth in Indian economy and the steps he has taken to control fiscal deficit. People in urban areas who are the dominant sections expected a dream Budget from him. Shri Chidambaram has done a lot for them in the year 1996 when he presented his first Budget. This time, his target was to improve the lot of agriculture and the millions of farmers who underwent untold sufferings. The unfortunate part is that farmers do not have a such a strong lobby as the urban middle class. This explains why the media which gave him bouquets in 1996 is not happy with him this time, but I am confident that the steps he has taken in the Budget to promote agriculture and farming will go a long way in assisting millions of farmers in the country.

The UPA Government under the guidance of Madam Sonia Gandhi and under the able leadership of Dr. Manmohan Singh have taken Indian economy to great heights. We are proud to note that our foreign exchange reserves have touched an all time high of Rs. One lakh crore. Manufacturing and service industries have attained growth rate of over 11 per cent. The agriculture sector, as has been stated by hon. Members from the Opposition, has, however, suffered a setback with growth rate occurring around 2.3 per cent. Inflation is a cause for serious concern.

The Budget has addressed both these concerns. By reducing customs duty, the Finance Minister has ensured availability of cheap imports which will help augment supplies. Our Government should keep a close vigil on the price front. It has already taken several measures and they have already brought down inflation rate by one per cent.

Our Government is implementing two flagship programmes to build rural infrastructure. 'Bharat Nirman' will get nearly 32 per cent of the total Budget outlay, that is, Rs. 24,603 crore and the Rural Employment Guarantee Scheme will get initially Rs. 11,000 crore. More funds need to be deployed on both these programmes in the coming years.

The Government has also substantially increased its outlay on primary education and health sectors. For the first time, a sum of over Rs. 32,000 crore have been allocated to education, accounting for nearly 32 per cent of the total Budget outlay. This large outlay will help to wipe out illiteracy to a great extent in the country and help the students to continue their studies appreciably. Extension of Mid-

Day Meals Scheme, once introduced by our tall leader of the nation Shri Kamaraj, has now been extended to other areas also. Hon. Shri Chidambaram's Budget is focused on bringing about prosperity in rural areas which have been totally neglected in the past.

Now, I have one suggestion to make. The Government should take concrete steps to link rivers of the country to tackle the problem of recurring droughts and floods. The political parties who have a large presence in North India should give up their opposition to this project which will promote genuine national integration. The President of India and the Supreme Court have given directions to the Central Government to implement the project. The political parties in North India should give a helping hand to this national cause. In the name of river linking projects, the previous Government finalized a plan to link Ken and Betwa rivers. This project, being implemented at a cost of Rs. 30,000 crore will benefit Gwalior Region. This project will not address the problems in Southern India. Our Government should not delay the implementation of the project to link Peninsular rivers. If any State is opposing this project, the Centre should nationalize all the rivers. [R76]

Madam, I also demand that the Rural Employment Guarantee Programme should be expanded to include Madurai, Ramanathapuram, Pudukottai and Dharmapuri districts of Tamil Nadu this year itself. Our hon. Finance Minister hails from Tamil Nadu and he knows well about the backwardness of these districts. I hope, he will support my earnest demand. The above mentioned districts are perennially drought prone and the RLEGP will not have any meaning in Tamil Nadu if these districts are not included in this Scheme. I would request our hon. Finance Minister to personally intervene and ensure that these districts benefit from this Scheme.

Madam, the income tax limit for the salaried class should be raised from Rs.1.10 lakh to Rs.1.50 lakh as expected. The salaried class complies with tax regulations with utmost honesty. They should not be burdened and I would request our hon. Finance Minister to show some consideration to the salaried class. The Service Tax is, at present, collected at the rate of 12.5 per cent, which is quite high. The tax is being collected easily from the users and hence there is need for decreasing the rate and widening the net.

I demand a blanket ban on on line trading in all essential commodities especially on farm products. This speculative trading has played a major role in increasing the prices of essential commodities. If the Government is keen on moderating inflation, the on line trading on these commodities should go without further delay.

Madam, generally, the age of 60 is considered to be the age for extending any consideration to senior citizens. This age limit is taken for consideration in the Railways and Airlines and for house tax concession also...*(Interruptions)* Madam, it seems you also come in this category. But I am at a loss to understand why the Finance Ministry is still sticking to the age of 65. If the age limit is reduced to 60 the senior citizens who are in the age group of 60 to 65 will be very happy and will be benefited towards tax liberalization and exemption. So, I would appeal to the hon. Finance Minister to show his consideration to senior citizens of this age group.

Madam, our Government has been encouraging institutions of excellence. It has given a grant of Rs.50 crore each to prestigious institutions in the past. Madam, Gandhigram, in the Dindigul parliamentary constituency started during the year of Independence by Dr.(Mrs.) T.S. Soundaram, disciple of Mahatma Gandhi, is engaged in the integrated rural developmental activities. It focuses its attention in various sphere like health, education, social welfare activities like running orphanages for the destitute women and orphans. It also generates employment through khadi and village industries besides running training centres in micro enterprises. As this is a unique rural and Gandhian Institution, I would appeal to the hon. Finance Minister to extend a grant of Rs.50 crore to this Institution so that it may grow and serve further to rural community.

Madam, the nationalized banks are charging seven per cent interest against the advances made by them to agriculturists. Umpteen number of times, we have raised our voice and concern to reduce the rate of interest to four per cent as the motor car companies are advertising zero per cent interest for the buyers on the loans raised for the new vehicles. If that is so, the farming community, which is feeding the entire country, should be charged at least lower rate of interest.

Madam, there is a toll free number in Aerodromes to get information regarding the flight services and accommodations. The hon. Railway Minister has announced, in his Budget Speech, that the toll free number will be available to get the timings of trains and accommodation of seats. Similarly, I urge the hon. Finance Minister to introduce a toll free number in nationalized banks to be informed about the status of loans and other information.

Madam, the prices of building materials such as cement, steel, etc. are increased to a very high level. With the result the middle class and the lower middle class people are finding it beyond their reach either to construct a new house or even to carry out repairs in their homes. [r77] This is the right time for the Government to intervene and see that the prices are brought down to a reasonable level.

