

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD) : All the points which have been mentioned by the hon. Members have been noted and they will receive due consideration of the Government.

PROF. MADHU DANDAVATE : This reply should be cyclostyled and laid on the Table of the House.

11.09 hrs.

NATIONAL SECURITY (AMENDMENT)  
BILL\*, 1985

[English]

THE MINISTER OF HOME AFFAIRS (SHRI S.B. CHAVAN) : I beg to move for leave to introduce a Bill further to amend the National Security Act, 1980, in its application to the State of Punjab and the Union Territory of Chandigarh.

MR. DEPUTY-SPEAKER : The question is :

“That leave be granted to introduce a Bill further to amend the National Security Act, 1980, in its application to the State of Punjab and the Union territory of Chandigarh.”

*The motion was adopted.*

SHRI S.B. CHAVAN : I introduce the Bill.

11.10 hrs.

GENERAL BUDGET, 1985-86 GENERAL  
DISCUSSION AND SUPPLEMENTARY  
DEMANDS FOR GRANTS (GENERAL)  
1984-85—Contd.

[English]

MR. DEPUTY SPEAKER. Hon. Shri Manoj Pandey to continue his speech.

[Translation]

SHRI MANOJ PANDEY (Bettiah) : Mr. Deputy Speaker, Sir, yesterday I was trying to evaluate from the farmers, point of view, the 1985-86 Budget presented in this House. I

come from Champaran, a district of North Bihar. There are nine sugar mills there, but, unfortunately, two sugar mills have been lying closed for the last two years and because of this, five thousand workers have been suffering a lot. Five to five and a half crores of rupees are due from these mills to the farmers as sugarcane arrears. Mr. Deputy Speaker, Sir, through you, I request the Hon'ble Minister to ask the Bihar Government to get these sick sugar mills restarted. If possible, the Government of India should provide money for restarting these sugar mills.

Sir, you know that about 70 to 72 lakh tonnes of sugar is consumed in our country every year and during the last few years, there has been a record production of sugar. In 1982-83, the production of sugar was about 84 lakh tonnes but today I am surprised to find that our Government is going to import sugar. In spite of a record production, our country has to import sugar and has to spend Rs. 300 to Rs. 400 crore worth of foreign exchange on the import of five lakh tonnes of sugar. Not only this, our Government propose to import about five or ten lakh tonnes of additional sugar on which huge amount of foreign exchange will be spent. If the money we spend on import is used on the revival of our sick sugar mills, I think, that will be more beneficial. Then, not only our sugar mills run smoothly but we shall not have to import sugar also.

Sir, I would like to give one suggestion in this regard. Whenever sugar prices are fixed and some policy for sugar mills is adopted, instead of formulating a short-term policy and fixing sugarcane price every year, we should adopt a long-term policy regarding fixation of prices of sugarcane or sugar. This will help the farmers in managing their crops and in deciding how much sugarcane and other crops they have to grow.

Mr. Deputy Speaker, Sir, you will recall that whenever the price of sugarcane has increased in the country, the farmers have vied with one another in growing more sugarcane and that is why the paddy and wheat crops have suffered. The farmer started growing sugarcane where they used to grow paddy earlier. Besides, the farmers have to face a lot of difficulties in taking their sugarcane to the mills. One benefit of

[*Shri Manoj Pandey*]

the long-term policy will be that sugar factories will know in advance the price of the sugar produced by them and of the sugarcane as well. This policy, I think, will be beneficial both to the mills as well as to the farmers. The molasses can be utilised for the production of alcohol. In addition to this, we can produce 'gasol' by mixing alcohol with petrol and thus reduce the internal consumption of petrol. Foreign exchange can also be saved thereby.

I would like to say a few words about energy also. In our villages, even today the farmers burn wood for cooking purposes. My submission is that in the modern context, the importance of bio-gas has increased substantially and it needs to be increased in future also. It should, therefore, be heavily subsidised for farmers so that the people living in villages could avail of the facility of the energy produced through bio-gas and consequently wood could be saved.

Solar energy should also be made available to farmers at subsidised rates for cooking purposes.

Regarding spices, I would like to say that we should pay more attention towards the cultivation of coriander, chillies, turmeric, etc. Whenever we go to market, we find that the prices of these spices have risen. It is true of chillies also which is produced in abundance in our country.

As the time is short, I conclude by supporting the Budget.

[*English*]

SHRI ATISH CHANDRA SINHA (Berhampore) : Mr Deputy Speaker, Sir, I rise to participate in the Budget discussion. I rise to welcome this Budget which has been presented to us on March 16. I think this Budget is a very encouraging one and a very practical one tool.

Lot of advantages have been given so far as income-tax rates and wealth tax rates are concerned.

There have been other measures which have been taken also which should go a long way in helping industrialisation of this country.

Sir, lot of industries have been de-licensed and lot of advatages have also been given to the workers and salaried people. The salary limit Rs. 750 has been raised to Rs 1600 for the purpose of calculation of bonus. This is a welcome step in the Budget. But, Sir, I am at the same time constrained to say that there are some very bad points also in the Budget which come to our notice.

The first thing that comes to our notice is the steep increase in the price of petroleum products. Coupled with the increase in railway fares, this will go a long way in nullifying the good effects of the Budget. I request the Minister through you to see that the steep rise in petroleum products should be brought down considerably. During the last 2 years the prices of petroleum products have increased tremendously. The duty on petroleum was raised from Rs. 9-50 to Rs. 100 per tonne last year which is more than 10 times. This year it has been increased from Rs. 100 per tonne to Rs.300 per tonne. I do not know whether successive. Finance Ministers have got any grudge against petroleum users. This steep rise in petroleum products, prices does not augur well for the progress of the country. I request the Minister through you to see that the prices of petroleum products are brought down, especially, the price of diesel which is used by many poor farmers and also for transport purposes and also Kerosene and LPG. These are ordinary items used by the poor people in the country. Kerosene is used by very poor people. LPG gas is used by people in lower income group houses for cooking purposes. Even if all petroleum prices could not be brought down, at least, on these three items namely, Kerosene, LPG and Diesel—the prices should be brought down drastically. This is my request, Mr. Deputy Speaker, to the hon. Minister through you.

I was surprised to see that in this Budget some of the items which are consumed and used by the very rich section of the people have not been taxed. I would suggest that the Finance Minister should give some relaxation in the case of petroleum prices and impose tax on refrigerators, airconditioners, television VCRs and items like that which are used by rich section of the population. This would cover the gap which would be there by giving relaxation in the petroleum prices.

Then, cigarettes have not been touched. Cigarettes are smoked by the richer section of the people. But *bidi* has been touched. I would request the hon. Minister to impose tax on cigarettes and leave aside *bidi* which is consumed by poorer section of the people.

It seems that there is an acute resource constraint. This is understandable and a right decision has been taken by the Finance Minister for not going in for new projects, but to consolidate on the on-going projects, which will give dividends and return as quickly as possible. This is a very correct step which has been taken.

We have invested more than Rs. 30,000 crores in public sector undertakings and the dividend is only 0.65 per cent. If only we could manage the public sector undertakings in a more efficient manner, and the dividend had been only ten per cent, not more, we would have got Rs. 30000 crores from the public sector, which is equivalent to the deficit financing that the Finance Minister has taken recourse to in this Budget. I would request that all the public sector undertakings should be thoroughly overhauled and every effort should be made to see that the public sector undertakings are efficiently managed and they pay dividend to the Government. If the Railways are made to pay dividend to the General Revenues to the extent of Rs. 500 crores each year—and I understand, for that reason only, that is to pay dividend to the General Revenues, railway fares had to be increased—I do not see any reason why the public sector undertakings should not be made to pay dividend to the General Revenues also.

Those public sector undertakings which have been incurring losses year after year and consuming a good deal of the taxpayers' money should be wound up.

There is a resource constraint in the Budget. I do not see any reason why the Finance Minister has not given more incentive for savings. Possibly, Rs. 7000 earned as interest from the deposits in the bank, is deducted from the total income for incometax purposes. This limit should be increased to Rs. 10000 or Rs. 12000 so that there would be more incentive, and naturally the resources of the Government will increase. Similarly, there is a rebate for incometax purposes to the extent of Rs. 3000

earned as dividend from the units of Unit Trust of India, and another Rs. 2000 in certain special bonds of the Government. These limits can also be increased. All these measures would give incentive to people for more investment in Unit Trust of India, special bond etc. and the resource constraint of the Government would be reduced to a great extent.

I welcome and thank the Finance Minister for the abolition of the Estate Duty. I was reading a newspaper today and there is a comment by Shri Palkhiwala that now people will die in a more peaceful manner. I welcome the measures again. I would also request the Finance Minister to abolish the capital gains tax which is another burden on the taxpayers. I do not think the capital gains tax is serving any useful purpose.

I do not know exactly how much money this particular tax gives to the revenue. This, I think, is a very expropriating tax on the taxpayers. The very fact that the prices of land and building have gone up over the years should not mean that the owner of those lands or the buildings should be penalised when he sells that piece of land or building, by paying a great part of the money that he gets out of it, to the government exchequer. He has to meet the expenses for his daily needs, the prices of which also have gone up very high in the meantime. Not only the prices of land and building of which he happens to be the owner, but the prices of every thing, on which he has to spend for his living, have gone up. There is no reason why he should pay the penalty for this land and building price increase. I request the Finance Minister to see whether there is any efficacy in keeping this Capital Gains Tax in vogue.

Sir, as there is not time, I conclude by mentioning only one more thing and that is agriculture. Sir, it is very heartening to note that agriculture has been given top priority in the budget. It is a known fact that in India we have about 160 million acres of cultivable land. This cultivable area of land is not increasing year after year and it is a fixed commodity. In order to increase agricultural production, we have to make most of this land either by two or three crops, and for that purpose we need irrigation. I am constrained to say that irrigation is not getting the priority that it should get. There are

[*Shri Atish Chandra Sinha*]

many schemes that I can quote, but for want of time I am not quoting them. There is one Siddheswari project about which I mentioned when I had an opportunity to speak on the president's address. There are many such schemes which are not being given effect to. I do not see any urgency on the part of any Government, either West Bengal Government or Bihar Government, (because these two Governments have to consult each other for this project) or the Central Government to implement this project, which would bring ten thousand hectares of land in Birbhum district under irrigation. Not only that, it will also prevent floods in the place from where I come. Floods are experienced every year and hundreds of crores of rupees worth of crop is damaged more or less every year. These irrigation projects which give not only flood protection but also increase crop potential should be given first priority. I do not think this priority is being given.

I read from the *Economic Survey* that only 2.6 million hectares of land is coming under irrigation each year. But there is also a clause which says that although the potential is being created, it is not being utilised. For example, under minor irrigation schemes, a shallow tubewell will irrigated 20 bighas of land. That is what is written in black and white in your official papers. But in actual practice you will find that a shallow tubewell is not irrigating more than 5 bighas of land. So the potential that you are showing in your documents is not the actual potential that is being carried out in the field.

According to your survey, the percentage of land in India which is irrigated is about 40 per cent. But in actual, you will see that no more than 20 or 25 per cent of land is irrigated. First priority should be given to irrigational facilities so that agricultural production can be increased. Sir, with these words, I conclude.

**SHRI INDRAJIT GUPTA (Basirhat) :** Mr. Deputy Speaker, Sir, over the last few days, we have been hearing many speeches in this debate on the budget. And even more than that, we have been reading the comments of so many journals, economists and others who are considered to be experts in this field. Now, it is not necessary for me

to make much of an analysis of this budget. I congratulate the Minister for presenting a budget which is at least transparent. There is nothing much hidden or subtle about it. It is enough if I mention briefly some of the main certificates which have been given to this budget. One certifier is the headquarters or the high Command, I should say, of the Indian big business, that is the Federation of the Indian Chambers of Commerce and Industry. Their executive committee which met the other day has called it a bold and imaginative budget. Mr. Palkhivala, our old friend, the apostle of the forum of free enterprise and the champion of the economic policies which are generally associated with the late-lamented Swatantra Party has gone into such ecstatic phrases in praise of this budget.

It seems that he has been practically overwhelmed by it ; he does not know what he should say ; he has called it an epoch-making budget for redesigning India ; he has said, it is the biggest economic story of Asia in the current year ; he has said, it represents a silent revolution in economic and budgetary thinking. Whether it will lead to a revolution or a counter-revolution remains to be seen. He has also recommended to the Finance Minister regarding denationalisation of the 201 enterprises run by the Central Government. I do not know whether after a year or so, this recommendation may also be accepted perhaps in part. Then another certificate has been given by the Finance Minister's predecessor who has written an article calling this "India's new Deal". But, best of all, I came across this morning the news of an editorial which has appeared perhaps a couple of days ago in *The Wall Street Journal* of New York. In an editorial—please note the title of the editorial—'Rajiv Reagan'. This is what the *Wall Street Journal* says :

"The conservative daily said his first Budget last week slashed taxes and cut regulations in a way worthy of another famous tax cutter (Mr. Ronald Reagan) we know."

People can cut taxes at some time quite in a good way. But we do not want to follow the way of Mr. Reagan, which *the Wall Street Journal* has discerned in this budget. It further states as follows :

"India, indeed, is joining the bandwagon of many other countries that have admired, and then imitated, East Asia's free-market success."

I think by this 'East Asia, is meant great countries like Singapore, Hong Kong and Taiwan. Then it further says as follows :

"The budget amounts to a minor revolution for a country long enamoured of the socialist mirage."

And finally it says—I cannot quote the whole editorial—as follows :

"Much credit belongs to Mr. Gandhi and to the courage of the new advisers he has brought to power."

Who are these new advisers ? I do not know whether it is proper for me to name some of them, though I could.

AN HON. MEMBER : Finance Minister is one of them.

SHRI INDRAJIT GUPTA : Not Minister. There is a shadow. I do not know what you would call it. There are shadow Cabinet advisers. Some are advising the Planning Commission ; some are advising the Ministry of Finance ; some are advising the Ministry of Industrial Development and so on.

There is one thing common to most of these advisers and that is they are all disciples of the doctrine of the philosophy of the World Bank ; that is known—their connections with the World Bank and at least two of them have still got a lion on the World Bank. It is better I do not name them now in this discussion. I would like the Minister, when he replies, to tell us whether the goal to which he wants to take us is the kind of economy which is being practised in Singapore, Taiwan or Hong Kong. It hurts my pride to read comments like this ; and a country like India is compared or is sought to be compared with these kinds of countries. I have nothing against those countries. If they choose the economies of their own choice, they are welcome to do so. It is their right.

Enough has been spoken and written about the inflationary potential, the tremen-

dous inflationary potential of this Budget. There is no need to repeat all those things. I am glad to see that so many Members on the other side of this House also who are generally supporting the Budget cannot but express their misgivings on the question of the danger of inflation.

The estimates of the deficit for 1985-86 are not accepted as realistic by anybody. Even the spokesmen of the Ministry who briefed the Press after the Budget was presented—at least according to Press reports which have appeared—began by saying, as they do every year, that inflation will be only marginal. It is nothing. But when they were pressed for facts and figures, then one of them ultimately got a bit rattled I think, and said, "Well, if inflation is there, we have to learn to live with it"!

So, nobody can deny that there is inflation. But I am objecting to the way it is being done. You know that the prices of these commodities which people consume every day are going to rise sharply. They have already risen, due to the new imposts and duties that you have imposed. But at least for those goods which are in the public sector, is it not the job of the Government to fix how much the prices will be raised ? On the petroleum products the Government is going to get additional revenue by these increased duties, of six hundred crores of rupees. And the prices which have been raised already by the oil companies which are all in the public sector, the prices of petrol, the price of diesel, the price of kerosene, the price of cooking gas—they have all announced the new prices—those prices will bring to the oil companies an additional revenue of Rs. 900 crores. So, the duty raised is Rs. 600 crores and the oil companies on their own sweet will fixed up prices which will raise their additional revenue to Rs. 900 crores. What is the morality in this—I am not able to understand. These are not private sector producers. Private sector producers will never ask you, how much prices should be raised. They will do whatever they like. We know it. But what about this oil sector ? Kerosene, cooking gas, and things like that are going to hit every family in this country. They are free to raise prices as they want.

Take another example. Here in para 67 of the Finance Minister's speech, he has

[*Shri Indrajit Gupta*]

said, "A lump sum of Rs. 300 crores has been provided in 1985-86 for payment of additional instalments of dearness allowance, pensionary reliefs etc., to Central Government employees." I would like to know how this figure has been assessed, because earlier in his speech he has admitted that in 1984-85 on this item the Government had to spend Rs. 715 crores, due to extra slabs of dearness allowance which had to be given as the cost of living went up.

Whatever the experts may talk about the rate of inflation, strangely enough, in this country it bears no relation whatsoever to the consumer price index. The inflation rate is always shown as going down while the consumer price index is going up. So, if in 1984-85 you had to pay seven or nine instalments of dearness allowance, costing Rs. 715 crores, now after this tremendous inflationary budget which is going to increase prices all round, you have provided Rs. 300 crores for the coming year. What is the logic of it? You know that the figure is absolutely bogus. It will have to be increased considerably. But you do not want to show the actual extent of the deficit which is going to be there at the end of 1985-86. This is only one item.

Then what you have increased on vegetable products is the price, which has now been announced—I think they were announced yesterday—by the Vanaspati producers for different quantities and varieties of Vanaspati. Are they justified? Did they ask you? Did you sanction those prices? Vanaspati is a thing which is going to hit every household in the country. I know the Minister will say, It is very easy to pick holes like this, but why do you not suggest some alternatives where could I get resources from?

THE MINISTER FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH) : I was looking for that.

SHRI INDRAJIT GUPTA : Do not worry. I have not got the advantage of asking the Deputy-Speaker to allow me to speak for one hour; otherwise, I could suggest many more things. I have got very limited time at my disposal.

MR. DEPUTY-SPEAKER : Three more minutes are left for you.

SHRI INDRAJIT GUPTA : I have not completed even one-third of what I want to say.

The whole question should be repeated once again. Why is the tax net not expanded to include at least more affluent sections in the countryside? Are they for ever to be left out when you are so hard up for resources? You can fix up some kind of a basis or criterion of ownership, land ownership, irrigated land and all that. So here you are leaving out a big potential or a reservoir from which you could collect some money at least. The reasons are political and not anything else; we know that.

This year, in the year of Bhopal disaster, there was such a good opportunity that you could have imposed a levy, anti-pollution levy, on all concerns in this country which are manufacturing hazardous chemical gases and so on. Every day we are reading reports—not on the scale of Bhopal; thank God—that some minor leakages of gas and chemicals and pollution of water are taking place. Here was a good opportunity. Everybody would support you in the country if you impose a levy which would be collected from these companies making these hazardous materials which are harmful to human beings. Collect that levy and see to it that anti-pollution measures and safety measures are really implemented. I do not find anything imaginative here at all.

Out of 101 companies which were so long under the purview of the MRTP Act, now 49 of them will go straight out. They never, in their life, dreamt that the limit of these concessions would be raised to Rs 100 crores. Many of them admitted that at the most they were thinking that it might be raised to Rs. 50 crores or something. This Hundred crore has staggered them also. This is an open invitation to these people to go on piling up more assets and more profits. May I humbly ask: what is going to be the fate of Article 39 (c) of the constitution—the Directive principles of State Policy—which has said very clearly that the State must regulate the economy in such a way that more and more concentration of economic power will not take place? Then let us pass a constitutional Amendment deleting that clause of the Directive Princi-

ples. It is much better than to do this hypocritical thing. The entire scheme of the Budget is meant to woo big business and the upper middle classes, the more affluent middle classes. 40 lakhs are taxpayers, as he has pointed out, out of 70 crores of people. These 40 lakhs of taxpayers are going to get some relief and benefit. No doubt. But what about others, who have never been able to pay taxes, never come within the purview of taxes and half of them are living below the poverty line? It means that the entire burden of the indirect taxes and the inflationary prices which are going to come will fall on the poor. It is these poor, who have always been claimed by the ruling party as their vote bank. The agricultural labour, the landless people, the Harijans, the tribal people, all of them have voted for you. Why? Because in the policy which was followed all these years—though it was not always very consistently implemented, at least there was something there—there was some recognition of the poor, some recognition of social justice, some recognition that MRTP company owners could not be treated and should not be treated in the same way as poor people, who are below the poverty line. Now, you are doing something which may lead to very serious political and social consequences. It is for you to consider. There is no mention anywhere of completing the unfinished land reforms. It should be explained to us how the small and marginal farmers are going to have access to the promised new technology. It means that in the countryside, in the rural society of our country, the disparities are going to be aggravated and that will lead to social tensions and more trouble. The proposed fiscal measures will lead not to more equitable but to more inequitable distribution of wealth and income, and further concentration of wealth will generate very unhealthy political pressures. Already you have decided that companies can now openly resume giving donations to political parties. I do not know what is the legal position but Mr. Tarkunde is reported to have raised a very pertinent question whether the shareholders of a public limited company can be committed by the Directors of their company to donate money to a political party whose views the shareholders may not support at all. Unless the shareholders authorise their Directors that they can pay from the company's funds to a particular party, I

do not think the Directors have got any right to do this kind of things. However, it is going to have its logical political pressures, and all that.....(Interruptions).

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

SHRI INDRAJIT GUPTA : I am trying to wind up but I am the only person from my group to speak, Sir.

MR. DEPUTY SPEAKER : Two other persons have also given their names.

SHRI INDRAJIT GUPTA : Nobody else can give his name. Let me clear the confusion that I am the only person from my group.

The Minister may challenge what I am saying about the cut in outlay for all basic development purposes. This is the most disquieting thing in the whole Budget. Very rapidly I, will just read out the outlay figures for 1984-85 compared with 1985-86. These figures are all in crores. The outlay for petroleum was 3,127 in 1984-85 which has now been reduced to 3,085. Fertilizers was 573, now reduced to 544; coal and lignite has been reduced from 1117 to 997; drugs and pharmaceuticals was 66 which is now going to be reduced to 51; for railways it is more or less stagnant at 1650; iron and steel was 1,340, now it is reduced to 925; non-ferrous metals have been reduced from 777 to 566; for Vizag steel plant, as you know, it has been reduced from 650 to 215. On the other side, welfare of Scheduled Castes and Tribes has been reduced from 71 to 42; housing reduced from 84 to 30; NREP slightly reduced from 236 to 230-but not increased in any way; Khadi and Village Industries reduced from 134 to 115; Self-employment Scheme for Educated Youth reduced from 149 to 65; desert development reduced from 10 to 8; agricultural financial institutions reduced from 297 to 155. There are only two items on which you can see there is some welcome increase. One of them is the Central Power Scheme. That is a very important infrastructure which is primarily with the private sector. The outlay for Central Power Scheme has been increased from 1431 to 2090; rural water supply has gone up by seven crores from 293 to 300; IRDP gone up by one crore from 214 to 215. I am charging this Government with making a clean break. It is true, they also claim it a clean break from the Budgets of the past.

[*Shri Indrajit Gupta*]

But the point is in what direction is the break. So, I will say that in the past you have fought elections, recently also you have fought and won them on the assurance to the people that the legacy that we have inherited from Nehru and Indira Gandhi.....  
(*Interruption*).

SHRI VISHWANATH PRATAP SINGH : Shri Indrajit Gupta has forgotten to mention the hike in State Governments' share which also includes all these priority programmes.

SHRI INDRAJIT GUPTA : Yes, you are giving something more to the State Governments. That is good. I welcome that. My point is that you told the people very clearly during the elections that the path, the road, the policies, on which the country has been advancing all these years, the Indiraji and Nehruji line, we are going to follow.

It is my complaint that you are hoodwinking the people because, after having got the majority and formed the Government, you are making a clean departure from the past, for this is not what Pandit Nehru and Shrimati Indira Gandhi stood for. They might not have been able to implement these things in a very decisive way—lot of compromises, vacillation, sometimes retreat and all that—but the whole thing was geared to a certain broad aim and now, I say, this is the beginning of bidding good-bye to all of them.

We had a phrase which said that the public sector should be taken to commanding the decisive heights of the economy. It is good-bye now to that. Please read the budget proposals. Some kind of discipline is imposed, however loosely, by planning. Planning also gives social priority ; we are now going to bid good-bye to that and good-bye to the Directive Principles of State Policy. We are bidding good-bye to all our goals.

Earlier, at least we used to speak of the socialistic pattern of society. Why don't you say clearly "we are going to give up all these things"? I would not mind it, but say "we do not believe in these things ; we are going to give them up ; everything that the Congress Party and the national movement has said before that, we are going to give

up ; we are going to follow the path of Singapore and Taiwan". We do not mind that.

[*Translation*]

SHRI BABULAL MALVIYA (Shajapur): On a point of orders, Sir.

[*English*]

MR. DEPUTY SPEAKER : What is your point of order ?

[*Translation*]

SHRI BABULAL MALVIYA : My point of order is whether discussion is taking place on the Budget or on the Congress Party. How is the Budget connected with what the Congress Party is doing ?

[*English*]

MR. DEPUTY SPEAKER: No, it is not a point of order. I would request Shri Gupta to conclude soon.

[*Translation*]

SHRI INDRAJIT GUPTA : Don't be agitated. Leftist parties are criticised daily on the floor of the House.

[*English*]

PROF. MADHU DANDAVATE (Rajapur): I am prepared to offer the Janata Party for attack.

SHRI INDRAJIT GUPTA : Therefore, I may say in conclusion that this budget, in its entirety, can only be opposed ; it cannot be supported. There is some sprinkling of pepper and salt, I know. You have given some relief to the salaried classes. I must mention one thing in all fairness. He held a round of consultations with the different groups and interests before the budget, which is done every year. In the meeting he had with the trade unionists. I happened to be present, and I must admit that he had accepted the three proposals which I had made—I had checked up my notes again. You are going to say that, I know. One suggestion was that the Compulsory Deposit Scheme should be abolished. He has done it ; very good. The second was that the exemption limit for income-tax should be raised ; he has done it, though some people are not



satisfied with the limit ; they feel it should be raised to Rs. 25,000. The third was that the ceiling on bonus of Rs. 1,650 should be made operative. In fact, he has done all these things. But when we made these suggestions, we never said that they should be at the cost of the entire economic goals and development of the country. These are sops given to some sections only of the employees and the middle class. That is why I say that I cannot support the budget in its entirety.

**SHRI VISWANATH PRATAP SINGH :** Workers wages have been brought *pari passu* with secured debts.

**SHRI INDRAJIT GUPTA :** But that is only when the company closes down and they are thrown out on the streets ; then you will give them something more ; it is good.

He has stated that the bad management, who declare these industries sick and close them, should be punished or something should be done to them. What is done to them ? In future, they will not be permitted to take any loans from the financial institutions. What a great punishment ! There are companies which are running, which are not closed down where, according to Government's own figures, they have misappropriated crores of rupees of the workers' provident fund and Employees' State Insurance Fund, they have not deposited the money with the Government. What is done to them ? Nothing is done to them.

Anyway, finally, I just want to say, my last sentence, the Prime Minister thought fit to describe the city from which I come, Calcutta, as a dying city. I protest strongly against this kind of remark which I do not think his mother would have used. He is the Prime Minister of the whole country and not only of the places outside Calcutta. But I say the Budget has already proclaimed the death of all the basic economic policies that we believe in, of selfreliance, of public sector and of social justice. This is the most alarming thing in this whole Budget. Therefore, as far as we are concerned, we have no option but to oppose it tooth and nail.

**SHRI Y.S. MAHAJAN (Jalgaon) :** The Budget presented by the hon. Minister for Finance is bold, imaginative and full of innovations. It shows his

courage in breaking the shackles of traditional thought and making radical proposals for simplification and rationalisation in the tax structure. In view of the severe resource constraints—and the resource constraint is a grim reality—we cannot deny that he had a difficult task to face and his options were few. In my view he had no options. He had to leave uncovered a large deficit of Rs. 3,349 crores in the Budget for 1985-86. This had to be done to maintain the Centre's development expenditure at a slightly higher level next year what it has been during the current year. Even then our Budgetary resources would fall short of our requirements.

The large deficit has caused apprehensions in some quarters that it would accelerate inflation which is already there. The deficit is likely to increase further as did the deficit of last year. In fact, this has been the case over the years, but this is a risk which the Finance Minister had to take in a calculated manner. There was no other go for him. The options were almost nil. If he wanted to avoid the deficit, then he would have had to take one of the three courses. The first course he had was to prune down the Plan outlay. This would have meant a regression or fall in the growth rate achieved after herculean effort, a prospect which the people would not have tolerated. The second option was to go in for still larger borrowings. He has proposed to borrow Rs. 1,000/-crores more for the next year than the borrowings made during the current year. Moreover, the prospect for borrowing from abroad is bleak. The sources of concessional finance are drying up and the rates of interest in the commercial field are high. To raise more capital in the home market would be possible if the rate of savings went up. After two or three years the country will have to start paying back instalments and interest on the capital borrowed from the IMF. To avoid getting into debt that he has decided not to borrow more than Rs. 5,000 crores next year, which is Rs. 1,000 crores more than during this year.

The third alternative open to him was to raise taxes such as those on income and corporate profits. The high rates of taxes prevailing at present have already given rise to the problem of tax evasion and black money. Black-money has become a cancer

[*Shri Y. S. Mahajan*]

in the economic life of our country. So, these are the serious problems resulting in the parallel economy, which according to some estimates accounts for nearly forty per cent of the value of economic transactions. Various estimates have been made by experts, but the estimates necessarily pertain to guess estimates since reliable data are not available. But such a course would not have helped him. The total yield of direct taxes is Rs. 4,000 crores. Out of this Corporation taxation yields about 2,000 crores. Even an increase of 10-15% would have yielded only Rs. 200 crores to Rs. 300 crores.

12.00 hrs.

It is clear that such a course would have been counter-productive, would have given rise to greater evasion and black money and therefore, the Finance Minister had no option but to leave a large deficit uncovered for the next year 1985-86. Now, the question which I have posed in the beginning is: Will this cause inflationary rise of prices? My answer is, 'Not necessarily'.

If the weather gods do not frown and industrial production increases as a response to the powerful incentives provided by the budget, then it should not be difficult to contain inflation and prevent its acceleration. The expanding economy should be able to absorb the deficit even if it increases as it did last year. In 1980 inflation was raging at the rate of 21 per cent per annum. In the last five years the national income increased by 5 per cent per annum and so we could bring down the rate of inflation to 6 per cent in the current year.

There is another factor which will help him considerably and that is the reduction in the amount of black money due to the strict measures contemplated by the budget. The Finance Minister has already said that the Government is determined to pursue its socio-economic goals without fear or favour and those who continue to indulge in tax evasion or other economic offences will do so at their peril. Even a 10 per cent reduction in the amount of black money would have a great moderating effect on increasing prices.

Finally, the Finance Minister has at his disposal the powerful weapon of monetary policy, which he can wield, if necessary. If

he can control the amount of money generated every year, he will be able to regulate the prices.

The second aspect of the budget which has escaped the notice of many people and to which I want to draw the attention of the House is that the budget enlarges the scope of our poverty-alleviating programmes. It broadens and strengthens the base of our efforts in this direction. This characteristic of the budget has not received the attention it deserves. It is in conformity with our basic economic policy of *garibi hatao*.

First of all, all the well-tryed schemes such as the Integrated Rural Development Programme, the National Rural Employment Programme and the Rural landless Employment Guarantee Programme have been given an allocation of Rs. 865 crores with a promise to give more, if necessary. These schemes shall not find themselves short of funds, as stated by the Finance Minister yesterday during the course of the debate.

Under the first programme, viz, the IRDP, three million families would be assisted to rise above the poverty line and further, some of the beneficiaries who have already been assisted in the Sixth Plan period, but could not come above the poverty line would be provided further assistance in the Seventh Plan.

The other two schemes, namely, the NREP and the RLEGP are meant to provide employment and at the same time create productive assets for the community. These schemes have been supplemented by social security scheme and the crop insurance scheme. The social security scheme promises that Rs. 3,000 will be provided to the dependent of the person who dies in the accident.

Another innovative scheme relates to industrial workers. Industrial sickness is a serious malaise of our economy. As a result, it is the workers who suffer most due to closure of industrial units. Their dues have a low priority so far. As a result of this budget, their dues will rank above the dues of the Government.

Sir, the crop insurance scheme and the accident insurance scheme will remove the sense of insecurity in the lives of millions of people. Removing insecurity in future is as

important as the monetary benefits given now. Both the schemes will certainly take us further towards the goal of an egalitarian and socialistic economy.

Sir, there is another point which I would like to bring to the notice of the House.

The public sector is losing money every year. It is therefore necessary to improve the management of these units so that they utilise their capacity fully and their employment policies are on sound lines. It is reported that in many units, the marginal productivity of labour is minus. If commercial principles are followed, I am sure these units would be able to add something for resources for Plan requirements.

I would like to bring to the notice of the House the serious position in the textile industry. Government is aware of it and it has appointed a number of committees to look into the problems of this industry. It is the first industry to be organised in the country after the British came here. It is the largest industry from the point of view of employment. In my district, there is an old textile mill which has been closed for the last six months. 3,000 workers have been thrown out of employment. The directors mismanaged the affairs of the company. When it was running well six years ago this mill had a debt of Rs. 80 lakhs but when it became sick, its debt had gone up to Rs. 12 crores. It was the nationalised banks which had given loans to this mill without considering properly whether the management was sound or not. I would request the hon. Minister to take steps to taking over of the mill or put it on sound basis so that the 3,000 workers who are thrown out of employment could be taken back in the mill.

With these remarks, I support the Budget.

12.06 hrs.

**SHRI VAKKOM PURUSHOTHAMAN (Alleppey)** : Mr. Deputy-Speaker, it is with great pleasure and pride that I support this Budget. First of all, I would like to congratulate our Finance Minister. Under the dynamic leadership of our Prime Minister, Rajivji, he has presented a marvellous budget which has got very many new

dimensions. He has studied the basic problems of this big country and has made an earnest attempt to give a good start to solve them.

In the past, after independence, we have achieved tremendous progress in this country. In the agricultural sector, I don't think any country has made this much progress during such a short period as we have. In the industrial sector also, a country which was not producing anything at the time of independence is now producing almost everything that is comparable to that of a developed country.

Sir, due to shortage of time, I don't want go into the details of our achievements. Still, the burning problem in the country is unemployment and under-employment, especially unemployment of the youth. In many countries which claim that there is no unemployment, either they have only a thin population or they are sending the new generation to the agricultural field because they have got even now virgin lands for cultivation. But in India, especially in a State like Kerala, due to over-population and scarcity of land it is not possible. So, the only way to solve that burning problem of unemployment in this country is to give a big boost to the development of industries. That not only generates employment but produces wealth also. So, the present approach of our Budget will help a lot to solve the unemployment problem in our country.

Whatever be the criticism, I congratulate this Government on its bold steps to boost the growth of Indian industries and to give relief to the poor, low-paid and the farmers. Crop insurance is a long-standing demand of our farmers. Even though there are so many practical difficulties for its implementation, the Government have boldly decided to prepare a scheme for the same.

The leaders of the opposition were also forced to concede certain very good proposals of the Budget. For example, my hon. friend, Mr. K.P. Unnikrishnan has said, "I welcome the crop insurance for farmers and assistance to craftsmen." He has also said that it is a sugar-coated pill. I agree with Mr. Unnikrishnan that this Budget is sweet and it will cure many of the diseases now in existence in the society.

[*Shri Vakkom Purshothaman*]

The former Finance Minister of the Janata Government, Mr. H.M. Patel, has also called it "intrinsically good Budget". Even Dr. Datta Samant has welcomed the increase in the level of bonus for workers from Rs 750 to Rs 1600. But I am extremely sorry to note the reaction of our West Bengal Chief Minister, Mr. Jyoti Basu. Referring to the raising of income-tax exemption limit, Mr. Basu said that the States used to get a share of the tax realisation, but now they would be deprived of whatever they had been getting. What does it mean? It means that the West Bengal Chief Minister is against the raising of the income-tax exemption limit.

Since all the different aspects of the Budget have been discussed in detail, I do not want to repeat all those things again. As Mr. H.M. Patel has put it, it is an intrinsically good Budget; it is a progressive Budget; it is a pro-labour Budget and it is a pro-farmer Budget. Above all, it indirectly generates employment.

In spite of all these things and in spite of all this progress and developments we have achieved in the past, I would say that we must prepare concrete proposals and schemes to find employment for all and provide homes for all the homeless. If these two major problems can be solved as a time-bound programme, we will be far ahead of many of the developed countries.

Coming to my State of Kerala, I request our beloved Prime Minister, the Finance Minister and other Ministers to have a special consideration towards Kerala, taking into account the present political situation in south India. Although the opposition parties were always criticising the Centre by saying that it is having a step-motherly attitude towards Kerala, our people have also stood with our beloved Prime Minister in giving him a massive mandate.

**PROF. MADHU DANDAVATE :** Now, it is a step-fatherly attitude!

**SHRI VAKKOM PURUSHOTHAMAN:** I am proud to say that all the congress candidates in my State have been elected by the people. They were having large expectations that this Government will do something for the good of Kerala State.

Now, when the Railway Budget came out, we were all very desperate. But, at the same time, we have given our representation to the Prime Minister and the Railway Minister and, I hope, that something will be done to find more funds for on-going schemes, like, Ernakulam-Alleppey-Kayamkulam Railway and the schemes pending with the Government of India.

I am happy to note that more funds have been allotted for the development of tourism in the country. Kerala, as you know, is a beautiful State where there is much scope for the development of tourism. After landing in the airport at Trivandrum, you can reach the internationally famous beach resort, Kovalam, within 20 minutes and after having a sea bath or sun-bath, whatever you like, you can reach a hill station Ponmudi within another 1-1/2 hours.

My constituency Alleppey is known as the Venice of the East, such a beautiful area where you can see the sea, the back waters, the famous Vembanattu Kayal, etc. If developed, it will be a tourist paradise.

I would also like to request the Government that the port of Alleppey should be developed as a satellite port of Cochin. Besides relieving congestion at Cochin port, this will provide employment to Alleppey labour and would open up further possibilities of quicker export of coir, commodities and spices from the hinterland region.

Our traditional industries in the State of Kerala are facing a crisis and if sufficient oxygen in the form of assistance is not given by the Centre, I fear it will very badly affect the livelihood of lakhs of people. For example, there is lot of unemployment in the coir industry. These traditional workers who know no other kind of work will be put to starvation if they do not get a minimum number of days' work. There are many other problems in the coir industry which earns lot of foreign exchange to our country, I request the Government to take immediate steps to save this industry from liquidation and lakhs of people from starvation.

You know that lakhs of people from my State are working in different countries, especially in Gulf countries. They have a standing complaint that the air fare they

pay for Air India to come to Trivandrum is much higher than the fare to any other part of India. I request the Government to rectify this injustice done to our people.

I also request that Trivandrum air port should be declared an international airport.

The hon. Minister for Civil Aviation has said that there are certain proposals to find a new location for the development of Cochin airport. Sherthalai is the most suitable place for this airport and I request the Government to take necessary steps to expedite the land acquisition on and other connected works.

You know Kerala is a deficit State as far as food production is concerned. We are not even producing half of our total requirement. But we have got Kuttanad which is our granary consisting of about 1 1/2 lakh acres. The entire area is below sea level and so the cost of cultivation in this area is very much on the high side. It is to be protected from floods with strong bunds. The Kerala Government have prepared some schemes to construct permanent bunds so that two crops can be cultivated in that area. But now, due to the high cost of production of paddy, the poor farmers are not in a position to repay the cost of construction of the permanent bunds and recovery proceedings have been started against them. Taking into account the peculiar conditions of that area, Kuttanad, I request the Government to make a study of Kuttanad cultivation and take necessary steps to help these poor farmers from their debts by meeting the entire cost of the permanent bunds by the Central Government.

I once again support this Budget.

[Translation]

\*SHRI R. ANNA NAMBI (Pollachi) : Mr. Deputy Speaker, Sir, I thank you very much for giving me this opportunity to say a few words on the Budget for 1985-86 on behalf of my party, the All India Anna Dravida Munnetra Kazhagam.

This Budget is blazing a new trail with many innovations. This has created an aura of modernity in economic thinking. Many

hon. Members who preceded me pointed out that the prices of essential commodities will be going up. I am unfortunately not in a position to controvert that, because the price-hike in petrol will definitely lead to price escalation. When the transport costs go up, the inevitable consequence is increase in prices. The hon. Railway Minister had some premonition about this and he ensured that the price rise in petrol is reflected in his freight rate. In his Budget he has cleverly re-classified the essential commodities like wheat, pulses, salt, rice etc. enjoying concessional freight rates; this has led to increase in freight rate for these commodities. As I said, the price rise is inevitable in this environment of hike in freight rate and hike in petrol price. I want that the hon. Finance Minister should apprise the House of the concrete steps he proposes to take for containing the price rise.

I would stress the need for containing the public expenditure. The non-plan expenditure must be contained. Unless the non-plan expenditure is contained, there is no escape from spiralling inflation; without curbing inflation, price rise cannot be controlled. I wish that the hon. Finance Minister has introduced the Expenditure Tax for this purpose. In the place of Estate duty which has been repealed by him, he should have brought the legislation for containing non-plan expenditure. I hope that he will ponder over this and act suitably.

The industrial expansion is retarded because of paucity of funds. If there is no inordinate delay in tax collection, there will be funds. Similarly, if the Government taxes steps for rooting out tax evasion, smuggling, hoarding etc., through stringent legislation and rigid implementation of such laws, then the Government will have funds in plenty. Tax arrears are presently more than Rs. 1200 crores. Effective steps should be taken to collect taxes on a tight schedule. The Government should impose a ban on taking recourse the tax cases to the courts of law. Along with these steps and the Expenditure tax, the hon. Minister of Finance will have opportunity to present a surplus budget before this House.

I welcome the Crop Insurance Scheme proposed to be introduced. I am happy that

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\*The speech was originally delivered in Tamil.

[*Shri R. Anna Nambi*]

the Finance Minister has taken care of the interests of farmers of our country. Our Chief Minister, Dr. Puratchi Thalaiyar, Thiru M.G.R., has been repeatedly stressing since 1972 that such an insurance scheme for the welfare of farmers should be introduced. Our hon. Prime Minister, Shri Rajiv Gandhi has heeded to this request and has ensured the introduction of Crop Insurance Scheme. Presently, wheat, paddy and oil-seeds are being covered under this scheme. I want that sugarcane, coconut, turmeric and such other agricultural crops also should be covered under this scheme.

In Tamil Nadu there is acute paucity of electric power. This has adversely affected the industrialisation of the State. The Government of Tamil Nadu have recommended to the Central Government a few Atomic Power Project, Thermal Project and Hydel Projects. For instance, the Upper Amaravathi project in Udumalapettai in my Pollachi Constituency is awaiting the approval of the Central Government. I want that the Central Government should not only approve this project immediately but also approve all other power projects that have been recommended by the State Government. If they are implemented expeditiously, Tamil Nadu will not only become a surplus State in power but also supply power to neighbouring States. I want that the power generated in Atomic Power Plant in Kalpakkam be exclusively supplied to Tamil Nadu.

I take this opportunity to say that the nutritious meals scheme which has been introduced by our hon. Chief Minister should be treated as a plan scheme, as has been done in other States.

For the past ten years, no allocation has been made by the Centre for national highways in Tamil Nadu. In the absence of adequate railway lines, the national highways are the arteries of industrial development. I want that the Finance Minister should exert his good offices for getting allocation for national highways in Tamil Nadu.

The Central Government had constituted two Technical Committees—one by the Planning Commission and the other by the Ministry of Energy—for studying the question of utilising the waters of west-flowing rivers by diverting them towards east. Such

waters can be stored in irrigation dams. I want that these reports should be placed before the House. The Finance Minister must ensure their implementation also by allocating funds.

Before I conclude, I would again request the Finance Minister and his colleagues that the power projects sent by Tamil Nadu Government are approved by the concerned Ministries.

With these words I resume my seat.

SHRI K.J. ABBASI (Domariaganj) : Sir, I am thankful to you for giving me an opportunity to speak on the Budget. I support the 1985-86 Budget. Through you, I congratulate the hon. Finance Minister on his presenting a Budget which is being appreciated by every section of the society. Apparently, there cannot be a budget which will please all sections of the society but this is a Budget which has been appreciated by every one.

I was listening attentively to the speech of my able friend Shri Indrajit Gupta. He said that we were deviating from the policies adopted by our leaders like Pt. Jawahar Lal Nehru and Smt. Indira Gandhi. I want to assure him, through you, that the Congress Party is committed to those principles and no one can deviate from them. Therefore, whosoever becomes the Prime Minister, our principles will remain the same as before. They cannot be changed. Mahatmaji had said that before starting any work, we should think of the poorest of the poor and see whether they were benefited by that work or not. If they are not benefited, then that work is not proper. Our Finance Minister has for the first time thought of those things which had never been thought of earlier. Our socialist Government has considered that the crops of the poor farmers get ruined by natural calamities and, therefore, crop insurance should be provided for.

One thing I want to say particularly to the hon. Minister is about the eastern districts of U.P. Every year our district is affected by drought and floods. The crops get damaged, for which, what to speak of giving compensation, even the land revenue is not remitted. Therefore, socialistic step you have taken this time in this regard deserves maximum appreciation. Then, I

also congratulate you on the provision of compensation to the rural agricultural labourers in case they become victims of accidents. You have taken a step to change the education policy also. Under the new policy, girls will be imparted free education up to higher secondary level. For this also, I congratulate you. You have provided many facilities to the youth for their progress soon which again you deserve congratulations. In case of closure of mills and lock-outs, the workers starve. You have prepared schemes for providing relief to them, which is a commendable step. Some tax relief has been provided to check tax evasion in the country, besides abolishing Estate Duty, you have streamlined the procedures in such a way that tax evaders would not be able to have undue benefits. In spite of all this, if some persons still indulge in tax-evasion, special courts have been provided for them. The funds being provided under schemes, like NREP are, to my mind, insufficient. They should be increased. These schemes have proved to be very beneficial in our area. Therefore, the more the money provided for them, the better it would be.

I would like to make a submission on behalf of the farmers. They are not getting prices for their produce in accordance with their cost of production. This Parliament represents farmers who constitute 80 per cent of our population and yet these very farmers remain deprived of all the concessions. You have this time raised the procurement price of wheat from Rs. 152 to Rs. 157 which, I think, is still on the lower side. My request is that they should be paid keeping in view their cost of production. The support price is fixed by you when the produce has already reached the market. The proper course would be to fix the price before its arrival in the market so that the farmers may know in advance the price they were going to get. The paddy price should be fixed before hand to facilitate the farmers.

One more request I would like to make on behalf of the farmers. Whatever centres you propose to open for the purchase of the farmers' produce, create difficulties for them because either the centres are not opened or, if opened, they are closed too early. Moreover, by the time the centres are opened, the intermediaries purchase almost the whole of the produce. I, therefore,

request that arrangements be made to keep the centres open till the time the farmers want to sell their foodgrains. The appropriate course would be to make arrangements to lift foodgrains from the barns themselves.

I would also like to submit that the increase effected in the subsidy on fertilisers is not sufficient. It should be increased further.

You have displeased the house wives to some extent. They are criticising you for increasing the price of cooking gas by six rupees. The prices of vegetable oil and other oils have increased. The prices of toilet soaps and detergents have also registered an increase. Due to increase in the prices of petroleum products, diesel and petrol have also been affected; kerosene oil price has also increased. With these increases, housewives are in difficulty. There is need to give them some relief.

On 16th March the Budget was presented but on 17th March when I went to get my vehicle filled with petrol, the price of petrol had already increased. Regarding other articles, we come to know in advance, as to from which date their prices will be increased, but in the case of petrol, the prices was increased forthwith. This aspect should also be looked into.

I thank you for increasing the amount of pension, but, at the same time, I would request that freedom fighters' pension should also be increased as they are aged persons and they may not live long. We should, therefore, pay attention towards them.

With these words, I support the Budget whole-heartedly.

PROF. NIRMALA KUMARI SHAK-TAWAT (Chittorgarh) : Mr. Deputy Speaker, Sir, the Budget presented by the Finance Minister for the year 1985-86 has been prepared in a very balanced manner and relief has been provided in it for the common man. Such a bold Budget, in which vital changes have been introduced, had not been presented during the last 37 years. *Prima facie* it appears that it has been prepared by an able economist very wisely, because it provides relief to all sections of the society. The poorer sections like landless farmers and workers no doubt have benefi-

[*Prof. Nirmala Kumari Shaktawat*]

ted to a lesser extent by it, but the middle income group families and new industrialists have benefited considerably. The common man has, therefore, appreciated the Budget. Most of the people in the country have welcomed it. I, therefore, welcome this Budget whole-heartedly.

It was being conjectured till the Budget-eve that taxes would be levied under it in the same manner in which railway fares and freights had been raised in the Railway Budget and that the people already suffering due to inflation would be hit hard, but when this revolutionary Budget was presented, it disarmed the critics. If the Members from the Opposition still indulge in criticism, I will say that they are criticising for the sake of criticism. The relief given to middle income group families, reeling under the impact of price-rise, cannot be ignored, because income tax limit has been raised from Rs. 15,000 to Rs. 18,000. It is a very big relief. As a result to the raising of this limit, out of 40 lakh income tax-payers, 10 lakh tax-payers have been exempted from the payment of income tax. Similarly, honest middle class people used to face great hardships due to the Estate Duty. Sometimes, they had to sell their entire property to pay Estate duty. The Finance Minister has now relieved them of this hardship.

Sir, there is no doubt that this Budget is the first step towards the modernisation of India and is in accordance with the promises made by our young Prime Minister to the people. It is the first step towards the implementation of our declared policy and we expect further relief in the time to come. This Budget proves that we believe in mixed economy. We give equal importance to both the public sector as well as the private sector. The delay in the setting up of new units in the private sector resulted in two disadvantages. One of them was that increase in production was stalled and the other was that it afforded a scope for corruption in the department concerned. I, therefore, feel that the relief given by the hon. Minister will help to a great extent in rebuilding the nation through liberal trade policy and it is a right step in that direction.

While appreciating the Budget, I would

like to make some critical comments also. You have shown an uncovered deficit of Rs. 3,349 crores in this Budget. From where will this deficit be covered? It will definitely fan inflation, and the levy of new taxes to the tune of Rs. 431 crores will indirectly have an adverse effect on the common man. I would like to say this particularly in respect of housewives that due to this Budget, an increase of 15 to 20 percent has been effected in their budgets, because gas has become costlier due to increase in the prices of petroleum products; even kerosene and other commodities, such as cold drinks, vanaspati ghee, etc. have also become costlier. Hence, I strongly urge upon the Finance Minister to withdraw the increase proposed on kerosene oil because the poor and the jhonpri-dwellers use it for lighting lamps. I request you to please withdraw this increase.

I would like to submit that this deficit of Rs. 3349 crores is a sword of Damocles hanging on our economy. Would you try to reduce this deficit by curtailing the unnecessary expenditure? Apprehensions are being expressed in this respect also.

Through the Social Security Scheme you have provided relief to the landless workers and marginal farmers, who have been neglected for centuries together. I welcome this whole-heartedly. Besides, you have introduced the Crop Insurance Scheme, which is a new year gift for all the farmers. I think it will give considerable relief to farmers.

There are five lakh villages in India. N.R.E.P., IRDP and the programme for the removal of unemployment formulated by our late Prime Minister, Smt. Indira Gandhi, are very good programmes. The funds allocated for them are quite inadequate. The Centre shares 50 percent of the expenditure under NREP. I want that the Centre's share should be increased to 75 percent. It will provide considerable relief to the rural people.

I would like to say a few words about Rajasthan, to which I belong. It is the second largest State so far as the area is concerned and drinking water problem is the biggest problem of that State. The greatest need of a human being is drinking



water but in Rajasthan it has not been possible to solve this problem so far. The funds allocated for this purpose are quite inadequate. You talk of problem villages. In Rajasthan all the villages are problem villages. Water is available there at a depth of 200 to 300 feet and it contains chloride which causes twisting of different parts of the body. People suffer from 'Naru' disease there. Hence, special attention should be paid towards providing drinking water in the villages of Rajasthan.

Unemployment is a major problem there. We should pay special attention towards setting up industries in that State to solve the problem of unemployment. Three types of industries can be set up there : mineral-based industries, agriculture-based industries and forest-based industries. There are rich deposits of minerals in Rajasthan. A number of mineral-based industries can be set up there. Chittorgarh, to which I belong, is rich in limestone. The demand for setting up of industries there can be met by establishing cement complexes. Broad guage line has been commissioned on Kota-Chittorgarh section. A number of cement factories can be set up there. I suggest that Government should take a decision for the setting up of a public sector cement factory there.

Zinc is also available there in large quantities. A decision has been taken to set up a Super Zinc Smelter Plant there but no provision has been made in the Budget for this purpose. I submit that it must be set up during the Seventh Plan. Only then it will be possible to solve the problem of unemployment in that State.

One of the major reasons for non-development of industries and agriculture in Rajasthan is the heavy power-cut resorted to there. There is acute shortage of power in that State. The atomic power plant there always remains out of order, as a result of which all works have come to a standstill. I request that thermal power plants may be set up in our State. Please look into the matter of setting up of thermal power plants in five divisions of Rajasthan.

Sir, in the end, I would like to say that in my constituency, there is a large number of opium-growing farmers. It is largely an opium-growing area in the country, but the

support price for opium is very low. It is produced with great toil. Governments procurement price may be reviewed so that farmers are not put to any loss.

Sir, I would also like to submit that the year 1987 is going to be observed in the world as the Year of the Homeless. I want that rural housing boards should be set up for rural people.

[English]

MR. DEPUTY SPEAKER : Please wind up now. If you have some more points, give them to the Minister in writing.

[Translation]

PROF. NIRMALA KUMARI SHAKTAWAT : In the end, I would like to say that the taxes levied in the Budget may be reduced so that the people may get some relief.

[English]

SHRI AMAL DATTA (Diamond Harbour) : This budget has made the dreams of many Presidents of the Chambers of Commerce come true. In fact, this has gone beyond the dreams of quite a number of them ; and for that reason, if nothing else the Finance Minister is to be congratulated. They had been thinking about it ; they had been talking about it, discussing it dreaming about it. But even in their enormous dreams, they never thought that all this will come true by one stroke. This is done by the government, by the party which has won an unprecedented majority. Therefore, it is not bound by any precedent, what had gone on in the time of Nehru or Indira Gandhi ; they are not bound by it. So, therefore, they have made a clean and clear departure. The only thing is that they forgot to tell the electorate ; that they will make such a departure.

They say, they will give a new lead, they will give a new direction to the country. But, what kind of a new lead they will give they forgot to explain. There is a reason why they forgot to explain. The leader of the party is a young man and he is a man of a few words. So, these things are not properly explained. But, now, we see what is the direction of this government

[Shri Amal Datta]

clearly ; and for that reason also the Finance Minister has to be congratulated. He has given a sum total of the philosophy of the Ruling Party in one document. So, as Mr. Indrajit Gupta, before me, pointed out, we are going to depart from the socialist principles ; we may still go on giving lip service to them ; we shall liquidate gradually our public sector although until we have totally done so, we shall go on praising them ; we shall give a goodbye to the Directive Principles of State Policy in the Constitution for which our demand was that they should be made justiciable ; just the reverse is being done now. This is all right if the ruling party believes in it ; and they have believed in it for quite some time apparently.

From the tenor of the speeches made by the members of the ruling party, we find that they are in total harmony with the budget ; here and there some of them may not be satisfied with what is not being done in their own States or constituencies ; generally, they are very much satisfied with this budget and they are heaping praises ; sometimes it sounds to me, and I may be at fault for that, like fulsome praises and a disparagement of what had gone on in the past. This is some them tragic. But, anyway, even that is to be welcomed. If everybody wants to make a departure from the past and go on in the path which has been blazed by great luminaries, great world leaders like Reagan and Thatcher, they are welcome to do so. If that is the philosophy of the party, let them only make it clear to the people that is the philosophy because this budget document is something which the illiterate people of the country—60 per cent of our people are illiterate—would not be able to read and understand.

I have seen the papers. Everybody has seen them First day, they came out heaping praises on the budget. On the second day, they came out with a different story. I have asked the journalists about it, why their papers have taken this *volte face*. They said, when we wrote copies on the first day, we thought that tax exemption and all that had come ; it was very good for us. On the second day, in the morning, when we want to buy petrol and kerosene we found that

there was a price hike for these two items. They understood that it had hit the common people. Of course, the Press is controlled by the capitalists ; they are bringing both kinds of views. So, we are confused and I think the common people of the country are confused as to actly what is the direction in which this government is taking us through this budget. That should be made clear.

THE MINISTER OF FINANCE AND  
COMMERCE AND SUPPLY (SHRI  
VISHWANATH PRATAP SINGH) : Only  
one direction forward.

SHRI AMAL DATTA : You have taken a great jump. Nodoubt, you have taken a great jump, but whether it is a forward or a backward jump that is our controversy.

There is a deficit of nearly Rs. 4000 crores. There is something which has been omitted relating to this deficit, because it is at the cost of the State Governments that the deficit has been contained at Rs. 4000. Because if the Government had followed the recommendations of the Eighth Finance Commission and paid the State Governments what was due to them according to those recommendations in the first year, that is, 1984-85 then this deficit would have increased by another Rs. 1500 crores. It would have stood at Rs. 5,500 crores approximately. So, as a financial manoeuvre it is not an intelligent endeavour ; and what was the original estimated deficit ? That was Rs. 1650 crores. So, it is a jump of three and a half times. I hope this year's deficit which is Rs. 3349 crores is not going to make such a jump.

They have been able to contain inflation, to some extent. It is true. The figures show that the consumer price index have risen so much. They have risen by less than what they rose last year and the year before. The wholesale price index is also like that. But is it reflected in the lives of the people ? Do they feel that their household expenses have gone down ? Or, are they going up at the same rate, approximately as in the years before ? I think our experience is different. But in any case, going by your figures, I can say that you have given three reasons how you have been able to contain the inflation. Crop output rate has increased, petrol output rate has increased, but there

is a big trade gap. Big trade gap came elsewhere in the Budget, not at the same time. But it is a deflectionary measure. Very good. We do not propose to have a big trade gap again because the borrowing level which we have reached is already quite excessive, external debt burden has reached such proportions that there is very little opportunity of increasing it further. Of course, we can take the path blazed by the South American countries like Brazil, Mexico and Argentina. I do not know whether we can get away with it so easily as those countries have been able to, apparently because they are in the American sphere of influence; we have to shift our political allegiance also.

And then, unfortunately the Finance Minister is not very optimistic that these same factors will again come into play, in order to contain inflation, to the same extent as they did in the year 1984-85. There is a good reason for saying that, because our crop increases and foodgrains have shown a pattern where we have got two good successive years of good crop. Therefore, it is likely that there will be no increase. It will come down; unless there is substantial increase in how can inflation be contained? As for petroleum also, there are no new finds for it; in the existing trend, there is very little opportunity of increasing the output. I just do not know about those things.

In this budget, as in the previous Budgets, there is no imagination. The little commonsense which is required of any Government has never been displayed. This country is a country which is dependant on agriculture, eighty per cent of the people depend on agriculture, and yet the emphasis is never given on agriculture or its infrastructure, which are necessary for agriculture. Here again the same thing has been done. We cannot compare ourselves with Hongkong, Taiwan or South Korea as Shri Inderjit Gupta said. But we can compare ourselves with China, a big country; with 100 million hectares of arable land they are producing 400 million tonnes of foodgrains. I am sure that the Finance Minister knows it. And in our case, with two-thirds as much land area more, 166 million hectares of arable land we are producing—this year we hope to produce—153 million tonnes of

foodgrains. We have all chances of increasing the food production, given the arable land and given the technology, given the irrigation facilities we have, by at least twice what we are doing now. But where is the machinery and the management of the form which it will require? Where will it come from? Not from this kind of a

13.00 hrs.

Budget and the philosophy and the objectives that this Budget has shown. I just made a calculation from the Economic Survey that the petroleum gas that we are utilising, we are burning away half that much. And for years, we have been flaring it. If we are destroying our resources in such a manner, then how can we ever hope to reach that level of self-sufficiency that we always aspire for talk about and discuss?

In the Economic Survey it has been said that our installed capacity in the coal sector is 210 MT. I do not know whether that figure is correct. Given that the figure is correct, we are hoping to produce 150 million tonnes. Last year, we produced 130 million tonnes. Is it not wastage of resources? Is it not a fact that less coal production is hampering power production? I paid a visit to the BHEL factory at Hardwar. The person who showed me round, said that all these turbines and other parts were lying there because the State Electricity Boards did not have the money to pay and take them away. Here it is not West Bengal State Electricity Board. But these are Rajasthan, Punjab, U.P. State Electricity Boards. These are the States where agricultural revolution has taken place, where income has gone up and where you do not have a bad word to say about the Governments. These States cannot pay and take the machinery which is lying there. I request the Planning Commission to do something, to allocate a little more money so that the machinery for power generation can be installed there. This is the situation. There is no management of the economy. There are so many places in infrastructure, in industry, in agriculture where little bottleneck has to be removed here and there and a little maintenance has to be done. And for that, money has not been forthcoming. You say that Rs. 500 crores are being made available for revamping thermal power stations. This

[*Shri Amal Datta*]

could have been thought of five or ten years ago, because all these have now become practically junk by constant negligence of maintenance.

We have created the public sector because of our philosophy to which the ruling party obviously did not fully subscribe. In the Budget they have shown that they do not subscribe to that. Earlier they did not do that, but by their conduct they did that, because no maintenance was made of these public sector plants, whether it is power or railway. In the Railway, we know that 25 per cent of tracks are over-aged, wagons are not available and all that. Yet they do not have the imagination to remove this infrastructure bottleneck. We find that since the beginning of the Sixth Five Year Plan the railway wagoons have always been in short supply. Although the Railway Minister denies that, the coal and power people say that. Because of shortage of wagons, coal accumulation has taken place at the pitheads resulting in less power generation. But when we ask the Railway Minister, he says that the railway wagons are there. Who is managing the economy? Whether it is one Government or a number of governments, I do not know. But the fact of the matter is that by investing only in those spheres where bottlenecks have to be removed, where little gaps have to be filled up, you can increase the capacity of production of this economy by at least two-fold if not four-fold. The machinery is lying there without producing anything. So, just a little bit of medicine has to be injected. And that has not been done.

In conclusion, I say, as Mr. Gupta said, that our city, Calcutta, has become a slowly dying city. Your philosophy is that everything that is dying, let it die. You have said that you should not be burdened with many unproductive investments of the past, that you should throw them out and that you should search for new areas like computers and electronics. By the way, electronics and computers can also be applied in agriculture and many other fields. It is not that computers are meant for entertainments, toys, etc. The little injection that was being given to Calcutta, I am afraid, is now going to be taken away because of the new philosophy.

The oxygen supply which was there a little bit, is going to be taken away. But I can tell you that it has come at such a time when everybody was hoping, even the West Bengal was hoping, that some aid will come from the Centre, the much needed, the much belated aid will come to sustain the economy to a level which it deserves to attain. So, thank you, Sir, for the accommodation given.

13.06 hrs.

[*SHRI ZAINUL BASHER in the Chair*]

SHRI JAGANNATH RAO (Berhampur) : Mr. Deputy Speaker, Sir, I rise to support the Budget proposals for the year 1985-86. The Union Budget is not a mere financial statement of revenue receipts and expenditure but is an instrument of economic policies and economic growth. The Budget gives on account of the achievements during the last year and projects the policies of the Government for the future. The policies that have been followed by the Government of India during all these years, have made the economy sound, self-reliant and self-generating and the thrust that has been created by the previous Budgets is now being maintained by this Budget. This year's Budget is a forward looking Budget. I do not agree with my friend Shri Indrajit Gupta that it is a procapitalist and anti-people Budget.

When a Budget is presented, prices naturally rise it is a seasonal affair, an annual affair, and the prices come down in a month or two. In a developing economy, prices are bound to rise. The prices can maintain the level only when the production meets the demand of the people. Therefore, we need not get unduly perturbed about the possibilities of inflationary pressures being generated.

In the field of agriculture, we have done very well. Innumerable successes have been achieved. The Green Revolution has shown to the world that our country is capable of rising to the occasion. We have become not only self-sufficient in food but have also been in a position to build up a buffer stock of 20 million tonnes. But this Green Revolution is confined to the two small State of Haryana and Punjab. In other States which are traditionally rice growing, like West Bengal, Orissa, Andhra Pradesh and Tam

Nadu, there might have been rise in agricultural production but it is not matching with the rise in those two States. Why is it so? In these States also there is irrigation potential, there are inputs, fertilizers are being supplied to them and are also being subsidised by the Government, but still the production is not as much as in Haryana and Punjab. This position has to be looked into. Secondly, the evaluation should be done on Block-wise basis. We should know how each Block is functioning. We have 5,000 and odd Blocks in the country. All the programmes are being implemented in every Block. Some Blocks are doing well because of the officers who are sympathetic, sincere and patriotic. But in other cases the officers are very formal and they are not bothered about the implementation of the programmes. They only look to the financial targets. Agriculture is the base of the economy and it is the duty of all the State Governments to see that their agricultural production improves. It is not necessary that every State should produce rice. Wherever they have got irrigation potentialities, they can raise other crops like oil-seeds, pulses and other commercial crops which are more profitable than the traditional rice and wheat crops.

In the field of industry we have done considerable progress and have become one of the ten industrial nations of the world. The industrial base is created by the small scale sector. We started with only two industrial estates in 1958. I remember because I was a Member of this House then. The first one was stated in Okhla and the second one in Guindi in Madras. Later on, we set up industrial estates at many other places also. All those have been doing very well and have become the industrial bases of the country. On that basis, industries have come up, including heavy industries, and we are in a position to export industrial goods, engineering goods, to the outside world. We should be proud of that. So, why should we become pessimistic and say we are going backward? We are not going backward we are going forward.

So far as the public sector is concerned, we wanted to take it to the commanding heights. There we have received a set back. Even though heavy investments are made

in the basic industries, the core sector, they are not doing well. For instance, take power. We are short of power in almost every State. But that is the basic infrastructure for the establishment of any industry. Without that, we cannot expect to have industrialisation; rather, its pace will come down. Even when we plan a power plant for 1,000 MW, the generation is not even 500 MW, less than 50 per cent. So much money is locked up and we are not getting results. This aspect has to be looked into. We have permitted the industries to have their own captive power plants. Yet, no industry has come forward so far to instal captive power units. Even some of the steel plants have not done it. For instance, Rourkela steel plants has not done it. So, there is a fall in production. If this is the attitude of the public sector plants, how can they create a surplus and contribute to the financial resources for the plan? I do not know how the Finance Minister or the Government of India are going to activate and energise the public sector to come up to our expectations? I hope at least next year the Finance Minister will come forward and say that the public sector has contributed probably Rs. 1,000 crores towards the plan resources.

It is not correct to say that the budget has ignored or forgotten rural development. In fact, the rural people are our base and India lives in villages. If there is a slight reduction in the allotment this year compared to last year, it does not mean that all those projects are being given up. In the Sixth Plan, while the State Government got Rs. 4000 crores, only Rs. 6,000 crores has been since allotted to them, in the current Budget thereby giving a surplus of Rs. 2000 crores. These Rs. 2,000 crores will certainly make up the deficit. If necessary the Supplementary Demands for Grants can also be giving. Therefore, there need be no fear on this count.

Coming to income-tax, it is alleged that it is pro-capitalist and my hon. friend, Shri Gupta, said that it encourages MRTP companies. Shri Gupta will remember that last Lok Sabha we amended the MRTP Act exempting the MRTP companies for operation of sections 20 and 21 which stipulated on the enquiry being made, when an MRTP house goes on expanding its activities or

[*Shri Jagannath Rao*]

for setting new industries. That privilege was given to them already. So, raising the capital limit of MRTP companies to Rs. 100 crores will not lead to more concentration of economic power in the hands of these houses. We have not bid good-bye to article 39 (c) of the constitution. We will see that it is implemented.

There is no point in saying that the MRTP companies have grown. If any industry is successful and prosperous, it will plough back the profits and try to expand the unit. So, the assets of the company increase, which are owned by the shareholders. Let it be understood clearly that the object of the MRTP Act is not to strike the monopoly houses; it is only intended to regulate the operation of these companies. It is not correct to say that there is too much concentration of economic power in the hands of these companies after this Act was passed in 1969.

Our basic sector both agriculture and industry, are doing well. So, there is no reason for any of us to become pessimistic. When some relief has been given to some sectors, some imposts have to be there on some other sectors. So, some section of the people have to bear the imposts. Every impost, direct or indirect, will have its effect on the price level.

It is bound to. Even the prices of vegetable have gone up because of the rise in the price of diesel. It is not that every vegetable vender brings them from the market by trucks but the prices are bound to increase because of this. Because of this increase we should not feel that the Budget is inflationary in character.

In the Budget Rs. 3,349 crores deficit has been left uncovered and to cover the deficit on further attempt has been made to raise any levies. Perhaps the Finance Minister feels that it can adjust itself without causing inflationary trends in the country. Therefore, on the whole I would call it a good Budget. I do not want to use the term 'best' because this will offend Mr. Gupta. It is a good Budget, good in all its parts. It has taken care of all the aspects of the economy to make it sound, self-sufficient and self-gene-

rating. We are now ready to enter the Seventh Plan with the hope to build up the base for achieving the goals set in the Seventh plan.

Pandit Nehru was the architect of modern India. He introduced planning in the country. When we got independence we were not sure in which direction the country should move. It was with his farsight that he devised planned economy aimed at developing the economy on the agricultural front, industrial front and also at developing the human personality. The work of this architect of India was followed up by his illustrious daughter. I would call her the builder of modern India. She followed the path laid by her illustrious father. She went on building the country, but unfortunately, she fell a victim to assassins, bullets and that task of building the country has now fallen on Rajiv Ji. I am sure he will build the economy on its sound edifice. Therefore, we are optimistic that India is on forward march and that we are bound to reach the goal in the coming years.

SHRI R. PRADHANI (Nowrangpur) :  
Mr. Chairman, Sir, I rise to support the Budget for the year 1985-86.

First of all I would like to congratulate the Finance Minister on having presented the popular Budget. The Budget stands on sound footings on sound economic thinking. Agricultural production during the year 1983-84 as well as during the year 1984-85 was 151.5 million tonnes. Industrial production increased by 7 per cent, power generation by 13.5 per cent, coal production by 6.9% and the movement of freight increased by 2.3 per cent. Our export trade increase by 23 per cent while our import was up by 14 per cent.

I welcome the proposal of crop insurance, because it helps the small and marginal farmers, who are in large number in our country. I also support the social security scheme for the landless labourers because they too comprise large number in our lower strata of society. The raising of exemption limit in income tax from Rs. 15,000 to Rs. 18,000 is also a welcome measure. It will benefit ten lakhs of income-tax payers who comprise majority of lower middle class people.

I have got some specific suggestions to make. In the Budget presented to the House, the Government proposes to give free education to the girls. In this context, I would like to draw the attention of the Government that in tribal areas, especially in the tribal areas of Orissa, the percentage of drop-outs is about 92 to 95 per cent at primary school level. The state Government is trying its best to construct hostels and is making arrangement for food and clothing for these children. The tribal people are extremely poor, and poverty prevents these people from educating their children. But due to the constraints or resources the State Government has not been able to cope up with the huge demand of expenditure and therefore, the state of affairs continues to be as it is. So, I draw the attention of the Finance Minister to the need to give some Central assistance to this tribal education so that the dropout percentage, viz, 90 per cent, can be reduced to a considerable extent.

Secondly, I come to drinking water. Drinking water is a basic amenity required by any citizen of this country. We are in the midst of this International Decade for Drinking Water. Surveys were carried out about 10-15 years back and the problem villages had been identified. About 37,000 villages are yet to be covered as they were already identified, but, Sir, I would like to draw the attention of the Government to the fact that the surveys conducted about 10-15 years back have become quite outdated because the ground level of water has gone down from 25 metres to 30 metres in most of the villages and I can say that almost all the villages in summer suffer from this crisis. They face this crisis mainly on drinking water front. So, I would like to request the hon. Minister to just order for a survey again and find out and identify the villages which are suffering from the lack of this drinking water and at least provide one tube well for each village so that they can have at least drinking water, if not other thing.

I now come to the subsidy in the budget regarding support price and remunerative price to the agriculturists. In this year's budget we are spending from Rs. 850 crores to Rs. 1100 crores for this subsidy mainly for paddy. Paddy is the main crop grown in this country and widely consumed by us,

Indians. This support price is generally meant for the poor classes of people, specially small farmers and marginal farmers. Generally some Opposition Parties say that this is meant for *kulaks*, but I mean to say that it is not meant for the big farmers because they can wait for six months to one year to see that they get the better price and they go to the market when they get only the higher price. But the small and marginal farmers are ridden with loans and their personal requirements and so immediately after the harvest they go to the market and sell their produce and become bankrupt, with lesser prices at distress sales. So, it is essential that these support prices should be remunerative according to the cost of production and therefore, I request that the prices of these foodgrains should be kept in mind and should be made remunerative.

I would draw the attention of the Government to the fact that during the late Seventies production of sugarcane was at a very high level and due to the wrong policy adopted by the then Janata Government, production fell down and so it has to be raised again by giving the farmers remunerative prices. Therefore, let us take a lesson from this and have good remunerative prices in respect of foodgrains and sugarcane.

[Translation]

SHRI TARIQ ANWAR (Katihar) : Mr. Chairman, Sir, the Budget for 1985-86 presented by our Finance Minister, Shri Vishwanath Pratap Singh, truly reflects the image of a strong and self reliant India—an image which we have formed in our minds and about which our Prime Minister has spoken so often. This kind of Budget was a must for building such an India and I congratulate the hon. Finance Minister on presenting this budget at such a juncture when we are facing challenges. I shall go still further to add that no better and more balanced a Budget could be presented at such a crucial time and in such circumstances. Many aspects of the Budget have already been discussed and I do not want to go into them. Being a young man, I would like to draw the attention of the hon. Finance Minister, through you, to the foremost and the basic problem being forced by the youth of the country—the problem of unemployment.

[*Shri Tariq Anwar*]

The problem of unemployment is not confined to our country only; it is a world-wide phenomenon. Unemployment is of two kinds, so far as our country is concerned. In the first category all the youth who are educated, and the second category includes a vast number of uneducated youth living in rural areas, who are living below the poverty line.

I am glad to note that in this budget the programme undertaken by our late Prime Minister, Smt. Indira Gandhi, to make the educated unemployed youth stand on their own feet by giving them financial assistance. Under which it was envisaged to improve the economic condition of about 600 youths in each district by giving them financial assistance of Rs. 25,000 each, has been further expanded. That amount has now been increased to almost double. Obviously, it will benefit more the educated unemployed youth. I would like to submit to the hon. Finance Minister that about 30 percent, of our youth are in the age group of 15 to 30 years and this is the group which is worst-affected so far as unemployment is concerned. If we want to help such a vast multitude, this allocation appears to be too meagre.

At the same time, I would also like to point out that the major handicap experienced in our programme of helping to unemployed youth is that no training is imparted to them. In the past also, this aspect was not kept in view. We do provide financial assistance to them, but no arrangements to impart training are made to ensure proper use of that amount. I want that the hon. Minister must pay attention to this aspect. However, the other programmes included in this budget for the uneducated rural youth would go a long way in helping them. Especially, the allocation under the agricultural rural development programme has been raised to Rs. 932 crores. Similarly, the schemes for rural landless labour, rural water supply, schemes for scheduled castes and scheduled tribes or the 20-Point Programme, which is the programme of our party, have been accorded priority next only to Defence. This is the most commendable step because whatever we do, we want its direct benefit to reach the rural people. When we really

aim at carrying the benefits of the programmes to the villages, our implementation machinery, through which we reach the small farmers and the landless in the villages, needs to be geared up. There has always been a complaint that the intended benefits do not reach them.

So far as the 20-Point Programme is concerned, we want that the Budget allocation for this programme should be raised. The pace of the implementation of this programme also needs to be accelerated. Broadly, this Budget will give a fillip to industrial production in the country. Particularly, the concessions given to the electronics industries will lead to modernisation of the country. We also welcome the concessions given in income tax. It will provide relief to the middle class people. You have raised the income tax limit from Rs. 15,000 to Rs. 18,000, but it will not benefit a large section of workers employed in the public sector. If we really want to benefit them. This limit should be raised further. It will increase the purchasing power of the people on the one hand, and on the other, production in different fields will also go up.

You have withdrawn the annual licence fee on radio and television. It want that similar system should be evolved in respect of vehicles, like scooters and mopeds etc. where life is not more than 10 years and which are used particularly by the middle class people. In case the amount of tax to be charged on such vehicles for the next ten years is collected at the time of the purchase of the vehicle, the harassment experienced by the middle class people in getting tax-tokens every year would be obviated. In this manner we can provide relief to the people of this class. A beginning can be made in Metropolitan cities like Delhi, Bombay, Calcutta, etc. This is my submission.

So far as the question of giving fillip to the public sector is concerned, the report of the public sector undertakings for the year 1983-84 has just now been received. An investment of Rs. 35,411 crores had been made in this sector till last year. The report shows that this capital has yielded a net profit of Rs. 245 crores only, whereas at the rate of 10 percent, the net profit



should have been around Rs. 3500 crores. If industries in the private sector can earn good profit, why can the public sector industries not earn profit inspite of getting all the facilities. We must ponder over it. If we get adequate return from the capital invested in the public sector industries, the paucity of resources could be obviated to a greater extent. The deficit in our budget can be made good from the public sector industries alone. This is such a vital sector that the Government should pay immediate attention to it. The employees of public sector industries are getting such handsome salaries and other benefits, that nobody can have a grouse about it. But if an industry is not showing proper production, its employees and management should not be allowed to enjoy all these benefits at the cost of the public exchequer. The responsibility for increasing the productivity in these industries should be borne by the management. They should be given freedom to take decisions. At the same time, they should be made answerable as to why our public sector industries are running in loss.

With these words, I once again request the Hon. Finance Minister to allocate more funds in the budget especially for the unemployed youth and efforts should be made to solve the problem of unemployment which is the basic problem of our country.

**SHRI ABDUL RASHID KABULI** (Srinagar): Mr. Chairman, Sir, first of all, I would like to say that the Budget for 1985-86 presented before us is the best as compared to the budgets of previous Governments, so far as the ideology of the Congress is concerned. The crop insurance policy announced by you is an effective step for the welfare of 80 percent people of this country who depend on agriculture, and I congratulate you for this. Our farmers have always been victims if natural calamities. We have been raising this question in Parliament time and again that a solution to this problem should be found and, I think, this is a timely step.

I also appreciate the steps taken in regard to women's education. But, at the same time, I would also submit, that the

masses of the country had been expecting that you would take revolutionary steps. Our young Prime Minister and his Government have high ideals and we expected that a basic change would be brought about, because a vast section of our population is poor and depressed. Lakhs of people sleep on the roads even today. They have no roof to cover their head. Millions of youth are unemployed in the country. They possess high educational degrees and qualifications, but they are leaving for European and other countries, because they cannot give the benefit of their skill and expertise to this country. It is because of the fact that there are no opportunities for them and there are no means to utilise their expertise. For this we need socialism, a socialism in which there is no place for free enterprise. We had expectations that you would bridge the gap between the rich and the poor, and it needed a strong step, but, no such thing is visible in the Budget. As I said, this is a very good Budget as per the programme of the congress party, but you will have to think not from the point of view of the congress party but from the point of view of the entire nation. If this is the interpretation of the socialism for which our people made sacrifices, the socialism which Pandit Jawaharlal Nehru had visualised, that the gap between the rich and the poor should increase, then it would be a great injustice.

In this connection, I would like to make a submission that when India achieved independence in 1947, 'Sher-E-Kashmir', Sheikh Mohammad Abdullah, enacted a legislation and the object of that legislation was 'Land to the Tiller'. He brought forward a revolutionary legislation under which the entire land which they were cultivating, was given to the tillers, who were the tenant and had no ownership rights, the landlords were taking undue advantage of their hard labour and were keeping them as bonded labourers. At that time, we adopted that measure and the land went to the tillers. Can I ask the Congress Government whether they have taken any such step since 1947 in respect of agrarian reforms? Have you adopted any measure to weaken the stronghold of this landlord gentry in the country? The

[*Shri Abdul Rashid Kabuli*]

progress of our country depends on our agrarian reforms.

At the same time, I would also like to point out that you have done injustice by raising the prices of petroleum products which has resulted in the increase of the prices of a wide large of products from petroleum to kerosene. It has also resulted in increase in freights and has affected passengers also. The loss to the people of the country on this account would be far more than the income which accrues to you, because transport is not a luxury but a necessity. Even today, our entire communication net work and our development depends on motor transport. Therefore, I am of the view that the price of petrol should not have been raised because some people are taking undue advantage of it whereas the consumers at all levels would be adversely affected and they would suffer heavily.

There is another thing which I want to submit, through you. The policy framed by the Central Government is meant for the entire country, for all the states and your programmes have raised some hopes in the people, but the benefit of the programmes launched by you have not reached throughout the country. I would like to bring to your notice that none of the programmes drawn up for the betterment of Jammu and Kashmir has been implemented. The Central Government are giving substantial assistance to the Government of Jammu and Kashmir and we are grateful to you for that, but it has not given any material benefit to the common people in the State and the State Government has not been able to give its benefits to those who actually deserve it and, instead, the Government is utilizing the entire amount in an improper way. In this context, I would like to say that we have suffered a tremendous loss in respect of tourism last year and tourism has suffered a set-back continuously for the last two or three years. The Central Government had sent a team there. The crops were hit by hailstorm and thousands of farmers were affected. A few days back, when we were going around our constituency, had not been given any compensation for loss

caused due to we heard complaints from the people that they hailstorm called 'Zalawari'. The team was, of courses, sent there. Now, either there has been some negligence on your part or the amount given to the State Government has not been put to proper use. This is for you to see. Similarly, you should provide sufficient assistance in the matter of tourism as well. This task was also entrusted to the same team. In addition to this, you paid Rs. 250/- per month to the houseboat owners for six months. I would like to submit that if the Central Government is really interested in the development of Jammu and Kashmir, which is a backward state and a very backward pocket of the country, then these aspects must be attended to. I would like to say without reservation that all your schemes in Ladakh, the Kashmir valley and the hilly areas of Jammu are proving to be a failure and they are not being implemented at all. I would go further and say that democratic do not operate there and the people have lost faith in the Government. The Central Government should take note of the irregularities committed by the State Government did there during the Parliamentary elections. The people of the State did not repose confidence in the Government of Ghulam Mohammad Shah in the Parliamentary elections and both his candidates lost the elections there. Their candidates lost their security deposits in all the Assembly segments of the Parliamentary Constituencies represented by the Ministers. The people of the State have lost their link with the Government. The relationship which ought to exist between the people and the Government does not exist there. That is why I went to caution you in this matter.

You are talking of taking the country forward. It is true that the Congress Government is striving to create more and more employment opportunities in the country. But, the present Government in our State has dissolved the Development Board and other constitutional institutions there and they have recruited ten thousand employees within a period of six months. Those possessing B.Sc. and M.Sc. degrees have been ignored in these appointments and those who have failed in Matric have been provided with employment. I am not saying so out of a feeling of enmity. It is a fact.

Since the Central Government have close links with the State of Jammu and Kashmir, I want that our Finance Minister should see that our programmes are completed. What is their plight today? All our democratic institutions, such as Municipal Committees, District Boards and Panchayats have been dissolved. During Sheikh Sahib's time the district was treated as a unit for development in the State. District Development Boards were constituted and M.Ps., M.L.As., Members of Panchayats, and Members of District Board were associated with them and the work relating to district development used to be done on their advice and decisions taken accordingly. Now, Members of Parliament and even MLAs are not taken into confidence on regard to whatever expenditure is being incurred on developmental work there. They are not being invited even to the meetings.

Our Kalakot Coal Mine is State owned undertaking but there is a firm by the name of Tycoon Coal Ltd. in which\*\* has been made the partner. Coal was supplied to that firm at 25 percent less price due to which the State Government has suffered loss to the tune of Rs. 1 crore.\*\*

[English]

MR. CHAIRMAN : He is not a Member of this House.

[Translation]

It will not go on record.

[English]

He is not here to defend himself.

[Translation]

SHRI ABDUL RASHID KABULI : So far as development of the State is concerned, I would like to say that the people of Jammu and Kashmir should also be given the right to have a popular Government as is being enjoyed by the people of other States in independent India. Today, there is a Government of defectors in our State. This Government has not been accepted by the people in the Parliamentary elections.

[English]

SHRI JANAK RAJ GUPTA (Jammu) : As the hon. Member speaking on the Budget or is he speaking on the formation of the government?

[Translation]

SHRI ABDUL RASHID KABULI : There is acute shortage of power in Jammu and Kashmir. It has great potential for power generation. Our State can generate 3000 Megawatts of power by which not only the State but the country also can benefit. There is at Uri Hydel Project Scheme in our State. It is very big project by which the entire country will be benefited. I would like to mention that the Central Government have formulated schemes only on paper. These are not implemented in the State. Our Uri Project is lying pending. Doolhasti, Salal, Thein Projects are also lying pending. Work has not started on Doolhasti Project in Jammu. I would, therefore, like to say that you should give up full assistance for completing these projects so that our State and the entire country may get the benefit of this power potential.

[English]

SHRIMATI BASAVA RAJESWARI (Bellary) : Mr. Chairman, Sir, I am grateful to you for giving me an opportunity to speak on the General Budget for 1985-86, I also thank the hon. Finance Minister for presentation to the House a truly productive budget proposal. I would rather call it a people's budget planned with a farsighted imagination. I feel proud while supporting these progressive proposals.

The hon. Minister has made a beginning to give relief measures to the farmers, namely, crop insurance. But he has covered only paddy and wheat. I would like that cotton and groundnut should also be included in this schedule. Cotton and groundnut are cash crops which involve heavy investment and they are also sensitive crops. Therefore, I would request the hon. Minister to include these two crops under the crop insurance scheme.

Sir, I come from an area where lot of

[*Shrimati Basava Rajeswari*]

long staple and extra long staple cotton is grown, that is, Bellary and Raichur districts in Karnataka under Tungbhadra project. The farmers are put to much inconvenience. The prices of cotton have fallen and there is no proper purchase in the market. The Cotton Corporation of India which has to purchase at the support price of Rs. 600 per quintal are not making the purchases effectively. Therefore, we request the government to allow more cotton lint to be exported so that indirectly farmers get remunerative prices.

**THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWANATH PRATAP SINGH):** The members would be glad to know that we are allowing export of one lakh more cotton bales.

**SHRIMATI BASAVA RAJESWARI:** (Bellary): The Cotton Corporation of India is support to purchase at Rs. 600 per quintal whereas they are only purchasing at the prevailing market price and that too not the entire quantity which comes in the market. They are purchasing only a limited quantity. These complaints have been received from the Agricultural Producers Markets. Therefore, I would request the government to look into the matter and try to see that the CCI purchases the cotton at the support price.

I would also like to point out that the cost of production has also increased. So, I would request the hon. Minister to increase the support price of cotton by Rs. 100 more and make it Rs. 700 instead of Rs. 600 per quintal. Much has been talked about remunerative prices. But I want to say that the Agricultural Prices Commission consists of only a few people. There was a proposal to see that farmers' representatives are also included in the APC. I would also like to request the Government to re-design it as Agricultural Costing and Prices Commission because there is no costing aspect taken into account as far as agriculture produce is concerned.

At the moment it is only a price fixation body. Instead of that there should be a systematic costing body as in the case of industries where the Bureau of Industrial

Costs and Prices goes into the economics of cost of production and so on. This has got to be considered. This body should also work on the same lines; they should take into consideration the cost of production, investment on land, rate of interest and also depreciation managerial cost, etc. All these things have to be taken into consideration while fixing the prices for various crops.

Certain proposals have been received from State Government regarding the price fixation of each from. While fixing prices for next year we request Government to redesignate this body as Agricultural Costs and Pricing Commission and also to have a representative of the farmers in that body. They should fix the price as already proposed by various State Governments.

I come to Industrial Policy. I would like to say that each district should have a big public sector undertaking so that unemployment problem is solved to some extent. While doing it, Agro-based industries, depending upon availability of raw material, should be developed. Due to increased irrigation potential which is available in various parts of the country now many varieties of agricultural produce are grown in various areas, which are vital to various industries. Therefore if the raw material is available there and if each district has a public undertaking there, than, unemployment problem will be solved to some extent.

I would like to say that at Bellary, the Vijayanagar Steel Plant should be immediately started. About the need for the setting up of the Vijayanagar Steel Plant at Hospet we have had several discussions in this House. I come from that area. We have been told in the previous session that the proposal, in the light of latest technology and feasibility, depending upon raw material availability and infrastructure will be received by the Government. I do not know whether the proposal has been received or not. But I find from the Budget Papers that very little amount is set apart for this project. I would like to say that people are laughing at us. It is not only people who are laughing but the ore is also laughing at us because we have not utilised that ore which is there in abundance. Our late Prime Minister Shrimati Indira Gandhi laid the

foundation stone of this project long bank. I am very much pained and hurt to speak about the Vijayanagar plant. I request the hon. Minister to get the necessary clearance from technical experts and to include it in the 7th Plan.

So far as the power position is concerned, the Karnataka power position is becoming worse. I hope it will become still worse during summer season and many of the industries will be closed. I would like the Government to take up an intensive survey of all the mini hydro-electric projects throughout the main canal areas of each project and give sanction immediately.

Regarding Raichur Thermal Plant only the first stage has been completed and commissioned. The technical report in regard to the second and third stage is awaited. I would like the Government to clear the second and the third stage and see that the work is started immediately. If that is done, Karnataka will be in a better position as far as the power situation is concerned. Karnataka will stand to benefit if these two units are cleared and if they come into production.

14.00 hrs.

I would like to thank the Government for having introduced the Social Security Scheme to cover the risk of death by accident; this would help the poor section of the society, landless labourer, small and marginal farmers etc. In fact, these people are very much affected by accidents at the time of harvest etc. Sometimes they are bitten by scorpions, snakes etc. I would only make one request that instead of covering only 100 districts, the entire country may be covered by this Scheme.

Schemes like NREP, IRDP, RLEGP etc. are no doubt very good, but I doubt whether the quality of work is maintained in respect of these schemes. The results that we achieve under these schemes disappear after some time for one reason or the other. I would like to mention that at the root level, a lot of funds are still being misused. There is need for proper check. It is good that we have given an impetus to these schemes in the present budget proposals, but I would request the Government to see that the

quality of these schemes is maintained and misuse of funds at all level checked properly.

I would further request that all the villages should be electrified irrespective of any constraints at the Government level by the end of the 7th Plan. Only a few villages remain unelectrified. These should be covered by the end of the 7th Plan. All the rural as also urban areas should be provided with sufficient potable drinking water by the end of the 7th Plan.

As you know, Bangalore is a beautiful city and a lot of infrastructure exists there to declare it as a science city. I would request the Government to declare Bangalore as a science city as also convert Bangalore airport into an international airport.

Government have announced a number of concessions for electronic industries. I would give a call to all the entrepreneurs to rise up to the occasion and take up all sorts of electronic industries by making use of the incentives, and thus present a challenge to the electronic industry in other countries of the world.

With these words, I support the Demands.

[Translation]

SHRI PRATAP BHANU SHARMA (Vidisha): Mr. Chairman, Sir, I rise to express my views in support of the Budget for the year 1985-86 presented in this House. First of all, I would like to congratulate the Finance Minister on having presented a bold Budget, which will help increase production in the country and safeguard the interests of the poor and which is inkeeping with the aspirations of the people.

Most of the Members here and certain newspapers also have expressed an apprehension that we may have to face great difficulty due to the deficit of Rs 3,349 crores shown in this Budget. In this connection, I would like to say that a deficit of about Rs. 4,000 crores was left uncovered in the last year's Budget also and the same practical approach has been adopted by the Finance Minister this year as well. So, there is no scope for having the apprehension that deficit financing will fan inflation and there will be an unprecedented

[*Shri Pratap Bhanu Sharma*]

price-rise. The reason is that when there was a deficit of about Rs. 4,000 crores in the last year's Budget, the wholesale prices of commodities had increased by about 5 per cent as against the 10 per cent increase in the year prior to that. Hence, I am of the view that there should not be any apprehensions in this regard.

I would also like to congratulate the Finance Minister on the steps taken by him for simplifying the taxation procedures and giving relief in taxes. All these decisions have been taken on the basis of suggestions received from people for the last 15 to 20 years. Members have also been pleading constantly in this House for reducing the taxes and for the simplification of taxation procedures. By the proposed changes, about 10 lakh tax-payers, whose annual income is less than Rs. 18,000, will be exempted from the payment of income-tax and there will be 50 per cent exemption for those whose annual income is Rs. 20,000. The exemption will become less with the increase in income. This shows that the Finance Minister had this in mind that it was not necessary to give more exemption on higher incomes.

On the one hand, the interests of consumers and the common man have been safeguarded in this Budget and on the other, commendable efforts have been made to increase agricultural production and to strengthen the economic base of the country.

I would like to congratulate the Finance Minister on introducing Crop Insurance Scheme throughout the country. Up till now, there has been provision for life insurance and general insurance but there has been no provision for the insurance of crops of 70 per cent of our people who depend on agriculture. The step taken by the Finance Minister to remove this disparity has definitely helped in safeguarding the interests of farmers. The financial loss suffered by our farmers due to natural calamities has also been covered under the Crop Insurance Scheme.

The social Security Scheme will be introduced in 100 selected districts. It will

benefit the landless, the poor and the marginal farmers about whom we had never thought of so far. If any accident occurred, there was nobody to help the aggrieved family. It is really a very commendable step that our Government will pay Rs. 3,000 per year to such families. I suggest that the Social Security Scheme should be introduced in all the districts of the country during the Seventh Five Year Plan. This scheme will be implemented in phases, but if it is implemented in the entire country during the Seventh Five Year Plan, we shall be able to provide social security to the workers and farmers.

So far as the 20-Point Economic programme introduced by the late Prime Minister, Smt. Indira Gandhi, is concerned, the provision of 4,900 crores of rupees shows 18.3 per cent increase over the last year's budget provision, which indicates that our Government under the leadership of Shri Rajiv Gandhi is committed to implement on priority basis all those schemes such as IRDP, RLEGP, NREP and TRYSEM which had been introduced by the great leader of our country and the Messiah of the poor, Smt. Indira Gandhi. Shri Indrajit Gupta has just now pointed out that the cut effected in funds for IRDP, NREP and RLEGP was a matter of concern. This cut comes to hardly seven or eight crores of rupees. I would like to point out that the provision made in this Budget in respect of agriculture and the allied sector is much higher as compared to that made in the Budget for 1984-85. These schemes have been put under the head 'Agriculture'. The Finance Minister has given an assurance that rural employment programme and the programme for eradication of poverty will be implemented vigorously.

The provision for self-employment schemes has been curtailed considerably in comparison with the provision made last year. A provision of 25 crores of rupees was made for self-employment schemes in 1984-85 which has now been doubled, but the revised estimates of 1984-85 is Rs. 149 crores. This programme of providing employment to young men has proved very popular in the entire country. People are getting employment, production is increasing and new employment opportunities are

being created. In view of this the amount provided should be raised from 65 crores to 149 or 150 crores of rupees. It will be a commendable step for giving a new direction to our youth.

So far as facilities given to the corporate sector are concerned, MRTP limit has been raised from Rs. 25 crores to Rs. 300 crores; cost limit for machines and plants in small scale industries has been increased from Rs. 20 lakhs to Rs. 35 lakhs and in ancillary industries it has been raised from Rs. 25 lakhs to 45 lakhs and some industries have been given exemption from the licensing system. It certainly shows that in our economy more attention is being paid to small scale industries and to the development of employment opportunities. The limit appears to have been increased keeping in view the price rise. As a result of these, the development of small scale industries would be expedited.

You have also given considerable facilities to the private sector which will definitely speed up the pace of industrial development. The public sector undertakings, wherein about Rs. 35,000 crores have been invested, are not getting even one per cent return. Just now, my colleague Shri Tariq Anwar said that they had earned an annual profit of Rs. 245 crores only in the last year. I would like to draw the attention of the Finance Minister to the fact that the administrative Ministries of all the public undertakings are different. That is why proper monitoring of their performance cannot be done. This causes loss to our economy and it becomes the responsibility of the Finance Minister to meet this loss. The Government has to meet the loss suffered by any public sector undertaking. I would like to suggest that the Ministry of Finance should monitor the capacity utilisation, productivity, profitability and cash-flow of public sector undertakings so that no undertaking may resort to under-utilisation of its capacity or incur any loss. The deficit of 3500 crores of rupees shown in the Budget can be covered by public sector undertakings alone if they earn profit at the rate of 10 per cent.

Similarly, a provision of 1068 crores of rupees has been made in the Budget in

respect of Science and Technology. It indicates that our Government is committed to what our young Prime Minister, Shri, Rajiv Gandhi, has said about taking the country into the 21st century and about adopting a modern and scientific approach. This provision of Rs. 1068 crores made for atomic power, space, ocean development and electronics will definitely yield good results. Similarly, the concessions given to the electronics industry will prove helpful in increasing production, generating employment opportunities and providing better services to the common man. This is my belief.

So far as other concessions given to the electronics industry are concerned, the Minister of Electronics, Science and Technology has made a statement two days ago in respect of the electronics policy wherein he said that a target of producing electronic goods worth about Rs. 10,000 crores by 1990 has been fixed. If we want to give such a high priority to the electronics industry, and we feel that it will be very useful in our country because it will generate employment opportunities, it will strengthen our economy and it will modernise our system, then I suggest that electronic complexes should be developed in certain selected districts of each State and local talents and young entrepreneurs should be encouraged and they should be given training (*Interruptions*). For imparting training to them, training institutes and electronic complexes should be set up. In every State, electronic training institutes should be set up which may give information as to what type of electronic equipment is required to be produced, which technology should be adopted and wherefrom that is to be acquired, and how integrated development can take place so that the people of the State concerned may get the correct technology. With the hope and confidence that the Budget presented by the Hon'ble Finance Minister in this House will prove to be a production oriented Budget and will take the country towards self-reliance and give a new direction to the country, I support the Budget whole-heartedly and thank you also.

**SHRI RAJ KUMAR RAI (GHOSI) :**  
 Mr. Chairman, sir, I am thankful to you for giving me an opportunity to support

[*Shri Raj Kumar Rai*]

the 1985-86 Budget presented by the Hon'ble Finance Minister. It is my good fortune that I am supporting a Budget presented by Shri Vishwa Nath Pratap Singh, a person who is giving shape to the dynamic steps announced by our leader, Shri Rajiv Gandhi, and who is known in the entire country as a dutiful and practical person. This is quite a practical and bold Budget. In this Budget, the Hon'ble Finance Minister has tried his best to give relief to the farmers, the middle class and the lower class people. I am confident that in the coming days, these categories of people will get sufficient relief.

So far as the direct and indirect taxes are concerned, the Hon'ble Finance Minister has provided considerable relief in them also. Thus, this Budget is for the welfare of the people at large. In this Budget industries too have been provided with incentives and I am sure that it will help in strengthening the base of industrialisation of the country in the times to come. More facilities will be created by this Budget for jobs to the unemployed, which is the dire need of the hour. The manner on which the Hon. Finance Minister has touched the entire economic set up of the country through this Budget will go a long way in helping all sections of the society.

Besides, I would like to submit that two or three more things should have been provided for in the Budget. You know that U.P. and particularly eastern U.P. is a densely populated region. *Per capita* income is very low there, employment opportunities are so scarce—industries are almost non-existent—that the people of that region have to live like paupers in other parts of the country of the world. You may go to Calcutta, Bombay or any other part of the country. You will find that there the rickshaw pullers are from eastern U.P. We were expecting the Hon. Finance Minister to introduce some special scheme for eastern U.P. The Dohrihat Thermal Power Station in Azamgarh was sanctioned some four or five years back and although other projects sanctioned along with it have already been commissioned, yet this project has not attracted the

attention of the Hon. Finance Minister. He has not made any special provision for it. Thus, eastern U.P. has been neglected. It is the policy of our socialist Government that first of all the downtrodden are to be uplifted. The Hon. Finance Minister, when he was the Chief Minister of U.P., used to give priority to the case of the poor. The condition of eastern U.P. is the most pitiable today and he should have paid attention to it in the first instance. The Hon. Minister of State for Finance is present here and I would request him to pay special attention to the conditions prevalent in eastern U.P.

Mr. Chairman, Sir, the Crop Insurance Scheme and similar other schemes introduced by the Hon. Finance Minister in this Budget are commendable and he deserves congratulations therefor.

Mr. Chairman, Sir, I want to draw the attention of the hon. Minister, through you, to two or three points. It is true that levying of taxes is very essential for any developing country, but the common man is groaning due to the burden of taxes on beedis, kerosene, cooking gas, vanaspati ghee, petrol, diesel oil and other essential items and we all feel concerned about his plight. I would request the Hon. Finance Minister that if he wants to do something for the poor and the labourers, he should give some relief.

The Central Government has presented a deficit budget to the tune of about Rs. 3300 crores this year, which is less than last year's deficit. You know that 80 per cent of the people of this country live in villages and they do not get any benefit of the subsidy given on foodgrains. Whatever the benefit, it accrues to the urban people. Mr. Chairman, Sir, you have a long experience. If you see you will find that by granting a subsidy of Rs. 1,200 crores, we have not been able to benefit the rural people. Government give lakhs of rupees for the implementation of programmes like NREP, RLEGP, TRYSEM, etc. but the benefits of those programmes do not reach the poor. I would like to draw the attention of the Government to the fact that 'Food for Work' was the Government's policy.



Similarly, a scheme for landless labourers had been introduced. If you get all these programmes monitored, you will find that all of them are being implemented through contractors. The Government do not have a record of these works. An already constructed road is again shown as constructed on the papers. Payment of five lakhs of rupees is made instead of five thousand rupees, and such payments are being made without any fear. I would, therefore, suggest that first of all, a record of all works may be kept and, if it is not possible to do so, then all these programmes may be suspended for some days and later on they may be restarted only after the whole picture becomes clear. Otherwise the benefits of the funds that you are giving will not reach the poor and all the funds will be misused. When you want to create a socialistic pattern of society, the poor man also should get his due. I would like the hon. Finance Minister to ensure that the poor man gets his due.

With these words, I once again congratulate the Finance Minister and support this Budget.

**SHRI RAMESHWAR NEEKHRA** (Hoshangabad): Mr. Chairman, Sir, at the outset, I congratulate the Prime Minister and the Finance Minister for presenting the Budget for 1985-86 in this House. In this Budget, efforts have been made to provide relief to every section of the society. Efforts have also been made in it to indicate the way in which the Seventh Five Year Plan would be implemented. Besides, special attention has been paid to ensure that inflation does not increase. The opposition parties have criticised the Budget. Somebody has called it a pro-capitalist budget and some others have called it an anti-poor Budget, but, Mr. Chairman, Sir, if you see the record of the last 30 years, you will find that whenever budgets have been presented, the Opposition had always reacted in this manner. A few days before the presentation of the Budget, some pressmen met me and told me that although the Budget was still to be presented yet the opposition parties had shown their reactions to the effect that this would be an anti-poor and procapitalist Budget. When the pressmen come to know

of such reactions even before the presentation of the budget, you can understand the meaning of it. Such things do not have any particular impact on our masses, who have given a befitting reply to the opposition parties in the last elections.

Members of the opposition parties may call it a pro-capitalist Budget, but I would like to tell them that previously in the event of the death of a poor farmer or a labourer working in the fields, or an artisan living in a small village, like blacksmith, carpenter, etc., there was no one to look after his family, but in this Budget a provision has been made to provide a sum of Rs. 3,000 to such people. The Opposition should ponder over it whether this Budget is pro-capitalist or pro-poor.

Our friend from Kashmir was speaking just now. He said that the Crop Insurance Scheme introduced for the farmers in the Budget would benefit 80 percent farmers. This will definitely provide relief to the poor and support to the small farmers in facing natural calamities. Similarly, our hon. Finance Minister has given relief to the industrial labourers and the middle class people. Licence fee on T.V. and radio has been abolished. Wealth tax limit has been enhanced which has provided considerable relief to the middle class people. The abolition of Estate Duty has also provided relief. The cost of houses is increasing with the time. The prices of land are also increasing, with the result, that the common man had to bear the burden of paying Estate Duty, but the hon. Finance Minister has given him relief by abolishing this Duty.

The hon. Finance Minister has dispensed with the licensing system in respect of many industries so that more industries could be set up and their production also increased. For this purpose, he has relaxed many rules. This will create a better climate for industrialisation and increase employment opportunities. This way, the hon. Finance Minister has made efforts to do justice unto every section of the society. He has tried to understand the problems of the country deeply and, particularly, keeping in view the difficulties being faced by the middle class people, he has enhanced the income tax exemption limit from Rs. 15,000 to Rs. 18,000. He deserves congratulations

[*Shri Rameshwar Neekhra*]

for this. With this announcement, more than 10 lakh people will be spared from filing income-tax returns.

It will, on the one hand, give relief to 10 lakh people and on the other, the Income Tax Department will be saved from the botheration of maintaining the records of 10 lakh assesseees and now they will be able to devote their time to detecting tax-evasion in other cases. But this relief is still not sufficient. My submission is that this exemption limit may be enhanced to Rs. 25,000 so that more people may get relief.

The housewives who had cast their votes in large numbers to elect this Government have been somewhat disappointed at this Budget. This kitchen expenses have increased very much as a result of the increase in the prices of cooking gas, soaps, vanaspati ghee, kerosene, etc., causing a heavy burden on them.

14.29 hrs.

[*SHRIMATI BASAVA RAJESWARI  
in the Chair*]

I hope the hon. Finance Minister will definitely do something to reduce this burden.

Sir, I would like to submit, through you, that the poor people living in the far-flung villages will be severely hit by the increase in the levy on kerosene oil. They used to light a lantern for an hour or two with kerosene oil, but now they will have to face great difficulty, because electricity has not reached every village in our country so far. So, the increase effected in the price of kerosene oil should be withdrawn.

The increase in the levy on petroleum products will, of course, yield some revenue to the Government but it will cast heavy burden on the poor. There are many transport corporations which operate buses and there are other bus-owners and taxi-owners also who are increasing their fares. The increase in the Railway fares and the bus fares will cast a heavy burden on the poor. So, you should reconsider it.

Tax on bidis has also been increased. This increase in marginal. It is hardly one

paisa per bundle of bidis. Although only one paisa has been increased on a bundle of 25 bidis, yet the bidi manufacturers have effected an increase of 15 paise since the day before yesterday, with the result that the poor man who used to smoke bidis on the occasion of marriage or in an hour of sorrow and thus lighten his burden, is now worried over the fact that Government have increased their burden.

The increase in tax on paper will hit hard the students and others. I will urge upon the Finance Minister not to increase taxes on small items in this way, because they affect the poor directly. It should be withdrawn so that the good image formed in the country about the Government that they are determined to eradicate poverty and that they will work in the interest of the poor, is maintained. So, this should be withdrawn.

The Finance Minister deserves congratulations for giving more incentives to small scale industries. Government want those poor persons to come forward who want to set up industries. They have received education by taking stipends from the Government and have passed engineering and technical examinations. Government grant 75 per cent of the amount required for the setting up of industries and the remaining 25 percent amount has to be invested by the new entrepreneurs. How can a poor man who has studied by taking stipend from the Government arrange such a big amount for the setting up of an industry? So, I will urge upon the hon. Finance Minister to provide this amount also to him.

Our Hon. Prime Minister and the Finance Minister have said that black money will be eliminated, but no concrete proposal has been made in the Budget to that effect. I would urge upon the hon. Minister to endeavour to eliminate black money by bringing forward some concrete proposal.

For self-employment scheme, there was a provision of 149 crores of rupees in 1984-85, but only 65 crores of rupees have been provided for this in the Budget for 1985-86. Our late Prime Minister Shrimati Indira Gandhi had initiated this programme and this scheme became very popular. Those youngmen who are not able to get jobs,

want to take advantage of the self-employment scheme but the funds provided for this purpose are so small that only very few persons will be benefited by this scheme. Moreover, the responsibility of implementing the self-employment scheme has been entrusted to banks. The banks located in Tehsils, towns or townships say that they have received sanction for subsidy for 15 persons only and they can give loans to 15 persons only and not to all. Therefore, a big question arises before the banks. They can give loans to 15 persons against 200 applicants. Delaying tactics are, therefore, adopted and opportunities for corruption and favouritism are created. I would, therefore, submit that you should make maximum allocation in the Budget for the self-employment scheme and direct the banks that all the persons applying for loans for self-employment should be provided with loans. I would submit that the youth of the country are having high hopes of our Prime Minister and they have accepted him as their leader. Today, the unemployed youth is facing such a situation that by the time he gets a degree or receives technical education, he attains the age of 24 years and the maximum age limit for getting a Government job is 25 years. I would request that this age limit be increased so that an unemployed youth may be able to enter a Government job.

I would also request that a scheme should be formulated to provide Government jobs to the unemployed. Unless the Government create new opportunities and formulate new schemes for providing employment, the number of unemployed will on increasing. Government should, therefore, give them unemployment allowance and create new employment opportunities for them.

Government propose to issue licences for 25 industries and have given relief to certain industries to march ahead towards industrialisation. Government have brought down the income tax slab also. The only purpose of these reliefs is to eradicate corruption, but the biggest source of corruption is sales tax. The consumers have to pay sales tax but it does not reach the public exchequer. That sales tax is swallowed collectively by the officials and the traders. This spreads corruption. I would request that without

consulting the State Governments, the sales tax should be abolished. This will be a big relief for the consumers and the country.

In our Constitution mixed economy has been accepted and I congratulate the hon. Finance Minister for presenting the most revolutionary Budget with that objective in view.

SHRI C. JANGA REDDY (Hanamkonda): Madam Chairmen, the hon. Member speaking before me said that after the presentation of the Budget, the prices of oils had increased and that the prices of kerosene oil and vegetable oils should be reduced. He further said that we should work for the poor, but I want to tell him that it is not a poor man's Budget; it is a pro-rich Budget. While supporting this Budget, he supported the Finance Minister. The truth is that instead of expressing his personal views, he said all these things to please his leader.

The Finance Minister presented the Budget, but he congratulated Shri Rajiv Gandhi. Had Shri Rajiv Gandhi presented the Budget, I would have appreciated his praise for him. You should congratulate the Finance Minister because it is he who prepares the Budget. Shri Rajiv Gandhi and the Finance Minister do not prepare the Budget collectively.

You yourself say that the prices of kerosene oil, soaps, etc., should be brought down to provide relief to housewives. You also say that the opposition leaders criticise the Budget in the newspapers even before it is presented. This is not correct.

Madam Chairman, I would only like to submit that in this Budget it has been said about farmers :

[English]

"We also had the benefit of two successful crops."

[Translation]

It has been said in the Budget :

[English]

"More than 70 percent people are farmers or cultivators."

[*Shri C. Janga Reddy*]

[*Translation*]

Farmers have to raise their voice in Parliament to demand remunerative prices for their produce keeping in view their cost of production. In Parliament, more than 70 percent Members belong to the cultivators class. They get elected with the votes of the poor, but they keep in view the interests of the consumers and forget the farmers. If a farmer is made the Finance Minister or the Prime Minister, even he will forget the interests of the farmers and think of himself only. (*Interruptions*) As to what should be done to remedy this situation, that also I will tell. Suggestions will also be given.

Madam Chairman, you have also spoken about price commission. I support the view expressed by you. The taxes on inputs used by the farmers should be reduced. Excise Duty on tractors and fertilisers should be reduced. Shri Charan Singh, when he came to power, had reduced the excise duty on fertilisers and brought down its price from Rs. 120 to 60, but when the late Smt. Indira Gandhi came to power, she again increased it to Rs. 120. The taxes on tractors, fertilisers and on the other inputs used by the farmers should be reduced and these commodities should be made available at low prices so that the cost of agricultural production is brought down and the farmers are not compelled to raise their voice in Parliament and in the Assemblies to demand remunerative prices for their produce. You know that the Price Commission had fixed the price of sugarcane at Rs. 165, but the Government reduced it to Rs. 140, because they wanted to provide sugar to the consumers at lower rates and asked the State Governments to pay as much bonus as they liked. Here in Parliament we demanded that the sugar mills should be nationalised but instead they handed over 10 or 15 mills back to the millowners. Therefore, the industry is not at all at fault. Today, the farmers are sowing less sugarcane because of its low price and they are not getting a remunerative price. (*Interruptions*) During the Janata regime, sugar was made available at Rs. 2 per kg. and it was made available in abundance even in villages. (*Interruptions*) Madam Chairman, kindly tell the Congress Members what have been the achievements

of the Janata Government. They are not able to recall the good deeds of the Janata Government. Prof. Madhu Dandavate was the Railway Minister at that time and the Railway Budget presented to him was not a deficit Budget. We had reduced the Railway fares, provided first class facilities in the second class compartments and even then a deficit Budget was not presented, whereas you are now enhancing the taxes and transport charges and even then your Budget is going into deficit. It is because of the fact that your way of functioning is different and way of thinking is also different. Our Government had done a lot of things in two years, you must be knowing it.

(*Interruptions*)

AN HON. MEMBER : Even then you do not get votes.

SHRI C. JANGA REDDY : We want to tell the Congress Members that various factors play their part in obtaining votes, such as wine ; evoking of sympathy, women, through mutual distribution of bank money etc. It is not that votes are received merely by doing service upto the people. We come here to serve the people and not to make our future votes secure. You have got votes and you are sitting here, that does not mean that people are happy with you. You know what happened during the Assembly elections held one month after the Lok Sabha elections (*Interruptions*).

[*English*]

MR. CHAIRMAN : Mr. Reddy, you address the Chair. Why do you listed to them ?

[*Translation*]

SHRI C. JANGA REDDY : You announced the elections immediately after the death of Smt. Indira Gandhi but you did not get the same number of votes in Assembly elections as you got in the Lok Sabha elections.

[*English*]

MR. CHAIRMAN : We are not discussing the voting pattern, Mr. Janga Reddy. You speak on the Budget. You will be losing your time now.

**SHRI C. JANGA REDDY :** What can I do, Madam Chairman? I am being interrupted.

**PROF. MADHU DANDAVATE :** Madam Chairman, he is enjoying ladies' harassment. (*Interruptions*)

**MR. CHAIRMAN:** Madam, no interruption please.

[*Translation*]

**SHRI C. JANGA REDDY :** Madam Chairman, please protect me from these ladies...(*Interruptions*)

**SHRIMATI VIDYAWATI CHATURVEDI (Khajuraho) :** We never disturb any Member. This is the reply to what you said earlier...(*Interruptions*)

**SHRI C. JANGA REDDY :** Yesterday, I had asked a question about the banks which were running in loss, but my question was not replied to.

[*English*]

It is not only one bank but almost all the banks are bankrupt.

[*Translation*]

Our Finance Minister, Shri Poojari, arranges Loan Melas. I want to know how many persons have been given loans so far. More than 80 percent loans are given in cities and about 20 percent are given in villages. In earlier times, taking loans was considered to be a sin but now it is considered a respectable deed. For this purpose, our Prime Minister comes and disburses the loans. People are befooled and total to get loans and not to repay them to banks; in our Congress rule, loans are taken but they are not repaid. Hotels are also being given loans. To my knowledge, loans are not being recovered. We should exercise control over the banks. The loans being given in the rural areas are being recovered but in the case of urban areas, it is not so. You will have to look into it.

Sales Tax should be abolished in the States. For helping the farmers, excise duty on fertilisers should be scrapped. You have introduced Crop Insurance Scheme. You should cover cash crops like tobacco,

chillies, cotton and groundnut also under this Scheme. Cotton is produced in a large quantity in Andhra Pradesh. When the STC wanted to have licence for export, that was refused. If I ask the Finance Minister, he will say that a licence for 10,000 bales has been given to Andhra Pradesh. Earlier, the farmers of Maharashtra and Gujarat had been given licences, but Andhra farmers have been deprived of it. Telugu Desam M.P.s. had represented in this regard and they were told that 10,000 bales would be sent from Andhra. Apart from this, tobacco is also produced in Andhra, by exporting which a lot of foreign exchange can be earned. All the commercial crops should be brought under insurance cover. We have Telugu-Ganga project and Kolavaram and Pochampad projects also. A national belt should be created for these irrigation projects. In Andhra Pradesh, tobacco, paddy, wheat, minerals and coal are found in abundance. We need new collieries to extract black gold available there. Considerable power potential is available there. So, a number of factories can be set up there. There is a shortage of funds with Andhra Pradesh Government and, therefore, the amount of annual loans of 80 crores of rupees being given for Singrauli collieries should be increased in order to provide employment to more youth. The claim being made by you regarding employment through N.R.E.P. has proved to be totally wrong. Nothing is happening there except that the already built roads are being shown as if they have been built a new. The Members from Uttar Pradesh, Maharashtra and Karnatka are Complaining about it. (*Interruptions*)

You do not attend Parliament. (*Interruptions*)

Government should have a direct control over RLEGP and NREP to ensure proper utilisation of funds. M.B. Book should be maintained for the purpose. Work should not be given to the labour directly. It would be better have a tender system for that. The funds being given for RLEGP... (*Interruptions*) I request the Minister of Planning that RLEGP and NREP should be amalgamated. For digging ponds and constructing building, each labourer is being paid Rs. 9 per day. Ten labourers actually work but on the pay roll, the signatures of

[*Shri C. Janga Reddy*]

twenty persons are obtained. The entire money is being pocketed by Government Officers.

(*Interruptions*)

Old roads are being shown as having been constructed under RLEGP and NREP. Utter negligence is being observed in this regard. The Members from U.P. and Karnataka are complaining about it. I would, therefore, request you to improve the method of planning for getting the entire work completed. Separate funds should be provided to undertake big projects. I am thankful to you for having given me ample time to speak, but I request you to protect me from women when I am speaking.

(*Interruptions*)

[*English*]

BEGUM ABIDA AHMED (Bareilly) : Madam Chair Person, while presenting the General Budget for 1980-81, the then Finance Minister expressed the Government's firm resolve to repair the damage and to restore the economy of the country to the path of stability, progress and social justice. Under the able, wise and strong leadership of the late Prime Minister, Shrimati Indira Gandhi, this has been achieved.

India is predominantly an agricultural country. This being so, it is essential that the agricultural sector is in sound health. It has also been the experience of many developed nations that unless agricultural production reaches a high level, industrial progress is not possible at a rapid rate. Agriculture and industry are the wheels on which the Indian economy runs. If one or the other performs hardly, the economy of the country comes to a halt. Fortunately, food production has reached record heights and industrial production which had slumped a little has recovered substantially though the average growth rate of about 6% is still below the target for the Sixth Plan period. The balance of payments situation has also been healthy. Even the high rate of inflation has been effectively contained and controlled. The economy is functioning well.

While governmental policy in the agri-

cultural sector continues on existing lines, two new schemes are noteworthy. The scheme of crop insurance will indeed go a long way in mitigating the disastrous effects of drought or flood on the livelihood of our farmers. The other scheme of social security envisages a risk cover in case of death by accident in respect of earning members of poor families comprising landless labourers, small and marginal farmers, and traditional craftsmen. Indeed, I welcome these measures. These two schemes reflect the Government's commitment to rural development, agriculture and above all, to social justice.

Agriculture is doing well. Industry needs an impetus. It is in this background that the present Budget has been presented and it is in this light that it should be viewed.

Investment in industry and industrial production will pick up only if a healthy climate is created. The hon. Finance Minister in his speech has expressed Government's decisions designed to reduce rigidities and improve the environment for industrial growth. The proposed delicensing of certain industries so as to cut procedural delays to a minimum is one such decision.

At existing rates of taxation, the total receipts in 1985-86 are estimated at Rs. 47,635 crores whereas total expenditure is placed at Rs. 51,295 crores leaving us with a budgetary gap of Rs. 3,660 crores. Surely, the Finance Minister does not lack imagination.

The hon. Finance Minister could very well have plugged this deficit by enhanced taxation all round. That would indeed have put us all under a great burden. It would have brought upon us gloom and despair. We would have had a balanced budget all right but at the cost of being consumed by taxes.

Moreover, there is nothing sacrosanct about a balanced budget. On the contrary, economists have often suggested that in the case of an under-developed nation where the national income is growing at a rate of about 6% and the rate of inflation is around 4 to 5%, greater reliance can be placed on budget deficit to finance Government outlays as against taxation.

Viewed in this perspective, the deficit of Rs. 3,349 crores after taking into account budgetary proposals need not cause much alarm. In fact, the Budget as presented is designed to give an impetus to industrial growth and consequently to national income. No doubt there will be a mild pressure on prices but this should be more than counter-balanced by an increase in the supply position caused by the Budget and other Governmental policies.

Our dynamic Prime Minister, Shri Rajiv Gandhi has, on a number of occasions expressed the Government's determination to wipe out black money, and lowering the rates of personal income taxation is a step in this direction. It has been realised that the prevalence of high tax rates is the first and foremost reason for the spread of taxation and build-up of black money. Evasion is resorted to when the benefit of evasion is greater than the cost. As tax rates are raised, the benefits from evasion also increase and make evasion all the more attractive. As a consequence, high tax rates need not necessarily lead to greater tax revenue and in practice have often led to a lower tax collection. The hon. Finance Minister needs to be congratulated on his proposal to bring down the maximum rate of income tax to 50% and for abolishing the surcharge on personal incomes. Indeed it is a reflection of the Government's pragmatic and realistic approach to economic problems.

15.00 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

This reduction in rates of personal income tax and the raising of the exemption limit from Rs. 15,000/- to Rs. 18,000/-, coupled with the abolition of the scheme of Compulsory Deposit, have already produced waves of relief amongst the tax-payers, thought it would have been better if interest and instalment payment on CDS had not been deferred by one year.

Coming to wealth tax, estate duty and gift tax, wealth tax rates have also been reduced, estate duty is proposed to be abolished and gift tax has been left untouched. These three taxes were introduced into the Indian tax structure in the Fifties with

the hope that they would entail an increase in the tax revenue and a reduction in the unequal distribution of wealth. These objectives have not been realised. Wealth tax accounts for only 0.4 per cent of the total tax revenue whereas gift tax and estate duty yield only 0.04 per cent and 0.09 per cent, respectively. Together, the three taxes account for only 0.53 per cent of the total tax revenue. These taxes have been unable to bring about any measure of egalitarianism in so far as distribution of wealth is concerned. The hon. Finance Minister in his speech has recognised this in the case of estate duty and, therefore, proposes to abolish the same. But the same is true of the other two taxes also and more so, of gift tax.

Another argument in favour of abolition of gift tax is that gift tax and estate duty go together. Without gift tax, estate duty would be meaningless as death-bed gifts would quite easily avoid the liability of estate duty. It is to plug this lacuna in estate duty that gift tax finds itself in the Statute Book. When estate duty is to be abolished, why not abolish the gift tax also? In this connection, I would like to quote what the hon. Finance Minister has stated :

"A tax, however laudable in intent, should have no place in the Statute Book, if it has outlived its utility."

Another point to ponder over is that, both estate duty and gift tax are taxes on transfer of property. While estate duty concerns itself with transfer after death, gift tax is relatable to transfer during the life-time of the property-holder. When transfers after death are being exempted, why not during the life-time?

Out of necessity, the Government has had to place greater reliance on indirect taxation. Direct taxes have a very small base in developing countries and particularly in India. In an advanced economy, with a high per capita income, the Government is able to derive the major part of its tax revenue through direct taxation. But, on the other hand, in a developing economy characterised by low personal incomes and preponderance of small producers and traders, the collection of small amounts of

[*Begum Abida Ahmed*]

direct tax from a multitude of low-income-earners presents insuperable difficulties. It is only through indirect taxation that revenues can be raised to meet government expenditure. This explains the fact that customs duty and union excise duty account for 79 per cent of the total tax revenue. The Government has, throughout, devised an indirect tax structure so as to ensure a certain degree of progressiveness such that items of mass consumption are taxed at lower rates compared to luxury items. Through indirect taxation, particular commodities; and industries can be favoured. In the present budget, electronics and the electronic industry have received a favourable treatment. Electronics is the industry of our times and needs all the encouragement we can give.

The small scale sector has made India feel proud. The hon. Finance Minister has recognised this fact and has announced a new and liberalised scheme of exemptions for this sector.

There is some criticism from certain quarters that the Budget as presented would be highly inflationary. This is not true as time will tell. No doubt, a greater reliance on indirect taxes and deficit financing tends to create pressures for the upward movement of prices, but the envisaged increase in the output of industrial goods would more than counter-balance this tendency. The budget has achieved what it was designed to achieve. It has created an environment conducive to an acceleration in the rate of industrial growth.

Hon. Members, a wonderful opportunity has come our way, let us seize it. Let us ride the crest rather than be splashed under it.

Thank you very much.

[*Translation*]

\*KUMARI D.K. THARA DEVI (Chik-mangalure): Mr. Deputy Speaker, Sir, I firmly believe that our hon. Finance Minister has sincerely tried to rectify the financial position of our nation through this epoch

making budget. We have come across several budgets after independence. Many times due to some ideological conflicts. We were not able to see the reality and to rectify the fiscal position of our country.

Then why reactions from all sections of the society and also from outside and inside the Parliament about this budget. Some of them have said that the budget would help the affluent and rich people. Budget has certainly given several concessions to the industries. But it would be wrong to say that the budget hits the weaker sections. It has encouraged the production and given relief to industries. On account of this one cannot say that the budget is helping the capitalists. Wealth of the nation has to be increased and then only it would be possible to distribute it equally. If this step is not taken to increase production then we can distribute only poverty among ourselves. The budget has laudable objectives such as increase in the production, improvement in the efficiency etc. It is result oriented. Therefore, I say that it is an unique budget and I welcome it wholeheartedly.

Sir, I represent rural area and therefore I would like to highlight the conditions prevailing in the villages. In this novel budget an amount of Rs. 932 crores has been earmarked for rural development. An amount of Rs. 790 crores has been allocated to agriculture and cooperative sector. For the last thirty six years we have achieved some progress in rural planning. We are stopping into the 7th Plan after completing six five year plans. The Government has tried its best during these plan periods for the rural development. I regret that inspite of all these efforts to improve rural life poverty has not been wiped out from our society. Many traditional rural industries have been neglected in the name of modernisation. A situation has come where mechanisation in industry is destroying cottage industry. Life in villages cannot improve if this attitude continues. Unemployment is on the increase. There are about 45 million persons in our country who are unemployed. We produce only 153 million tonnes of foodgrains even though we have 165 million hectares of cultivable land.

\*The speech was originally delivered in Kannada.



About 80% of the population lives in villages. Therefore, it is very essential to give top priority to agriculture and cottage industries. We have to encourage irrigation programme if we have to solve the unemployment problem in rural areas. Similarly priority should be given to generate more power and to supply it to the rural areas. If this is not done, rural life cannot improve inspite of our five year plans. Instead of spending large amount on major Irrigations which will take ten to fifteen years for completion I suggest that minor irrigations should be given top priority. Therefore investment in the small sector and irrigation projects should be given priority. Then only we can expect bumper production. Therefore I urge the Minister to give maximum encouragement to small and cottage industry.

On the public sector crores of rupees are being spent but the expected efficiency has not been achieved in this sector. I welcome the governments efforts to improve efficiency in public sector during the 7th Plan period. I urge that steps should be taken to achieve the expected standards of efficiency. To ensure efficiency in the public sector there should be neither any political intervention nor frequent transfers. Responsibility should be assigned on each public sector otherwise there would be huge financial losses and ultimately the rural masses have to suffer. It is a matter of shame that so far we have not succeeded in stamping out poverty from the country inspite of various discussions in the Assemblies and in the Parliament. We have to take the whole responsibility for it. Therefore I would like to suggest that stringent measures have to be taken if the public sector does not work according to the responsibility assigned to it.

Similarly power projects are also not functioning upto the expected level of efficiency. This becomes very clear when we look into the Economic Survey. Therefore I urge that steps may be taken to see that power projects work properly.

For the first time in history a new Ministry has been created for the welfare of women. Education for girls upto higher

secondary level has been made free. Several other welfare schemes are there in this budget, for the emancipation of women. Therefore on behalf of the women of our country I congratulate our young and dynamic Prime Minister Shri Rajiv Gandhi. Since women constitute 50% of the population of our nation jobs should be provided to them accordingly. I would like to stress that the nation cannot progress in the absence of proper programmes for women.

Farmers agitation is going on in several parts of the country. Farmers are dissatisfied. This agitation may gain strength and it may lead to all kinds of disturbances. The farmers are demanding the Government to give the same importance to agriculture as they pay to industries. Industries get all facilities like water, electricity etc. year after year. But the poor farmers are not provided with any concessions in water electricity charges. The farmers are so poor that they cannot repay the loans to the banks. Loans are passed on to next generation. Hence farmers need all possible help from the Government.

Our late Shrimati Indira Gandhi was the Prime Minister of our country for 16 years. She has done yeoman service not only to this nation but to the whole world. She brought political stability in our country. She was mainly responsible for our progress in the fields of science, atomic energy, space, environment etc. The whole world is aware of the magnanimous contribution of Shrimati Indira Gandhi towards world peace and to the non-aligned movement. The coming generations should be enabled to know about the valuable contributions of our beloved leader. Therefore I demand that the Government should establish study centres in all the Universities of our country in the name of Smt. Gandhi. The centres should enable the students to take up these for their doctorate degrees on Smt. Gandhi's farsightedness and rich contribution to the nation.

With these words, I thank you and conclude my speech.

\*SHRI C. SAMBU (Bapatta) : Mr. Deputy Speaker, Sir, I would like to speak in Telugu.

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\*The speech was originally delivered in Telugu.

[*Shri C. Sambu*]

The budget proposed by the hon. Finance Minister for this year is anti poor and pro-rich. It appears that it has been specifically designed for the rich people of this country. The party has forgotten the interest of those millions of people who have voted it to power. Further, this budget decreases the revenue of the States but increases the revenue of the Central Government. This is neither in the interest of States nor in the interest of the Centre. For weak States means a weak Centre. The Centre can be strong only when the States are strong. The retardation in the progress of States is nothing but the retardation in the progress of the nation. The budget does not speak of the plethora of promises that Congress party had made during the recently concluded elections. For all these reasons, Sir, on behalf of my party, Telugu Desam, I oppose this budget.

Sir, ours is a country where majority of the people like agricultural workers, weavers and others who pursue various other occupation live. All these persons are living below poverty line. But unfortunately this budget has ignored them all. This budget was not made keeping the farmers especially small farmers in view. There is not even a single proposal in this budget which benefits the farmers. No concession is given to them. No steps have been taken to offer remunerative prices to the farmers. At present farmers are not getting the remunerative prices for their produce whether it be a cereal or a commercial crop like tobacco, ground nut etc. The cost of inputs, and their labour and the risk they undertake are not being taken into consideration while fixing the support price for their produce. The Centre is not caring to consult the State Governments while fixing the support prices. So the prices are being fixed unilaterally which are ruining the farmers of this country. This policy must change. The States should be given sufficient powers to fix the support prices for agricultural commodities since the States will be in a better position to gauge the conditions existing in their areas. This will help not only the farmers but also the States.

Speaking about the taxes imposed in

this budget, it is strange that even items like Pan Masala are also not spared. Pan Masala has become tax masala. Sir, only the affluent use this pan masala. But in Southern States like Andhra, Tamilnadu and Karnataka, it is not popular. Instead, they use scented betel nut powder. Scented betel nut powder is very much popular in one part of the country not only among the rich but even among the poor. The preparation of betel nut powder is being carried in a big way as a cottage industry. Thousands of persons depend on this industry for their livelihood.

(*Interruptions*)

[*English*]

MR. DEPUTY-SPEAKER: You cannot exhibit anything in the House. You have to take permission.

(*Interruptions*)

[*Translation*]

SHRI C. SAMBU: So it is most unfortunate that the proposed tax on pan masala is being extended to the scented betel nut powder, hitting thousands of poor people who are engaged in this cottage industry very badly. It is injustice. There may be some justification for imposing tax on pan masala as it is consumed by the affluent but there is absolutely no justification for extending this tax to scented betel nut powder. Hence I request the hon. Minister through this august House not to extend the proposed tax on pan masala to scented betel nut powder. I hope the hon. Minister will agree to this suggestion and thus will not deprive thousands of poor people in the Southern region of their livelihood.

Once again fishermen and thousands of others who are involved in fishing industry has been ignored. Especially so in the case of fishermen living in coastal Andhra. Their problems are many. They are a neglected lot. They are living in a dark world now. So far no Government have shown any interest in solving their problems. You have not done any justice to these fishermen. I come from the coastal area of Andhra and know their problems. These fishermen have no facilities. They do not have Transport facilities. They do not have hospitals. They have no educational ins-

stitutions for their children. They do not have roads as well. Hence I request this Government, through you Sir, to come forward and pull them out of their miserable plight. In this connection, I also request to take up the constructional of Ichhapuram-Thada road.

Handicrafts have been totally neglected in this budget. It too needs some sustenance from the Government.

Sir, women constitute 50% of the population in the country. But for the women, the Congress party would not have been in power today. Yet this Government have very conveniently forgotten the interests of women. This Government chose to increase the cost of all the cosmetic including hair oil used by women. Very sad state of affairs indeed. When Telugu Desam party is trying at the State level to elevate them to the level of men by providing a share in property on par with the men here, at the Centre, the Government is trying to tax even the cosmetics used by them. It is most unfortunate.

I take this opportunity to request the Union Government to abolish the contract labour system. Instead the Government should make all efforts to encourage self-employment schemes.

Sir, ours is a developing country. Majority of our people live below poverty line. Hence there is every reason to implement programmes which are beneficial to the poor. In our State, the Telugu Desam Government is implementing successfully the schemes like mid-day meals to the children, providing rice at a subsidised rate of Rs. 2 per Kg. and distributing clothes at cheaper rates through fair price shops. Why don't you implement such schemes throughout the country for the benefit of the poor? I request the Centre through this august House to take inspiration from the performance of Telugu Desam Government and implement the same at the national level. Food, cloth and shelter are the basic needs and the Government should do all to ensure the same to the poorest of the poor.

Sir, I come from a coastal area of Andhra. Nizam Patnam, Chirala and Motupalli can very easily be converted into minor

ports. Though a survey was conducted for this purpose, so far no action has been taken to convert them into minor ports. Once again I am bringing this fact to the notice of the Government and request to initiate steps to develop Nizampatnam, Chirala, Motupally as minor ports. If these places are developed into minor ports we can export fish, Jute, cotton, tobacco and ground nut to other countries through these ports and earn valuable foreign exchange.

I come from Chirala. It is a coastal area. Lakhs of people die every year due to cyclones. There are no cyclone shelters in this area. I appeal to the Government to construct cyclone shelters to protect them from cyclones. During cyclones, the affected people must be given timely help.

Sir, in and around Chirala there are many weavers who weave quality jacquard. This item can find a foreign market readily. So I request the Government to export this item. It will improve the living conditions of the handloom weavers there.

Before concluding my speech, I appeal to the Government to reconsider their decision to tax items like kerosene, pan masala and scented betel nut powder. I hope the hon. Minister would withdraw imposition of tax on these vital items and save the poor people. I thank you very much for giving me this opportunity.

[English]

MR. DEPUTY SPEAKER : Shri Mukul Wasnik, please try to finish it in five or six minutes. The Minister would like to make a statement at 3.30 p.m.

SHRI MUKUL WASNIK (Buldhana) : First of all, I thank you very much for giving me this opportunity to speak on this budget. First, I would like to recollect a statement made by our Late Prime Minister, Shrimati Indiraji. Shri said, and I quote—

“I believe in accepting difficulties as a challenge. Only that nation which accepts challenges can grow in strength. No nation has grown to greatness without facing hardships with courage.”

With these words of wisdom of our late Prime Minister I now rise to support the

[*Shri Mukul Wasnik*]

budget submitted by our hon. Finance Minister, Shri Viswanath Pratap Singh.

It is a good sign that this budget is welcomed by many. I also accept that there will be some difficulties and there may be some challenges. But these difficulties and challenges, we have to face with courage determination. Unless and until we face these difficulties and challenges with courage, we cannot go towards our aim, we cannot go towards the target for which we are yearning, for which we are hoping and for which we are aspiring.

Shri V.P. Singh, in his budget, has made certain provisions thereby trying to remove the ills which had been plaguing our society since so many years last. He has put a side many of the provisions in the statutes which were creating many problems in the society and thus tried to create a good fiscal policy for the growth and development of our nation. Certain measures taken by the Finance Minister like reducing the personal tax at all levels to the maximum of 50 per cent and also the abolition of the estate duty, and restructuring of the wealth tax, etc. may give relief to the affluent but that does not make the whole exercise pro-rich, since the aim is to make tax structure self-generating and free from the disease of black money.

As is the experience in many of the countries of the world, we can draw inspiration and hope that the results achieved elsewhere will also not be difficult for us to gain.

The concessions given to the corporate sector apart from meeting the menace of black money, will also certainly open new vistas which will, no doubt, be gainful to the country.

The biggest problem of our times, I personally think, is the unemployment problem. It has spread throughout the length and breadth of our country. The problem is gigantic as the total registered unemployed are about 24 million. It is our task, it is our duty to meet this unemployment problem and I request the hon. Finance Minister that the unemployment which is increasing

at a rate of 1.3 lakhs per month must be tackled. The employment opportunities will have to grow. To achieve this the base of the industries whether public, private or corporate sector must be widened.

In order to widen the employment opportunities; also rural and cottage industries will have to proliferate. May I hope that this budget will lay a foundation stone for the structure of gainful employment and towards reduction of unemployment? The only caution which we must keep in mind is that the budget may not give a rise to inflation. With the upward revision of the railway tariff as well as some of the proposals made by the Finance Minister. Such as the increase in the price of the petroleum products is showing an effect on several consumer items, making them dearer day by day. If this trend is not checked, we may have difficulties in realising our cherished dream of giving better and easier life to the poor. The needs of the poor are not as many as that of the rich. They do not aspire for luxury things; they do not want comfort; they only want the basic necessities like houses, food, cloth, communication and transport facilities. Therefore, I will suggest that these things must be kept in mind so that the poor may get these things at a cheaper rate.

Education, which is one of the most important things, which develops the overall personality of a person, must also be made available to the people at a cheaper rate. The budget proposals as proposed by the Finance Minister, I think, are not substantial to meet what we dream today. Education must be looked as one of the most important things. May I hope that the increase in the levy of cement will not increase the construction cost of the houses for the poor? This must also be kept in mind because it is also very important, as far as we look towards the poor. Let me add in a hurry that the proposal with regard to an announcement to give free education to the girls up to the higher secondary level is also very appreciable and I welcome such proposals at this time. This policy as announced it has been in practice in many of the States. But, nevertheless, it is very important, as far as education for the girls is concerned. As we look behind, we have seen that education is growing day by day, year by year. But

the education has shown some discrimination between the girls and the boys. Boys are getting education, but the girls find it difficult to get it. But the proposed policy to give free education to the Girls up to the higher secondary standard will encourage girls to go in for education.

It is said that this is a rich man's budget. Many of the opposition members say this. We do not want to quarrel with those people because, sitting in the opposition they have to say something ; they cannot say in favour of the budget ; they will have to oppose it. Therefore, we do not see any point in criticising them or having any quarrel with those people.

May I ask as to who will benefit from the increase in the exemption limit for retrenchment compensation from Rs. 20,000 to Rs. 50,000 ? Who will benefit from the increase in the base for calculating bonus payment from Rs. 750 to Rs. 1600 ? Who are the other people who will benefit from the tax-free loan or loan given at a concessional rate for the housing need ? Who are they who will benefit from the provision that the salaried employees will no longer be denied of the standard deduction of 25 per cent on their salary merely because transport facilities were made available to them by the employers ? Will not the poor in the length and breadth of the country benefit from the concession given in f.v. as well as radio ? Who will be the people who will benefit from Rs. 3000 which will be given from the social security scheme ? Who are the gainers from the crop insurance scheme proposed in the Budget ? Has not the Finance Minister taken care of the Scheduled Castes and Scheduled Tribes by providing funds for implementing the Special Component Plan ? Is it not a Budget, offering benefits to the poor by making substantial provisions for implementing the 20-Point Programme ? There are many such schemes which surely are for the welfare of the poor for the society and for the nation at large. But I would like to say here that however good the Plan may be, its work depends on those who implement it. Therefore, one thing must be kept in mind, that the administration through which we are to implement this Plan must be made in such a manner that it can really bring these pro-

grammes to the masses for whom we propose them.

“At the end I would only like to repeat certain words of our late Prime Minister who said that “Nothing worthwhile is achieved without effort and hard work. It has been said the builders of joy are the children of sorrow.” But this budget, certainly, is that sense may not be a builder of joy but we are here to strive to achieve the dream of our beloved late Prime Minister, and make successful the attempts. With these words, I once again support the Budget which our Finance Minister has proposed.

THE MINISTER OF STATE IN THE  
 MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : Sir, with rapt attention I have been hearing hon. Members from this side and from the Opposition side, making contributions—valuable contributions—to the Budget discussion.

Every year, when the Budget of the Government of India is presented, there is criticism, and there are also laurels and praises for the Budget. We have been hearing constructive suggestions and also constructive criticism from the opposition also, and sometimes opposition without any basis. This time, if you kindly look at the observations that have been made by the Press, by the industry, by the trade and by the people, we can say that here is a Budget presented by a sincere, sobre, straight-forward, honest and brilliant Finance Minister of the Government of India. He has presented a Budget which is a balanced Budget. I know that there are critics who are sitting on the other side and we have been hearing them. We know that also. They profess themselves to be committed to a particular philosophy and a particular commitment to a particular ideology. They say that we have been giving up the policy of self-reliance, they have been saying that we are running away from socialism, they have been saying that we have become anti-poor, anti-labour and that we have been giving step motherly treatment to the States. These are some of the observations that have been made after the presentation of the Budget, outside Parliament, and also inside Parliament. Here is a Finance Minister of the Government of India who

[*Shri Janardhana Poojari*]

has to satisfy all sections of society. He has to satisfy the State Governments, the trade and industry, the common man, farmers, labour and his colleagues in the Council of Ministers as they also come forward with demands. The question is whether with the limited resources available, the Finance Minister is able to satisfy all sections of society and whether he has been able to meet reasonably the bona fide requirements of all sections of society. I may go a step further and say that there is a Finance Minister, who has sincerely made attempts to improve the functioning of the economy of this country. This Budget is not only the Statement of Receipt and Expenditure, but it is a Budget to improve the functioning of the economy. Improvement of the economy lies in the fact that it must create jobs. Unless the economy picks up, there cannot be jobs. Unless jobs are created, unemployment problem cannot be solved. With this background, let us proceed. I do not want to go into details as to what are the benefits that have been derived by the weaker sections and also the trade and industry. It has been discussed in detail both on the floor of Parliament and outside also.

To take up the first point i.e. whether we have given up the policy of self-reliance, here it has been stated that we depend more on foreign assistance and foreign borrowings. We have got the Sixth Five Year Plan. We have seen that there was a massive outlay of Rs. 97,500 crores. In the first four years, there was an expenditure of more than Rs. 80,000 crores. For the fifth year the allocation was Rs. 25,000 crores but actually the expenditure would be to the tune of Rs. 30,000 crores. So, the massive outlay of the Sixth Plan would go upto Rs. 10,000 crores. Now, what is the share of internal resources and how much is the dependence on foreign borrowings and assistance? The House will be glad to know that the dependence on foreign assistance, whether it is bilateral or multi-lateral or coming from IMF and other sources, is to the tune of 7 to 8 per cent only. 93 per cent has come from internal resources. Is it a mean achievement? Can we say that our country has not progressed? Can we say that we have given up the policy of self-

reliance? What is the domestic investment? It is 25 per cent of G.D.P. What is the domestic rate of saving? It is 23 per cent. So, the dependence upon foreign capital is only 2 per cent. If we take a hypothetical position that tomorrow some multinational companies are going to withdraw assistance or capital from this country, what will happen? Nothing will happen to the Indian economy or to the country. It is said that some small countries are going ahead of us, but what is the position there? If the foreign companies withdraw their assistance from those countries, their economy will fall like a house of cards. But here can we say that self-reliance is a slogan? Self-reliance cannot be a slogan. Self-reliance should be attained not by writing on a wall, it should be attained by performance. The Government of India has been performing well for the last so many years. I fully agree with the hon. Members who stated that our economy was doing well and that the performance of our economy was very good.

It has been said that we are running away from the public sector and we are encouraging the private sector. How many public sector companies were there at the beginning of the First Five-Year Plan? Only five public undertakings were there with an investment of Rs. 29 crores. Today Rs. 35,400 crores are invested in the public sector undertakings. Can anybody say that we are running away from the public sector? Some people say that we are anti-labour, some say we are not for the labour. We have heard that on the Floor of this House during the last so many hours. If you go through the speech of the Finance Minister and if you go through the Budget, you will find that so many incentives have been given to the labour. I need not repeat them. But still it is said that we are anti-labour. You may kindly note that when the distinguished hon. Member from the opposite side Shri Indrajit Gupta made his point, he conceded that he had discussions with the labour and with the Finance Minister and it was represented to the Finance Minister that the Compulsory Deposit Scheme should be withdrawn. It has been done. I do not say in detail but he mentioned three points which he made and which have been considered. Then are we anti-labour? If you say we are anti-labour, you take the period between 1972-84, the ten years period of

Indira ji's regime...*(Interruptions)*. I have been hearing them patiently, I have been disciplined also and I never interfered when they were speaking. So, I was saying that during this ten years period, the wage of the labour has been increased by  $3\frac{1}{2}$  times ...*(Interruption)*.

**SHRI SAIFFUDIN CHOWDHURY :** What about the price rise ?

**SHRI JANARDHANA POOJARY :** Yes, I knew that this question will be put. The prices have been increasing...*(Interruption)*.

**MR. DEPUTY SPEAKER :** I request the Members not to interfere. Let him finish. When he is speaking, it is our duty to listen to him. If there is any point, you can note down and ask him after his reply is over.

**SHRI JANARDHANA POOJARY :** Prices increased by  $2\frac{1}{2}$  times during this period but the wage-rise has been  $3\frac{1}{2}$  times. The Government of India under the leadership of Congress Party is not against the labour.

Now it has been made out that we are not giving anything to the States, we are showing step-motherly treatment to the States. At the same time, they say there is a cut in the Central Plan outlay, we have not provided sufficient funds for the Central Plan. Then, for the last two or three days, they have been saying that the States have not been given sufficient outlay, the Centre is concentrating everything in its hands, it is not doing anything for the States.

But what is the real position ? The central assistance for plan outlay for the States has been increased by 39 per cent. It has never happened in the history of Centre-State relationship. We have been able to provide more funds to the States and yet this complaint is made that we have not done anything. Take agriculture, water supply, education etc. They are all in the State sector or State subject for which we have provided funds. The states have to take care of the farmers, the rural people, particularly the poorer sections of the people.

What is the amount that has been given to the States ? So far as the Plan is con-

cerned, the transfer from the Centre to the States has gone up from Rs. 13,176 crores in 1984-85 to Rs. 17,476 crores in 1985-86, an increase of Rs. 4,300 crores. In the current year assistance for state plan is 4313 crores, which will rise to Rs. 6,000 crores next year, a sharp rise of 39 per cent. This shows that the opposition want to criticise us just for the sake of criticism, just for the sake of opposition. That is why prof. Ranga in the beginning itself suggested that there should be constructive criticism.

Then I come to what we give to the farmers. So far as finance is concerned, under the IRDP whatever we give to the farmers, 25 per cent is subsidy. Suppose we give Rs. 4,000 to a small farmer. Rs. 1,000 out of it would be subsidy, which is borne equally by the Centre and the State. If he is a marginal farmer, the subsidy will be  $33\frac{1}{3}$  per cent. If the amount of loan is Rs. 3,000, the subsidy would be Rs. 1,000. In the case of a tribal, the subsidy would go upto 50 per cent. Yet, it has been stated that we have not done anything for the farmers.

Then, there is no income-tax for the farmers, no wealth-tax or estate duty ; of course, estate duty has been removed for others also. Then, in every kg of rice supplied to the poorer sections, the subsidy is 60 paise and in the case of wheat it is 54 paise. The State Governments think that they have been giving it. No, they are not giving. The issue price of rice is Rs. 2 08 paise. But before this issue price, we have been giving a subsidy of 60 paise. Now, take cloth. Some of the State Governments have stated that they have been giving subsidy in the case of sarees. Here, I may inform the Members that in the case of cloth the Central Government is giving subsidy to the tune of Rs. 105 crores. In the case of mill-made cloth there is a subsidy element of Rs. 2 per square metre of cloth. In the case of handloom cloth a rebate of 20 per cent is given. Now, I will show what we are giving to the farmers. In the case of fertilisers for every kilogram of fertiliser, both domestic and imported, we are giving a subsidy of 95 paise. per kg. In other words for every bag of 50 kg. of fertiliser, a subsidy of about Rs. 50 is being given.

Now, so far as the post cards are con-

[*Shri Janadhana Poojary*]

cerned, they are used by the poor people. They are also used by the rural people. Now, what is the cost of the post-card? We are selling it at 15 paise, but the economic cost of production, including the handling cost, comes to 59 paise. That means a subsidy of 44 paise is there in one post-card. The Finance Minister has to incur a deficit of Rs. 187 crores from the postal side alone. These are some factors to show that we are for the poor people and not for the elite class. This clearly shows that we are for the weaker sections of society.

Now, I come to the Differential Rate of Interest scheme. We are providing loans to the poorer sections of the society at a differential rate of interest of 4 per cent. We are giving a rate of interest of 11 per cent to the depositors of savings for five years. More-over, we have to pay for the cost of the furniture, accommodation and salary of the employees. That means for every Rs. 100 of saving collected we have to spend about Rs. 13 to Rs. 14. So, while we are giving loans at the DRI of 4% to the weaker sections of society, we are accepting the deposits at a cost of 13 to 14 per cent. It is not that we are working for the poorer sections of society? About 39 lakhs of poor people are taking the benefit of this DRI scheme.

16.00 hrs.

Now, under the IRDP, so many people have been given subsidy. Every year we have to cover 600 families, poor people. 5,011 blocks are there in the country. At this rate a sum of Rs. 3000 crores should have been taken from cooperative banks in the Sixth Five Year Plan. How much have we been able to give? How many families we have to cover in all? We have to cover one-and-a-half crores families. Already we have covered them. By February 1985—the target is for March 1985—we have been able to cover all. This is the performance under IRDP. Can anybody say that we are not for the weaker sections? Can anybody say that we are against the poor people? And how many people are there in the labour sector and Government employees? Two-and-a-half crores of people are working in public enterprises, Railways

and the Postal Department. The number of Central Government employees is 35 lakhs. Two-and-a-half crores of people are working in the Government sector and they have been able to get some concession. Now we are to see who are paying the tax. We have given some concession. To whom can we give this concession? We can give this concession to a person who pays the tax. For others tax concessions could not be given. How many people are taken out from this tax net? Ten lakh employees or ten lakh people, the assesseees. Is it a mean achievement? And these are the people who have been telling, 'Change the tax structure', and the Opposition Party Members are in alliance with our Janata Party Members and BJP people. They have been telling that the corporate tax is the highest. and they have been telling, 'Reduce it. When you reduce it, you will collect more.' That was your philosophy. You have been telling this for the last 37 years and you have been claiming that unless it is done, there cannot be any improvement. This is your philosophy. Yes, we have taken the challenge this year. We have taken a challenge, Government is not suppressing any facts, we have reduced the tax for the corporate sector, but with a warning: 'We have reduced your taxes, now be honest and pay the tax.' We must collect more. We have seriously plugged the loopholes; bottlenecks have been removed, and stringent punishment will be given. And for the information of the House we can say that 1133 raids were conducted during a short span of two months. You have been hearing that there have been raids, customs raids. Almost daily you have been listening to the reports about them, they are coming in the TV, on the radio and through newspaper reports. We are very careful and cautious, at the same time we are moving very fast. We have given concessions, we have reduced the tax, but at the same time we have withdrawn some other concessions. Now, it has been stated that we are going to lose in terms of tax collection from the corporate sector. No, we are not going to lose. On the contrary the estimate is about Rs. 251 crores that we are going to collect. Not only that. The Supreme Court judgment is also in our favour. With the help of the Supreme Court decision we are going to collect more. That is going to happen in



this country.

Sir, it has been stated that particularly our Government is in favour of trade and industry. Yes, we have to take care of these people trade and industry, labour, farmers, common men and the poorest among the poor who are living below the poverty line. How? In the beginning, I have stated that we have to create more job. We have to improve the production. We must have the production in this country. We must have the productivity. We are going to enter the 21st century with a definite philosophy of growth. Here also, the growth will be there with the social objective. We are not going to give up the social objective.

Sir, a reference has been made to our Party, the Indian National Congress. Yes, we are the members of the Indian National Congress. For the last 100 years, it has the history. Indian National Congress history is the history of the country. We had promised to the people of this country freedom from political slavery. We had promised to the people of this country freedom from economic bondage. We have got freedom from political slavery. We are going to get economic freedom from the economic bondage. For that purpose, we have presented this Budget. It is a Budget with a beginning. It gives the direction. It gives the direction to the nation. Here is the nation with 70 crores of people. Here is the nation with about 31 crore people living below the poverty line. Now, we have to look after them. We are looking after these people. We are committed to it. That is why, our hon. Finance Minister has presented this Budget on the floor of the House. I am making one point very clear. It has been stated that adequate funds are not provided for NREP Programme. It has been stated that adequate funds have not been provided for the IRDP programme. But I would say that adequate funds have been provided. We are committed to these programmes. We are going to assure the House and the nation that we are going to meet the genuine requirements of these programmes. Even actuals will be met by us and we are going to meet the requirements.

Apart from this, there is one more programme called the programme for edu-

cated unemployed youth. It is for the weaker section; it is for the middle class. It may be for the children of a policeman; it may be for the children of a Pressman; it may be for the children of a clerk, if they are unemployed. He may be a child of a bidi roller. For them also, we have given some amount. Now, you may ask, if there are uneducated unemployed, how would you face it. You go in for some business; go in for some small scale industry. He will be given assistance from the banks. Out of Rs. 25,000, 25% would be the subsidy amount. How many people will be covered? How many people have been covered? 2,42,000 people have been covered in the current year. We can say that about a sum of Rs. 401 crores has flowed from the banks and from the cooperative sector.

Sir, this would be my last point. About the price rise in the petroleum products, our hon. Members and the nation should understand that there is a change in the exchange rate. The exchange rate of dollar has gone up. We have to pay more. Due to this change in the exchange rate, we have to give 1,000 crores more. How to meet it? From where can we get it? Somebody should pay; the consumer should pay. Otherwise, there will be more deficit. Should we not act? Should we keep quiet? If we had kept quiet, what would have been the effect?

I will give you an example. In the year 1979—please keep it in mind the year 1979 when the Janata Government was there—the inflation was 21.4 per cent. Nothing was done during that period. The Government of India at that time kept quiet. Next year, our Government came to power and raised the petroleum prices. During the period between June, 1980 and 1981 the petroleum prices were raised thrice, ranging from 25 per cent to 40 per cent. What was the effect? The inflation came down from 21.4 per cent to 16.7 per cent. It was said that there would be more inflation. But the inflation came down. Why I am making this point is that it is a question of better management of the economy. We have to see whether there is bad management or good management. If you are going to manage it properly, the inflation will not be there.

[*Shri Janardhana Poojary*]

What is the current inflation? It is 5.5 per cent. There will be inflation and the prices will rise. To a certain extent, the price rise will be there. We do not say that there will not be any price rise. It will be there. But what would have happened if we had kept quiet? The deficit would have been more. In the year 1979, the deficit was to the tune of about Rs. 2,475 crores. Now also, if we had kept quiet, the deficit would have been more. Then, the opposition parties would have said that the deficit has been increased to the maximum extent. We are now telling the nation to pay more. We have to pay Rs 1000 crores because of the change in the exchange rate. We have to pay more. So, we have to make a sacrifice.

During the freedom struggle, there was a sense of patriotism amongst the people of this country. What has happened to that? Can't we contribute something for the nation's economy. The image of the country is involved. The trade has to pay; everybody has to pay. The hon. Member, Mr. Indrajit Gupta, made a point that every family has been affected. Yes, I contacted the poorest of the poor. I explained to him and said to him, "You have to pay more." He said, "Yes; I will pay more. I am a patriot, It will be my contribution for the development of the country." That should be the spirit amongst the people of all sections of the society.

Let us congratulate the Finance Minister. Under the circumstances, what would have been the position of any other Finance Minister? You place yourself in his place. What would you have done? Here is a man who has given direction to the economy of the country. Let us give encouragement to him. Let us have more production; let us have more food; let us have efficient administration; let us have clean administration.

With these words, I conclude.

**SHRI AMAL DATTA :** Did he make his speech as a Minister?

**MR. DEPUTY SPEAKER :** Final reply will come.

**SHRI KADAMBUR JANARTHANAN (Tirunelveli) :** Mr. Deputy Speaker, I rise to support on behalf of All India Anna DMK the Budget of Shri Rajiv Gandhi which is result oriented.

As has been rightly pointed out by the ex-Finance Minister, Shri H.M. Patel, the Budget represents various sections of the people who have given a massive mandate to this new Government. This Budget makes the people convinced that whatever judgment they made in 1984 in electing this Party to power is correct and that this Government will make India a new India.

The hon. Minister of Finance has told us that the good crops this year will help reduce the effects of inflation due to the deficit financing. There is an old proverb that the Indian Budget is a gamble of the monsoon. We have to depend upon agricultural productivity for our prosperity. Our new Prime Minister, Shri Rajiv Gandhi, has often been saying that this is a farmers' Government. He did not stop at that. He proved what he has been saying by bringing a new Scheme, the Crop Insurance Scheme. If this Scheme is implemented with all the technology available, the grass roots of our society will be benefitted. Is it not bringing about a revolution which we never before heard of? Shri Rajiv Gandhi has introduced this Scheme not on the advice of a mere small group of advisers but on the advice of crores of people whom he happened to meet at the time of general elections. It is the Indian people who had advised Shri Rajiv Gandhi to introduce this Scheme. I would, therefore, advise this Government that the crop insurance scheme should be implemented in right earnest.

The crop insurance scheme should be implemented first of all in the dry crop areas which are at present growing crops by four types of irrigation namely, the rain-fed crop, well-water irrigation, lake water crop and underground water crop. Such areas exist in the States of Vidarbha, parts of Andhra Pradesh, and Tamilnadu. The crop insurance, scheme should be introduced in these areas first.

The Government has included wheat, pulses and oilseeds under crop insurance scheme. I am extremely sorry they have

forgotten cotton which is the major indigenous agricultural product and which is entirely consumed by our textile industry. Cotton is the major industry of India. Cotton is being sold at throw away prices in Maharashtra, Andhra Pradesh, Tamilnadu, Gujarat and Punjab. Even the CCI and the National Textile Corporation are not giving good price for cotton nor are they coming forward to pay remunerative prices to the farmers because they do not buy direct from the farmer but through the intermediaries.

I therefore request the Government to set up a Cotton Board immediately. At present, there is the Tea Board and Coffee Board but there is unfortunately no Cotton Board. As an agriculturist from Tamilnadu, I request the hon. Minister that Cotton Board is very essential for the farmers and the crop insurance scheme should be implemented in right earnest. The crop insurance scheme should not be mismanaged and it should not be allowed to go to a few hands.

When the loans were given in the context of the implementation of the 20-Point Programme, they were given both to the good and the bad people. When the Crop Insurance Scheme is implemented, it must be implemented properly and the dry crops should be given the first preference. The cotton crop should be included to be covered under this Scheme. You may say that cotton is a cash crop. But I would point out that the entire cotton is used indigenously in the textile industry. Till 1964 we were importing global cotton for the production of 80 and 100 counts yarn. Now we are producing everything here ; we are not importing even a single pound of cotton. Suvini cotton produced in Tamil Nadu and Andhra Pradesh is producing excellent yarn, even 120 counts yarn. The farmers should be encouraged. I request the hon. Minister to set up a Cotton Board and save the cotton farmers by giving them proper prices. They can get proper prices only if the CCI and the NTC work properly and correctly.

Though during the Sixth Plan period the amount spent on Accelerated Rural Water Supply Programme was about Rs. 925 crores as against the original outlay of Rs. 600 crores, still thousands of villages are left out. So, it is the duty of the Central Govern-

ment to assist liberally the States for this ARWSP, so that, by 1990 not even a small panchayat will be left without drinking water facilities.

Once again I say that this is a result-oriented budget except for the small rise in respect of petroleum but the Finance Minister has explained the position.

I am sure that the new India will grow from strength to strength. In 1948 when the Father of our Nation, Mahatma Gandhi, was assassinated, we wept on hearing the news over the radio. But in 1984 when our late Indiraji was assassinated, we wept viewing the whole thing in T.V. That is the advance India has made. and I am sure we will march on and on making more and more progress.

**SHRI TARUN KANTI GHOSH** (Barasat) : Mr. Deputy-Speaker, Sir, first of all I want to thank the Finance Minister for presenting a Budget which is very balanced, not from the point of view of balancing the deficit by earning revenue for the expenditure, but from the point of view that it has tried to do good to the different categories of people: it has done some good for the workers, for the peasants and for the middle class ; also it has given some impetus to industry.

I want to thank the hon. Minister particularly for introducing the Crop Insurance Scheme that was being agitated for a long time. But I would like to make a request to the hon. Minister of State who is present here, namely, that jute should also be one of the crops to be covered under the Crop Insurance Scheme. Jute is one of the major crops in my State, and that is why I make this special request to him.

The need for development of our country was recognised when India became free, and one of the major objectives was that India as a whole should be developed equally. But may I say that the eastern parts of India, not only West Bengal but also Bihar, Orissa, Assam the north-eastern States and also U.P., if I may include that also, are very backward economically in comparison to the other parts of our country. I feel proud when I see the economic development in Punjab because Punjab is also a part of

[*Shri Tarun Kanti Ghosh*]

India and I consider Punjab as my State. I feel very proud when I go to Bombay because Bombay looks almost an European city but I would like to plead that more emphasis on economic development of this backward area of Eastern India should be laid.

The regional facilities that were being enjoyed by Eastern India on the dawn of freedom were taken away by equalisation of prices of steel and coal. When Dr. Roy was alive he was agitating against this and since then all the State governments including that of Shri Jyoti Basu have been agitating against this unfair thing. If there is equalisation in respect of all the material we do not mind but would you get cotton in Bengal at the price the cloth mill-owners get it in Bombay and Ahmedabad? Is it not a joke that a man who is living within ten miles of the pit from where coal is drawn has to pay more than what a man pays for the same in Bombay? We are all Indians. There is no doubt about it and everybody should have all facilities but this equalisation has taken away natural advantages that were available to Eastern India. I think something should be done about it. A committee was appointed to go into this question and they recommended it should go but no tangible action has been taken so far about it.

Sir, I want to stress that there is need for creating more jobs in West Bengal. I thank the Finance Minister for presenting a budget which in my opinion would give impetus to industry but apart from industry something special should be done for Eastern India because the jobless, particularly educated unemployed, in my State and around are the highest in India.

Then a word about refugee rehabilitation. In my State more than one-fifth of our people are refugees. They came from East Bengal which is now Bangladesh. There are many problems of these people but there is no Refugee Department here. Until and unless we solve their problems the economy of Bengal cannot be revived. I feel very strongly about it and something positive should be done about them to make them economically rehabilitated.

MR. DEPUTY SPEAKER : Please conclude.

SHRI TARUN KANTI GHOSH : Sir, a word about the position of scheduled castes and scheduled tribes. I come from a constituency where there are lot of people who belong to scheduled castes and scheduled tribes and when the objective of this government is to uplift the downtrodden I feel something special should be done for this community also.

Before I conclude I would like to request the hon. Minister to consider about lowering the price of diesel oil because diesel oil is necessary for bringing in food and other materials in the city. Until and unless you lower the price of diesel oil the prices of other commodities will rise. I don't mind petroleum prices going up but Government should not allow the diesel oil prices to increase.

Sir, my last point is about the development of Calcutta. As has been said by the Prime Minister and myself being a man from Bengal I feel sorry that my city which was once the second best city in the then British Empire has come to this stage. No doubt, it is in bad condition. We should do something special to revive this city which was once the pride of not only Eastern India but also the whole of India.

With these words, I thank the Finance Minister for bringing forward a bold and an imaginative budget which will do a lot of good to our country.

16.30 hrs.

[SHRI VAKKOM PURUSHOTHAMAN  
*in the Chair*]

SHRI AMAR ROYPRADHAN (Cooch Behar) : Mr. Deputy-Speaker, Sir, I have gone through this budget very minutely and I have also listened to the speech of the State Minister of Finance, Shri Janardhana Poojary. It becomes crystal clear that it is a budget for the 'haves'. It is a budget for the 'kulaks'. It is a budget for the monopoly houses. It is a budget for big business houses. Only there are some crocodile tears in this budget for the poor agriculturists, namely, the agricultural labourers and the share croppers.

In this budget one finds there is a huge deficit of more than Rs. 3,600 crores and the loans from all sources amount to Rs. 10,900 crores. I don't know how you will fill up this gap. As it is not a budget for the common man. It is a budget for the mill owners, black-marketeers and hoarders.

In his speech the hon. Minister of State for Finance has said that he would like to have some suggestions from the members of the Opposition. The first thing I would like to say is that socialism as included in the Preamble of our Constitution by the 42nd Amendment now you have put this word 'capitalism' in place of socialism. That socialism should be removed. That is my first suggestion. The wide deficit gap you have left can be filled only through new taxation or printing of new currency notes which will further add to the sufferings of the common man.

MR. CHAIRMAN : Please conclude.

SHRI AMAR ROYPRADHAN : I do admit that you have mentioned in your budget speech that in the last two years production has increased very much and, as such, you can meet the deficit if the production also increases in the present year. Can the hon. Minister assure me that production will be much more in the coming year as compared to the last year? I say it because our agriculture depends mainly on nature and if there is flood or a drought then all our hopes will get belied. Supposing for a minute there is more production then what will happen? I would like to give a warning. NAFED has said that whenever production increased, it has resulted in disproportionate fall in prices. NAFED further said that if this situation was allowed to continue, it might lead to stagnation of production and impoverishment of agricultural producers as a whole.

Then, regarding Agricultural Prices Commission, I would like to point out to you that this Agricultural Prices Commission is there simply in order to help only the industrialists. It is not there for helping the agriculturists. It is a white elephant. This Agricultural Prices Commission may be named as 'White Elephant'. *(Interruptions)* Nothing is being done for the poor people of this country. The Finance Minister said

in his Budget speech—'Let us put our shoulders to the wheel.' But the fact is, the rural poor are so poor during the last 30 years of Congress administration that they are not able to stand even, not to speak of putting their shoulders to the wheel. They are now completely lying down on the ground and they cannot speak even. This Budget is a capitalist Budget. The capitalist wheel is crushing the poor people of this country more and more. The hon. Minister said that they are for the philosophy of growth. But, I would like to remind you what the Prime Minister said about Calcutta. The Prime Minister said 'Calcutta is a dying city.' I am sorry for his remark but it is a childish remark. *(Interruptions)*

You are aware...

*(Interruptions)*

MR. CHAIRMAN : Order, order.

SHRI AMAR ROYPRADHAN : You are aware, Mr. Chairman, of the fact that Calcutta is the heart of West Bengal. Don't forget that Raja Ram Mohan Roy, Swami Vivekananda, Rabindranath Tagore, Netaji Subhas Chandra Bose and Nazrul Islam are from Bengal.

*(Interruption)*

SHRI PRIYA RANJAN DAS MUNSI (Howrah) : Mr. Chairman, Sir, I rise on a point of order. My point of order is this.

He should not make any reference or any comment about the remarks made in the other House by the hon. Leader of this House. *(Interruption)* Let me finish my submission on my Point of order. I have been listening to the hon. Member very attentively. If those things are to be discussed it is better to give notice, to examine the script first.

SHRI AMAR ROYPRADHAN : Sir, it is a newspaper report.

SHRI PRIYA RANJAN DAS MUNSI : Rajya Sabha is a different House. If it is a remark made in the Lok Sabha it is all right. But no remark made in the other House can be commented upon in this House without a proper notice having been given for that purpose. That is not allowed and they cannot go on like this. It is not proper.

MR. CHAIRMAN : It is a fact that what happened in the other House cannot be discussed here.

SHRI AMAR ROYPRADHAN : I wish to submit that I never referred to Rajya Sabha. I did not say anything about the other House.

MR. CHAIRMAN : I have not expunged his remark.

Now, Shri Bharat Singh.

Hon. Members from the Congress party may kindly bear in mind that the Congress party has allowed them only five minutes. After 4 minutes, I will ring the first bell. Hon. Members may please wind up within one minute.

SHRI H.A. DORA (Srikakulam) : If you give 5 minutes only, it will amount to discrimination, as some other Hon. Members were given more than 5 minutes.

MR. CHAIRMAN : The party is competent to do that. Now, Shri Bharat Singh.

*(Interruption)*

MR. CHAIRMAN : Now, Shri Bharat Singh.

*[Translation]*

SHRI BALKAVI BAIRAGI (Mand-saur) : Mr. Chairman, Sir, while supporting the Budget presented by our Finance Minister, I would like to congratulate him for.....

*[English]*

MR. CHAIRMAN : I have called Shri Bharat Singh of the Congress party. I am really sorry if your name is Shri Bharat Singh.

*[Translation]*

SHRI BALKAVI BAIRAGI : Probably you said Bairagi.

SHRI BHARAT SINGH (Outer Delhi) : Mr. Chairman, Sir, I congratulate the Finance Minister from the core of my heart, because he has kept in view the interests of the poor farmers, the labourers, the

government employees, the small scale industries and the shopkeepers while formulating the Budget. The Finance Minister has fulfilled the promises made by our party in its manifesto.

The Finance Minister has prepared this Budget keeping in view the 20-point programme introduced by our late Prime Minister Smt. Indira Gandhi and also the ideas of our young Prime Minister, Shri Rajiv Gandhi, for the progress of our country. A provision for Crop Insurance Scheme has been made in this Budget. Our poor farmer toils hard round the year but he has to face acute difficulties due to hailstorms, floods, droughts, etc. With the destruction of his crops, he himself is ruined. The question of crop insurance was discussed several times in order to save him from ruination, but up till now it was not given a practical shape. I congratulate the Finance Minister on introducing the Crop Insurance Scheme.

Mr. Chairman, Sir, you might be knowing that the late Prime Minister, Smt. Indira Gandhi, had nationalised the banks to benefit the farmers. After nationalisation, bank branches have been opened in each and every village. With the assistance provided by the banks, the farmers installed tube-wells, purchased tractors and got irrigation facilities and improved varieties of seeds, as a result of which agricultural production increased. Previously, our production was inadequate and we had to import foodgrains from abroad to meet our requirements, but now our production has gone so high that we can even export foodgrains. With the efforts made by Indiraji, the irrigation facilities increased, improved varieties of seeds and good quality fertilizers were made available due to which our farmers were able to increase their production considerably.

You know, lakhs of people were benefited by the 20-point programme introduced by the late Smt. Indira Gandhi. Previously, after school education, our young boys used to remain unemployed and after falling in wrong company they used to indulge in undesirable activities, but ever since the IRDP under the 20-point programme has been placed under the charge of the Development Commissioner in Delhi, a large

number of youngmen have been provided with employment. Loans were given at an interest of 4 per cent to people living in resettlement colonies in Delhi, to Harijans in villages and to small farmers. In other words, people were given assistance in every way so that they could stand on their own feet.

I feel that almost all sections of the society have been benefited by this Budget. For government employees and middle class people, the income-tax limit has been raised which has provided relief to about 10 lakh people. Radio and Television licence fee has been abolished. Licencing system has been abolished for small-scale industries. All these steps have provided relief to small farmers, labourers, Harijans, backward classes and petty shopkeepers. But one thing I must say. Although the farmers have been given considerable relief yet one thing is pinching them. The increase of Rs. 6 effected in the price of wheat is quite inadequate in these days of price-rise. The prices of diesel and kerosene oil have increased. You should look into it and check the price-rise so that the poor could use them.

About three and a half lakh unemployed young men have been provided with employment. Relief has been given in income-tax. You have taken a commendable step by raising the income-tax limit from Rs. 15,000 to Rs. 18,000. This limit should be raised to Rs. 25,000, as has been pleaded by my other colleagues also.

On account of increasing population in Delhi, a large number of houses have been built outside *Lal Dora*. Lakhs of unauthorised houses have come up, but these are without electricity on account of which their children cannot study. All the 612 unauthorised colonies should, therefore, be electrified so that children of the poor people could study well. Lakhs of children study there in schools.

I would like to say one thing more. D.D.A. has invested 16 crores of rupees from its own account in resettlement colonies. This amount was to be given to D.D.A. by the Central Government. D.D.A.'s work has slowed down due to shortage of funds.

D.D.A. may, therefore, be given the said amount of Rs. 16 crores in order to expedite the works in resettlement colonies.

I would also like to submit that villages are linked with each other by Kacha roads. Pucca roads should be constructed there and the dividing verges constructed in each village after consolidation of holdings should be made pucca.

Mr. Chairman, Sir, I am grateful to you for having given me an opportunity to speak.

[English]

SHRI P.A. ANTONY (Trichur) : The most striking feature of the Budget is its bold initiative and imaginative character in planning a long term economic policy for the development of the nation. This Budget is the base of the Seventh Five Year Plan. Sir, under the present infrastructure, industry can grow faster than the previous years so that more employment can be given to the people.

In the year 1950, our food production was only 50 million tonnes, whereas the population was about 35 crores. Now, in 1985, our food production is 150 million tonnes. Whereas our population now has just doubled, our food productions has tripled. Now, India became self sufficient in food and it is the third in the world. That is our position today and we have achieved it through democratic means. With all its differences and diversities. We are a leading example to all the other non-aligned countries. We have got so many engineers, so many technocrats and we have a good management system also. So, we can utilise these experts, the entire educated people to industrialise our country. This is the proper time and this is the proper direction. I congratulate our Prime Minister and the most sincere Finance Minister for this move. We are a leading nation and India is the champion of the Third World. Almost all the non-aligned countries are looking up to us because we have been able to go through the process of democracy with all its diversities, we find a way to feed our people and we are developing very fast and are able to compete with the other world powers.

The budget touches the lives of the different strata of people, the entire commu-

[*Shri P. A. Antony*]

nity, the land-less labourers, the marginal and small farmers and the middle class people who are the government employees and factory workers. Of course in a developing nation with dynamism, taxes are naturally charged. I do not know why our Finance Minister is more serious about the running of our public sector companies. Our hon. Minister of State for Finance, Shri Janardhana Poojary stated that we have invested Rs. 30,000 crores in the public sector. We are not getting even minimum dividend from it. Suppose if there is a proper managerial set up and proper direction for this 30,000 crores of rupees, at least 20 per cent dividend you will get if you deposit it in the nationalised bank ; you will get Rs. 3,500 crores as the total dividend. Why is the government not thinking about it seriously to make it all right ? If the government, with all sincerity, can change the course of the management, it will help in the development of the backward areas,

Now, the Managers are the senior bureaucrats occupying higher posts and leading a better and happy life. But that is not the point. You have to find out the proper people. You have to make our labourers an organised wing according to the needs of the country. Let them be matured. They have got all facilities compared to the other poor sections ; let them thannelise in a better way, work hard and get more benefits so that they can serve the nation.

It is a fact that there is a parallel economy. For parallel economy, our Finance Minister has got some proposals. That is very good. But let us face the truth. You cannot stop the black money by the measures of the government machinery. Let us think on the lines of voluntary disclosure of black money by some attractive way.

The most burning problem in India is the housing problem. Let the black money people construct houses and then rent them out and the government should take some percentage out of it so that it can be regularised.

In Kerala State, the unemployment problem is the highest. The money spent by the Kerala Government for social upliftment

is 40 per cent, for health 20 per cent. They should provide for schools, drinking water and dispensaries. Now, there is no industry, but the literacy rate is very high. So, please divert industrial investment to Kerala and also my constituency for establishment of more industries. I am representing my constituency, Trichur, for the last 28 years. Previously, it was represented by CPI. Guruvayoor temple is the most important pilgrim centre in South India where thousands of people are visiting daily from all over India. Hence, I request the Government to extend the railway line from Trichur to Guruvayoor. According to 1981 census, Trichur Constituency has got a high percentage in literacy So, an Indian Institute of Technology may be started there because it has got the infrastructure. Deposit money of the nationalised banks in Kerala is not being spent properly. 80-90 per cent of the entire deposits are going to the major cities in the North. So, please see that there should be a regional balance. The State Finance Minister, Shri Poojary should look into the matter and see that there should be a regional balance. Thank you.

[*Translation*]

SMT. MADHURI SINGH (Purnea) :  
Hon. Deputy Speaker, Sir, I rise to support the Budget for 1985-86 presented by the hon. Finance Minister. This Budget has provided considerable relief to the middle class people. Minimum limit for income tax has been raised. The rates of taxes have been considerably reduced and I welcome the abolition of the surcharge on Income-tax and the Compulsory Deposit scheme. Limit for wealth tax has also been increased. It would have been more appropriate had this limit been increased further. I would like to thank the hon. Finance Minister for abolishing the Estate Duty only a victim of this cruel Estate Duty, especially on the death of the head of a middle class family knows that one had to face numerous unnecessary difficulties for a year in the normal course and sometimes even for two or three years and, as explained by the Finance Minister, this duty fetched only a meagre revenue to the Government.

This year's Budget symbolises the development-oriented policies of the new Government in many respects. Concession



has been given in corporate Tax. Concession in excise duty or in customs has also been given on many articles in the interest of industrial development. There are many other provisions in the Budget which would facilitate economic development and would, especially, accelerate industrial development. All these provisions have been welcomed by most of the people in the country.

It is essential to mobilise resources for the security and progressive development of the country, and hence one can understand that in that context increase in some of the taxes is inevitable. The proposal made by the hon. Finance Minister to increase some taxes, it is hoped, would not attract much opposition; still, I would like to say that it would be appropriate to consider some reduction in excise duty proposed to be levied on paper. The hon. Finance Minister has increased the allocation of central grants for the State Plans by 39 per cent as compared to the current year which will prove very helpful in the economic development of the backward states and I particularly thank the hon. Finance Minister for this.

Inflation leads to difficulties in developmental programmes. It also adversely affects the normal life of the common man. Our Government have kept the wholesale prices under a reasonable check. Although, increase in consumer prices has been a bit high yet it cannot be termed as unbalanced. As in previous years, this year's Budget also shows a huge deficit. I accept the assurance given by Government that the provisions made in the Budget will help to keep the inflation under check and it will be possible to stabilise the prices, but it is a serious question.

Being a housewife, I would request the Government to keep a strict watch over inflation and suggest that consistent efforts be made to check the increase not only in wholesale prices but also in consumer prices.

It will not be out of place to make a mention here of some of the problems of my state and my constituency, which relate to the center also. Bihar has been the most deficit State in the matter of electricity and there has been a complaint for a long time regarding mismanagement in the matter

of power supply. Electricity is in the Concurrent List and on this ground, I would request that the central Government should adopt some concrete measures for increasing the generation of electricity in the Bihar State in consultation with the State Government, so that appropriate and lasting improvement could be brought about in the situation. Purnea district of Bihar is my constituency as also my birth place. Purnea has a large area and a vast population. Also, it is situated on the international border. In the north, it touches the Nepal border and in the south-east there is the border of Bangladesh within a few miles. The national highway named "Assam Access" passes through Purnea. This highway is of great importance from the point of view of national security as also from the point of view of transport in Purnea district. But, it is a matter of regret that this highway is in a pitiable condition for the last so many years. I request the central Government to pay special attention to this highway and improve its condition.

With these words, I thank the hon. Finance Minister for presenting a balanced Budget.

17.00 hrs.

[English]

SHRI K. RAMACHANDRA REDDY (Hindupur): I rise to oppose the Budget on the ground that it is anti-poor, pro-rich, anti-rural and pro-urban. I am not making these allegations merely. There are a number of points which can prove that the allegations I am making, are correct.

Some people may say that the Budget is good in parts. But like the proverbial curate's egg which is good in parts and rotten in many other parts, being unfit for consumption, this Budget also cannot be commended.

This Government has imposed a lot of burden on the poor people and given massive concessions to the rich. One such thing is that the Government has given import duty concessions on certain components of gems and jewellery making machinery but increased the excise duty on bidis. Gems and jewelleries are used by the rich whereas bidis are consumed by the

[*Shri K. Ramachandra Reddy*]

poor. This Government has not imposed any tax on cigarettes which are consumed only by the rich.

The Government has given massive concessions in the form of personal income-tax, surcharge on income-tax, wealth tax exemption to the rich and affluent only. At the same time, the Government has increased the duties on crude petroleum from 100 per cent to 200 per cent. The excise duty on crude petroleum was only 9.5 per cent in the 1983-84 Budget. By increasing the price of crude petroleum, the prices of kerosene and diesel are increased, the expenses of the travelling are increased and freight charges on the movement of essential goods are also increased. Thus the burden of common man has increased by Rs. 620 crores whereas tax concessions to the tune of Rs. 467 crores are given to the rich urban dwellers.

The Government has abolished the licence fee on radio and TV but has increased the levy on aerated and soda water and corks. Government has exempted the computers and electronics from import duties and at the same time raised the duty on cement, paper, household and toilet soaps, commercial vehicles and cooking gas. Government has reduced import duty on raw wool and polyester wool but increased the duty burden on cotton yarn by 25 per cent. Government has given exemption from excise duty on zip fasteners but imposed new excise duty on panmasala containing nuts, lime, copra, menthol, etc. Thus the Government is very benign towards the rich and very harsh towards the poor.

The Government has treated the rural development with a step-motherly attitude and funds allotted to them are very meagre. IRDP has been allotted Rs. 215 crores this year as against Rs. 216 crores last year. NREP has been allotted Rs. 235 crores this year as against Rs. 236 crores last year. Small scale industries and village industries are given Rs. 175 crores this year as against Rs. 135 crores last year. Money given to fertilisers is Rs. 265 crores this year as compared to Rs. 452 crores last year. For

iron and steel which is used by the agriculturists, the allotments have been cut down to Rs. 643 crores this year as against Rs. 980 crores last year. Agricultural financial institutions have been allotted Rs. 165 crores as against Rs. 297 crores last year. Allotment on housing has been reduced to Rs. 39 crores from Rs. 84 crores last year. Certain programmes for welfare of Scheduled Castes and Scheduled Tribes and BCs were allotted Rs. 71 crores last year whereas this year it is only Rs. 42 crores. Thus a comparison of the allotments of the rural development show a sizeable reduction for rural development. Many concessions and amenities have been provided to the organised labour but no effort is made to spell out any improvements for the unorganised, inarticulate agricultural labour in rural and semi-rural areas.

Thus the Budget is anti-poor and pro-rich and I oppose it. I also request the Finance Minister to be kind enough to remove the taxation on articles such as bidis, cotton yarn, pan-masala, soaps, kerosene and diesel oil, which are extensively used by the poor people.

[*Translation*]

\*SHRIMATI KESHARBAI KSHEER-SAGAR (Beed) : Mr. Chairman, Sir, I rise to welcome and extend my support to the General Budget for 1985-86. I am reminded of what our young and dynamic Prime Minister, Shri Rajiv Gandhi said, "The challenges before our country are many. We have to modernise India. We have to change the thinking of the people of India to look ahead into the future and not to keep dwelling on the past. We have to make India self-reliant in every important sphere. We have to create a dynamic country that is equal to any other country in the world." I am glad that hon. Finance Minister has formulated the best budget keeping in view the main objectives expressed by our Prime Minister.

I also recall at this juncture those memorable words of our great departed leader Smt. Indira Gandhi who said, "No section of our vast and diverse population should feel forgotten. Their neglect is our collective loss." I am happy that hon.

\*The speech was originally delivered in Marathi.

Minister has prepared the budget which intends to give relief to all sections of our society. It is indeed a very comprehensive and progressive budget.

This budget has made sufficient allocation for several sectors such as agriculture, rural development, small industry, science and technology, education etc. It has provided relief to workers, farmers, landless labourers, traditional artisans, sick industrial units, students and research workers etc. by offering several concessions. Sufficient funds have been earmarked for implementation of 20-point programme and measures to stop pollution of the river Ganga. Free education for girls upto 12th standard has been announced by the Government. It is a very laudable measure. Another significant feature of this budget is that it has adopted a practical policy regarding estate duty and wealth tax.

Agriculture is the main occupation of 70% population of our country. Though we have attained self-sufficiency in respect of foodgrains due to several measures. We have undertaken in the past, it is unfortunate that the condition of our farmers is very miserable. His fate depends upon vagaries of nature and cannot sustain himself in the natural calamities like droughts, floods etc. I am glad that the Government has decided to implement a scheme called "crop insurance scheme in selected 100 districts in the country. I request that these districts should be selected from the backward areas so that the scheme will benefit the poor farmers. As far as Maharashtra is concerned, I want to say that as crops of Jawar and Bajra are grown by majority of farmers they should be included amongs the crops for which insurance cover will be provided. The Government should make an attempt to give remunerative prices to agricultural produce. The Government has proposed to introduce a scheme called "social security scheme" to provide compensation to landless labourers, small farmers and traditional craftsmen in the event of an accident. The amount of compensation is presently fixed at Rs. 3000. I request that it should be raised to Rs. 5000. So that the effected families are financially helped in the hour of crisis. The scheme will help the persons who are not covered under life insurance scheme.

This budget has given relief to Govt. employees by increasing the limit of income from Rs. 15,000 to 18,000. It should be further increased to Rs. 20,000 so that no class III employee has to pay tax. The Government has taken a good step by abolishing CDS. The budgetary allocation in respect of rural development NRLEP, science and technology, electronics, forests and animal husbandry is adequate. The Government has shown its concern for the welfare of scheduled caste and tribes by allocating an amount of Rs. 207 crores.

Small scale industries have contributed a great deal in rapid industrialisation. The Govt. has increased the limit of capital assets from Rs. 20 lakhs to Rs. 35 lakhs. This step will attract many new entrepreneurs. It will also help in solving unemployment problem. In this connection I would like to request that new industries should be set up in backward areas only so that it will generate employment potential in rural areas. The Govt. should provide financial assistance to sick industrial units. The Govt's decisions to set up a Board for this purpose is welcome.

The Govt's scheme to check tax evasion is very effective. The Govt. should set up 'special courts' for this purpose in consultation with the State Govts.

I request the hon. Minister to kindly withdraw the hike in levy on cement and paper. Farmers require cement for construction of wells, repairs etc. They should get it at present price only. The proposed increased in the price of cooking gas should also be withdrawn to give relief to housewives in this country. The Govt. has taken an important step by abolishing licence fee for radio and TV sets. Radio and TV is no longer a luxury but essential commodities. From this point of view, Govt's decision is quite welcome.

It has been announced in the budget that TV services would be extended further to benefit 70% of our population. The Govt. is going to install 180 transmitters by 31st March 1985 in various places in the country. I request that my constituency Beed which has been deprived of TV facilities should be provided the same under this programme. I have been making efforts

[*Shrimati Kesharbai Ksheersagar*]

for the last two years for setting up of a TV centre in Beed district. I request the hon. Minister to fulfil this long standing demand of the people of this area.

Hon. Prime Minister has assured that at least one industry should be set up in each district. I request that an industrial unit should be set up in Beed district which is very backward.

I have also been requesting for starting a new railway line between Ahmednagar-Paroli for the last four years. I would like to point out the progress of this area is next to impossible in the absence of this railway line. Therefore, I request that hon. Minister to approve the proposal of this 213 Kms. railway line to do justice to the people of this area.

I would like to conclude by emphasising the need of setting up a TV centre and new railway line in Beed district. With these words, I thank you for giving me time to speak on the general budget which I heartily support.

**SHRI DHARAM PAL SINGH MALIK** (Sonapat): Mr. chairman, Sir, there are no two opinions that the hon. Finance Minister has prepared the Budget for 1985-86 keeping in view India's economic realities and national objectives and this is an indication of the firm measures by our popular Prime Minister, Shri Rajiv Gandhi for taking the nation towards a new direction. Not only Indian but foreign economists and intellectuals have also admitted it. I congratulate the hon. Minister of Finance and the Prime Minister for this. They deserve not only my congratulations but those of the entire people of the country also.

Before I make some constructive criticism of the Budget, I join the hon. Members of this august House in wishing that this Budget may prove to be a great step towards economic stability, development and social and economic justice.

First of all, I would like to say something about the crop Insurance Scheme. I consider this a courageous step on the part of the Government. India is predominantly an agricultural country and even

in Haryana State, 80 per cent of the people are poor farmers. The country whose farmer is poor is bound to be poor. The district has been made a unit in connection with this Insurance Scheme. I would like to say that this Scheme should be introduced by treating the village as a unit, because the entire wealth of the farmer is at the mercy of nature, and natural calamities, like hailstorms, droughts, etc. do not affect only a district or a tehsil they can affect even a single village. If they cause loss in a single village, then that village should be treated as a unit to give it the benefit of the Insurance Scheme.

My second suggestion is that the prices of agricultural commodities should be determined, keeping in view their cost of production so that the farmer gets incentive for producing more and gets remunerative price to enable him repay his debts under the burden of which he lives throughout. For this purpose, arrangements should be made to supply foodgrains to the Harijans and the weaker sections by giving subsidy, etc. to the consumers, so that the poor and the weaker sections could get the cereals at cheaper rates.

A provision should have been made in this Budget to reduce the prices of small tractors, tube-wells, etc. Haryana is a State where the entire population depends on agriculture. The size of the holdings have shrunk to such an extent that they cannot purchase big tractors. Therefore, the price of agricultural implements, especially of small tractors, should be reduced.

With regard to unemployment, I would like to suggest that unemployed persons should be given unemployment allowance and as long as the name of an unemployed youth remains registered with the employment exchange, he should not be treated as overage so that he might not face difficulty in finding employment.

I would also like to suggest that 'job-oriented education' should be introduced. The education system enunciated by Macaulay, in vogue since 1881, should be scrapped.

With the increase in the prices of diesel, petrol and kerosene and with the hike in

railway freights, the prices of essential commodities would go up which would affect the common man. Therefore, I want the prices of these commodities to be reduced.

At the same time, I would also like to say that the elimination of the licence-permit rule, would infuse honesty in the people and it is quite essential to encourage honesty in the people. I think, as long as black money is not eliminated from the country, this country would not be strong. I think even a child is conscious of dishonesty today. You will be surprised to know that when one day a teacher asked a question in the class that "If 10 persons completed a work in 10 days, how long would it take for one person to complete it?" a long stood up and replied that first he should be told whether the work was Governmental or non-Governmental. So, I want to tell you in this connection that raids are conducted on the business houses but there is rampant corruption among the Income tax officers or other categories of Government employees and therefore, raids should be conducted on their premises also. I have firm conviction that as long as dishonesty is not rooted out totally from this country, the country would not become strong. With these words, I support the Budget.

**SHRI MOHD. AYUB KHAN (Jhunjhunu):** Hon. Chairman, Sir, this is my maiden speech on the Budget in this august Parliament of my esteemed country. I have been able to get elected to this House with the blessings of our Prime Minister, Shri Rajiv Gandhi, and with the trust reposed in me by the people of my constituency. Mahatma Gandhi laid the foundation of our sacred motherland, Pandit Jawaharlal Nehru infused life into it, Smt. Indira Gandhi laid down her life for it and our Prime Minister, Shri Rajiv Gandhi, gave the slogan of Carrying the country forward. Keeping in view that slogan and sacrifice and also keeping in view the wishes and aspirations of the beave people of my motherland, our hon. Finance Minister has prepared this Budget. I want to extend my hearty congratulations to the hon. Finance Minister and thank him for presenting this Budget.

It is a fact that a big responsibility has

come on all of us. The people of the country have reposed such a confidence in us and an all-out effort has been made in this Budget to live up to that confidence and this is a thing of which we all proud. There has been a tremendous increase in our national income and resources. Our foodgrain production has increased from 1300 crore tonnes in 1982-83 to 1500 crore tonnes now. There has been a growth of 13.6 per cent in agriculture. Similarly, industrial production has also gone up considerably. All this has become possible due to the successful efforts of our Government. But, I want to point out that although power generation has gone up, yet the situation remains unchanged so far as our Rajasthan is concerned. The area of Jhunjhunu which I represent here, is peculiar in that in this area blood is cheaper than water. We should provide drinking water to the people of this area. This is an area where 100 per cent people join the Army. If there are three males in a family, all of them join the Army for the protection of their motherland. I will just give an example. I am an ex-servicemen. I had three brothers, all of whom were on the battlefield during the 1971 war. This is such an area were people pine for a drop of water since Adam's time. In our area individuals run the Government and not the party. I would request the hon. Finance Minister, through you, to make separate budgetary allocation for this area. Such a provision should be made for the farmers of that area so that they can get seeds, fertilizers and agricultural implements free of cost. Thousands of acres of land are lying uncultivated in this area. The land of this area is level but there is acute shortage of water. Indira Gandhi canal passes through our area. If water is released in that canal, it will reach our area and make our people prosperous.

Even today, 'Lakshman Rekha' is drawn in our area. Before going to sleep, people draw a line with ash and water in front of their houses. In this area even today, the people leave heaps of grains in their threshing places after drawing a line with ash and water in the evening and collect it the next morning. This is an example of the honesty truth and loyalty which exist there even today.

[*Shri Mohd. Ayub Khan*]

Keeping all these things in view, I would request the hon. Finance Minister to look into the problems of that area. There is no Government college, no I.T.I., no Sainik School in that area though 100 per cent of the people join the Army at one stage or the other. Drinking water and educational facilities should be provided in that area. People have not seen trains in that area. If some train happen to pass through some of the areas the people of that area request that at least they must stop there. The area all around my constituency is represented by Ministers and that is why big projects are taken up in those areas. I would give an example of Loharu Junction which is in Haryana. Half of it is in Haryana and half of it falls within my constituency. You would be surprised to know that the area that lies in Haryana looks bright like broad day light while the other half that is in my constituency remains engulfed by the darkness of the night. I would, therefore request you to pay attention to my area.

Lastly, as a soldier I would request you to make arrangements to impart mechanical training to the Army officers and jawans for their welfare. Pensioners have to wait even up to Six months to get their pension. Keeping in view the soaring prices, provision should be made for timely payment of pension every month to these people so that they do not have to face difficulties.

A T.V. station should be opened in my area to enable the people there to benefit there by.

You have given concession in Income-tax. Many rich people of my area are carrying on trade and business in other parts of the country. They have monopoly in many fields in the country but they do not set up even a single factory in our area. If the Government issues them a licence for any factory, it should be for setting it up in our area.

With these words, I welcome this Budget.

[*English*]

SHRI S.B. SIDNAL (Belgaum) : Sir, I thank you for affording me an opportunity,

to express my feeling on this Budget. Sir, I rise to support the Budget presented by our hon. Finance Minister. I firstly congratulate the Prime Minister and the Finance Minister on having placed a growth-oriented Budget for this country. Unusually, the opposition people on that side are having a high sense of appreciation I really thank them for their appreciation. But at the same time they have criticised that it is a capital oriented Budget and rich-oriented Budget. Sir, I beg to differ with them. It is because, the concessions shown and the incentives given for development definitely show that it is a growth-oriented Budget and job-oriented Budget and it would generate more employment opportunities.

I would like to bring to the notice of this House that this Budget has really given a new direction to this country. So far, we had programmes for the poor. They are still intact like IRDP and NREP. We have gone a little ahead to give incentives to the youth of this country. A lot of concessions have been given.

In the field of agriculture, I really congratulate the Minister on having sponsored the scheme of crop insurance. But I really differ with the Minister because it will cover only a few items. It should cover all the other items such as sugarcane, cotton and other commercial crops. I do not know why a partial scheme has been introduced whereas a full investment has to be made by the agriculturists. I request the Finance Minister to cover all these crops in the interest of agriculture. Agriculture is one of the best industries. Unless the agriculture is developed technically, we cannot expect our industry to develop. To develop agriculture, we have made a lot of efforts for providing irrigation. But we have not provided the technical know-how to the agriculture to make best use of water. We have not made available to them the best techniques. We have not taught them how to use technically the latest production of hybrid and other quality seeds. Now, the lands have become the laboratories of the country. Unless the farmer becomes a scientist, we cannot develop agriculture in the country. Agriculture is the raw material for the production of finished goods in the industry. Therefore, all over the country, we have to provide concession in the prices of tools and

implements used for agricultural purposes. The tractor is available at a very high cost. We have gone for land reforms by which fragments have been created. Firstly, fragments are created by population. Secondly, fragments have been created by law. So, we have too many fragments. But we would like to improve the productivity. Without the employment of mechanical farming and scientific techniques, we cannot expect to increase the production. When we want to employ the mechanism, large holdings are required. Unless we go for cooperative farming or the cost of production of tractor is made cheaper or any other input is made available to the poor, we cannot expect a larger production in agriculture. Therefore, my appeal to the Minister is that the prices of tractors, pump sets and machines which are required for the production of agriculture should be reduced. Else, they should be made free from the taxes. Only then, we can expect some production.

MR. CHAIRMAN : (Shri Vakkon Purushothaman) : The hon. Member's time is up.

SHRI S.B. SIDNAL : I have just begun. I don't know how your watch is running fast.

MR. CHAIRMAN : It is not my watch. You please conclude.

SHRI S.B. SIDNAL : In the field of education, we have promised to revamp the total education. So far, we had an education for producing only clerks as conceived by the British. With all that, we have been doing very well as far as the technical education is concerned.

But we have not done much in giving proper education to the rural folk where it is a stagnant society. When there is a stagnant society, we cannot expect a better economy. We have to give a momentum to a stagnant society, that is, the rural areas where only the agriculturist class lives. We have not provided proper education there. We have to give education in dairy, poultry, horticulture and agriculture and give diplomas in each village/taluk, whatever it may be. Unless we give them right education, we cannot expect right production. Proper education to agriculturists is very important

nowadays for the simple reason that they have to go in for allied agro-industries, like dairy farming, poultry, etc. Which are supporting the main agricultural production. As we have given a lot of concessions and incentives to the industry, for the urban folk, equally we have to give concessions and incentives to the agriculture, for the rural folk. Then only we can have all round development in the country. Therefore, I would appeal to the Finance Minister to give concessions for agriculture-oriented instruments and also for the inputs like diesel, pump sets, etc. Otherwise, we will not get agricultural production according to our expectations.

Coming to inflation, it is caused by several factors. It is always a sign or a phenomenon of an under-developed country and under-developed economy. It cannot be independent of that. It is also an international phenomenon. We have to share it as it comes. But whenever inflation is there, the production has to be boosted up. I suggest that we should forego all holidays, except Sundays, and work hard to boost up the production which will cut inflation also.

About the black money, there are many things done in Japan. For example, supposing 'X' has got a crore of rupees black money, he has to deposit it in a locker and one-half or one-fourth is circulated as white money for constructive purposes. That is what is done in Japan. Here also, something has to be done to dig out the black money which has already been there. As my hon. friend from your State, Sir, suggested, the housing schemes should be started because these schemes generate jobs and employment for the poor people.

As regards NREP and IRDP, these programmes are doing well and we have been involving the people in the economic progress of the country. These programmes have also created assets in their own way. These should be continued and more funds should be provided for the same.

There should be more plantation of trees and horticulture should be given more importance.

With these words, I conclude.

**SHRI V. SOBHANADREESWARA RAO** (Vijayawada) : Mr. Chairman, Sir, I thank you very much for giving me an opportunity to speak on the General Budget. I will take only a little time.

I would like to bring some points to the notice of the Finance Minister. The deficit financing resorted to in this year's Budget is massive. In fact, it is the highest. Never before such a massive dose of deficit financing has been resorted to. In fact, last year, they projected a deficit of Rs. 1773 crores while they ended up with Rs. 3985 crores. But because of favourable crops and favourable monsoons, it did not show an adverse effect. All the same, we cannot expect the same, this year. I would request the Government to be cautious on this occasion and see that unproductive expenditure is kept to the minimum in order to contain inflation. Several concessions have been given to industrialists.

The hon. Minister has taken great pains to explain the objective of giving such concessions to big industrialists. Let us see how far the Government will achieve this objective.

Earlier, if a firm, company or trust spent some money for rural development, it was exempted from income tax under Sec. 33 CC. This provision was withdrawn later.

I request the hon. Minister kindly to re-introduce it and give this concession. A company which is at a remote place may not like to give that amount to the Prime Minister's Fund. In fact, they will be prepared to spend that money on roads, buildings, schools and colleges in the areas where its activities are confined to. I request the hon. Minister kindly to examine this aspect. The hon. Minister has got a commitment to the cause of the poor and he spoke with all his heart on this aspect of the matter.

On cigarettes, Government is getting nearly Rs. 1,950 crores by way of excise duties. For every pack of cigarette sold for Rs. 2/-, an amount of Rs. 1.45 is coming to its coffers. That way, the Government

is getting Rs. 9,550 crores. The Government is getting several crores of rupees on several other items. It is the duty of Government to provide food and cloth to the people.

Our State Government is spending more than what the Central Government is giving to help the poor in our State. But, the leaders of the Congress party are criticising the Telugu Desam party during the elections and even after the elections, for giving rice at Rs. 2/- per kg to poor people and for giving subsidised cloth. I want to bring this fact to the notice of the hon. Minister.

Unless the priorities of the plan are changed, no appreciable change in the poor condition of the people will take place in our country. Even now, agriculture is a means of livelihood for 72% people and it contributes 46% to gross national product. The plan allocation for it is less than 25%. In contrast to this, only 9% of the people depend for their livelihood on big, medium and large industries which contribute only 15% to gross national product and yet more 25% of the Budget is allocated to them.

In spite of the nationalisation of banks, even today (according to the latest figures available for June, 1983), the banks are giving only Rs. 5,356 crores to agricultural sector whereas the banks are giving Rs. 13 crores to the industrial sector.

I therefore request the hon. Minister that topmost priority should be given to agriculture and building of rural roads and to house building activity which will provide more employment to millions of unemployed and under-employed people. I request the hon. Minister to change the policy of the Government accordingly.

[Translation]

\***SHRI C.K. KUPPUSWAMY** (Coimbatore) : Mr. Chairman, Sir, I rise to say a few words on the 1985-86 General Budget. It is really a matter of gratification that 38 years after independence a Budget has been presented, which has ushered in an era of silent economic revolution in the country. This Budget has proved this is not merely a statement of account of revenue and

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\*The speech was originally delivered in Tamil.



expenditure of the Central Government. It has proved that the Budget can be the beacon light for ensuring people's welfare. I wholeheartedly welcome this Budget.

The hon. Finance Minister has proposed a Board of Rehabilitation for the sick industries in the country. My Constituency, Coimbatore, has more than 100 textile mills. Several of them are lying closed for many months. Particularly, Shri Hari Mills, Vasantha Mills, Janardhana Mills are out of operation for several months. The workers of these mills are struggling between life and death. The Government must nationalise these Mills and entrust them to National Textile Corporation. They must be reopened, so that the workers get their jobs back. Similarly, for the past six months the Tiruppur Cotton Mills is closed and the workers are on the street. The Government must endeavour to re-open this Mill.

The town of Tiruppur, in which I live, is known for the hosiery industry not only throughout India but in many parts of the world. There are many hosiery manufacturing units. The central excise is levied on the printed cardboard boxes meant for packing, if the value exceeds Rs. 7.5 lakhs. Previously this ceiling was Rs. 30 lakhs. I suggest that the ceiling of Rs. 30 lakhs should be restored for central excise purposes so far as printed cardboard boxes are concerned.

Sir, I demand that the recognition to Peerless General Finance and Insurance Company, which has headquarters in Calcutta and many branches all over the country, because this Company is cheating the public everywhere. This Company publicises like L.I.C. and the people are taken in. They think that it is another L.I.C. The L.I.C. is losing business and the people are losing their money. The Company is amassing money. I want that the Finance Minister should enquire into the affairs of this Company and save the common people. Similarly, the Government should also enquire into the working of Investment Companies which are also exploiting the innocence of the people. I am happy that the hon. Finance Minister has announced an inquiry in the affairs of private companies which are running lotteries. Similar inquiries should be ordered for Peerless

Company and also for Investment companies.

Under Prime Minister Indira Gandhi's 20 Point Programme the District Industries Centre is entertaining applications from educated unemployed for setting up units. Liberally the D.I.C. recommends loan applications to public sector banks. But the Banks reject in to several applications. The Banks are also delaying the applications. The recommended loan is not sanctioned. The D.I.C. should recommend only deserving cases and must ensure that the loans are sanctioned by the Banks. The Banks should not refuse the loan applications recommended by the D.I.C.

Last year some restriction was imposed on the import of small generators. Now, the paucity of electric power is widely prevalent in Tamil Nadu. The small industries are afflicted for want of electricity. I demand that the import of quality generators from Japan, Taiwan and such other countries should be allowed liberally this year. The import licences should be given freely.

The Octroi is the biggest bottleneck in the transport economy of the nation. Our late Prime Minister ensured that a unanimous resolution was adopted by the National Development Council for the abolition of octroi. That has not yet been implemented. I want that the hon. Finance Minister must abolish the octroi and suitably compensate the States. A Committee was constituted under the chairmanship of our Party's Working President, Pandit Kamalapati Tripathi for studying the question of abolishing sales tax. That Committee has submitted its report. The Government must implement the recommendations of this Committee.

In order to ensure rural development, our former Prime Minister Mrs. Indira Gandhi directed the opening of regional rural banks. According to the directives of Reserve Bank of India, the branches of Commercial Banks should not be opened in rural areas. But the State Governments prefer them. This has resulted in harassment to rural people because the commercial banks want guarantee, land document etc. for sanctioning the loan. Where will the poor people go for such guarantees? Only the

[*Shri C.K. Kuppuswamy*]

Regional Rural Banks will help the farmers. Hence I demand that only Regional Rural Banks should be opened in rural areas. Out of 450 districts 286 districts have been covered by 162 Regional Rural Banks. This is according to the RBI's Annual Report. I want that all the districts should be covered by Regional Rural Banks.

Sir, 463 large industrial units, which have the credit facility of more than a crore of rupees, owe to the Banks as on 30.6.1983 a massive sum of Rs. 1913 crores. They are all located in and around metropolis towns. Recently, the newspapers have highlighted the sanction of loan of Rs. 300 crores to one businessman named Shri Sethia by the Punjab National Bank and Central Banks. Shri Sethia has been arrested in India for his failure to pay back the money. If such massive financial assistance is extended to rural areas, then the entire country will be benefitted.

Before I conclude, I would refer to the non-spending of 50% of Rs. 325 crores approved by the Government for loans to be given by the Banks under the scheme for providing self-employment to the educated unemployed. When there are 2 crores of educated youngsters, who are registered on the Employment Exchanges, are seeking livelihood, it is gross negligence on the part of banks in not helping the successful implementation of this scheme. I want that the hon. Finance Minister should look into this and take appropriate action.

There is recurring power cuts during summer season in Tamil Nadu. This has affected the industrial growth of the State. During the regime of late Shri Kamaraj, the Hogenakal Thermal Power Project was proposed. Still it has not been approved by the Centre. Similarly, Pandyar-Punnampuzha power project near Coimbatore is also pending approval of the Central Government. These two power projects, along with all other power projects which have been recommended by the State Government of Tamil Nadu should be approved by the Central Government.

With these words I conclude my speech.

**\*SHRI R. JEEVARATHINAM** (Arakonam): Mr. Chairman, Sir, I thank you very much for giving me this opportunity to say a few words on 1985-86 General Budget. I wholeheartedly welcome this Budget. For the first time 38 years after Independence, this kind of Budget giving new directions to our economic policy has been presented. Under the dynamic leadership of our young and ebullient Prime Minister Shri Rajiv Gandhi, our hon. Finance Minister, Shri Viswanath Pratap Singh has presented this Budget, which is heralding a new era of economic thinking.

The Crop Insurance Scheme has been the long-standing demand of the farming community of our country. It has been introduced in this year's Budget. The entire agricultural community has welcomed the Crop Insurance Scheme. I extend my full support to this scheme. Without wasting the valuable time of the House, I would in brief refer to certain issues which deserve the favourable consideration of the Finance Minister.

The hon. Finance Minister has stated that the compulsory deposit money would be repaid only in 1986-87. I suggest that he should pay 50% of CDS money in 1985-86 and the remaining 50% in 1986-87. I would also stress the need, in the interest of higher production of cement, for abolishing the dual policy in cement. The levy cement and the non-levy cement arrangement should be done away. This is hampering higher production. You total the two prices and strike out an average price for the cement. This is very necessary for the building industry and for construction programmes. This should be done by the Finance Minister.

Salem Steel Plant should be expanded and more funds should be allocated for this purpose by the Finance Minister. I would now draw the attention of the hon. Finance Minister that the private sector banks and private investment companies are offering 15% interest, in some cases even higher interest, on deposits. Naturally the people put their money in them. The State Bank and other public sector banks give only 4% to 10% on varying amounts. In order to attract deposits, the State Bank and other

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\*The speech was originally delivered in Tamil.

public sector Banks should increase the interest rate. The interest rate should be 6% to 12% on varying amounts. The hon. Minister of Finance will then be able to mop up larger savings in the form of deposits.

Under the 20-Point programme, I suggest that the applicants for loans should be told whether they will get the loan or not. They should not be kept in suspense. They are not able to attend to any other work because of this. They must be told 'yes' or 'no' at the earliest. The State Bank and public sector banks should give loans at low rate of interest to Doctors, Engineers, lawyers and merchants for the purchase of cars.

The District Industries Centres are recommending loans to the public sector banks, along with a feasibility report of the applicant entrepreneur. Presently, there is a ceiling for recommending such loans. I suggest that this ceiling should be enhanced to Rs. 2 lakhs, so that the applicants do not run from pillar to post for getting additional funds. They should be enabled to have the funds required for the project at one place. This will help the establishment of industries in rural areas also.

As the quality of cement produced by Mini-Cement units is declining, I suggest hereafter no licence should be given for opening mini-cement units.

In Tamil Nadu handloom cloth worth several crores of rupees is stagnant. The handloom weavers are in distress. The Government must organise exhibitions outside the country and explore new markets for the handloom cloth. All avenues for export must be fully exploited for ensuring the disposal of stagnant handloom cloth. The Trade Development Authority's functioning must be revamped so that new export markets are located by this organisation.

On the road from Arakkonam to Walaja 5000 acres of land is available. This land is nearer to Solingapuram Railway Station. Here the Central Government must set up a cement factory. In Tamil Nadu already there is cut in electric supply to the farmers. The summer has just set in. During peak summer, the electricity cut goes to 60% of the required supply. The agriculture comes

to standstill throughout Tamil Nadu. Every year this is recurring. I demand that a super Thermal Plant should be set up in Tamil Nadu in the interest of agriculture in the State.

With these few words, I conclude my speech.

[English]

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD): Sir, I propose that the time of the House may be extended by one hour.

MR. CHAIRMAN: Does the House agree to it?

SOME HON. MEMBERS: Yes.

MR. CHAIRMAN: So, time is extended by one hour.

[Translation]

SHRI MADAN PANDEY (Gorakhpur): Mr. Chairman, Sir, I would like to congratulate the hon. Finance Minister, on behalf of 'INTUC', the workers' union which I represent, for presenting this Budget. The Finance Minister has paid attention this time towards that class of workers whose interests had never been kept in view so far. The limit of salary for the payment of bonus has been raised from Rs. 750 to Rs. 1600. The limit of gratuity has been raised from Rs. 36,000 to Rs. 50,000. For the concession given in the rate of interest on housing loans, the working class not only congratulates you, but they feel obliged also.

Now I would like to say a few words to the Opposition Members, through you. Shri Janardhana Poojary has replied to their arguments in a logical way. If we want to give relief to workers, if we want to bring about industrialization of the country and create a conducive environment therefor, if crops are to be insured and the country is to be taken ahead on the path of progress and development, then how else would resources would be mobilised except by taking recourse to taxation? Government shall have to mobilise these resources. There are three alternatives before us: either the

[*Shri Madan Pandey*]

schemes have to be slashed down or loans have to be taken from foreign countries or taxation has to be resorted to, to collect more revenue. There is another way also which even to Janata Government had adopted and that is to sell the gold which our mothers and sisters had spared for the country and thus mobilise resources. But the last source has already been exhausted. Without taxation, therefore, we would not be able to fulfil our needs.

Mr. Chairman, Sir, I come from that area about which Shri Gehmari had once raised his voice in this House. There are in all 14 such districts like Gorakhpur, Ballia, Deoria, Banaras, Jaunpur, Azamgarh, Basti, Gonda and Faizabad which are most backward. The 'Patel Commission' was constituted when Shri Gehmari insisted on it and that Commission made recommendations to the Government. At the moment, the representative of Gazipur is sitting here, I am representing Gorakhpur and the representative of Azamgarh is also here, but we find that in spite of all the recommendations of the Patel Commission, nothing has been done till date to improve or change the picture of these areas. A leader like Ashok Mehta had raised this matter but in vain.

I would request the hon. Finance Minister, who knows that area, to constitute an Eastern Uttar Pradesh Development Board on the lines of the Development Board for hilly regions and that existing for Bundelkhand, and efforts should be made to provide relief to the suffering people of that area.

I would like to tell him, through you, that if an aerial survey of the area is undertaken during the rainy season, you would find that whereas rivers like the Ghaghra, the Rapti and the Ganga have proved to be a boon for the upper reaches of the State, they turn furious at Mirzapur and finally cause havoc in the districts of Ballia, Gazipur, Banaras, Azamgarh and Gorakhpur. At the time of floods, the whole of this area virtually looks like an ocean. The plight of the people living in the villages between the embankment and the river during the rainy season can be imagined.

There are no means left for them to go to and fro and no place to ease oneself even. I think because these places are inaccessible, our leaders do not visit them and even the Ministers do not go there as the bureaucrats do not take them along. I take this opportunity to draw the attention of the hon. Finance Minister to the conditions of this area.

The problem of floods is related to Nepal. Uttar Pradesh Government cannot be depended upon. The Malu Dam Project can taken up with the co-operation of Nepal. Similarly, co-operation of Nepal in the river valley Schemes of Ghaghra and others is necessary. You should remember what Shri Gehmari had said. It is very difficult to explain the plight of the people in that area in such a short time. All this has been due to lack of resources and even after 40 years of Independence, such is the plight of the people there. You cannot leave the people at the mercy of nature. You should provide the resources and try to improve the lot of the people there. I would like that while replying to the debate, the hon. Minister should reply to these points also.

I hope that the request for the constitution of Eastern District Development Board would be acceded to, so that the suffering people of the area could get the much-needed relief.

With these words, I congratulate the hon. Finance Minister for presenting a balanced Budget and I feel obliged to the leader of the new Government, Shri Rajiv Gandhi, for creating a spirit of modernisation in this Budget.

**SHRIMATI SUNDARWATI NAWAL PRABHAKAR** (Karol Bagh): Mr. Chairman, Sir, I am grateful to you for having allowed me to make my maiden speech.

I support the Budget presented by the Finance Minister because equal treatment has been meted out in it to all sections of the society, whether it is capitalists, middle class people, farmers of workers.

At the out set, I would like to say that on the one hand some Members from the Opposition have appreciated the Budget and on the other hand some others have

opposed it. I would like to ask them what they had done for the poor and the farmers in 1977 when they were in power. Today, they are showing great sympathy for the poor and the farmers. When our dear leader late Smt. Indira Gandhi had nationalised the banks and had abolished the privy purses of the former rulers, they had opposed these steps. They are now speaking in favour of farmers, but what had they done for them when there was a bumper crop of sugarcane and they had turned down their demands? The farmers were at that time compelled to burn their standing crops. Today, the Opposition Members are shedding crocodile tears for the farmers. I understand that the land allotted to the poor and the farmers during Indiraji's regime had been taken away from them during the Janata Party's regime. Today, they have the temperity to ask what has been done in our regime. The opposition parties are in the habit of just criticising for the sake of criticism.

18.00 hrs.

Mr. Chairman, Sir, now I would like to express my views on the Budget. Various schemes are in the process of implementation under the Ministry of Social and Women's Welfare for which a provision of Rs. 29,78,35,000 has been made in 1985-86 in the non-plan sector and a provision of Rs. 100 crores has been made under the plan sector.

There are many developmental schemes under the Social Welfare Programme, under which there is a scheme to provide equipments to handicapped persons free of cost. Under this Scheme, persons having a monthly income between Rs. 750 and Rs. 1500 will be provided with equipments free of cost. But no provision has been made for those whose monthly income is less than Rs. 750, when they need the assistance the most. It seems that the poor have been deprived of this assistance. The people living in slums do not come to know about such a scheme. A survey should be conducted in these localities to identify the problems faced by the handicapped persons so that remedial steps could be taken.

Mr. Chairman, Sir, the schemes meant for the welfare of women come under the

Social and Harijan Welfare Board. More funds should be provided to them. The funds being given by the Departments are negligible. The destitute widows are given Rs. 300 per year. This amount is quite inadequate. An amount of Rs. 50 or 60 is given as pension. I would like to say that they should be provided with as much amount as possible. Training centres should be set up for women to provide occupational training and employment to them so that they could bring up their children. There is nobody to take care of the children of a number of widows. I would like to say that more and more such centres should be set up in slum areas.

Similarly, mostly middle class people take the benefit of the socio-economic programmes, whereas the poor people are really the needy people. This scheme should be given more and more publicity in the localities where the lower income group people live because they are not in a position to bring up their children.

Mr. Chairman, Sir, poor families could not so far get the requisite benefit in respect of the nutritious food, prevention of disease, medical check-up, consultancy services and pre-school education programmes introduced under the Integrated Child Development Programme. The money allotted for giving nutritious food per child is too inadequate to serve the purpose. Per child more provision should be made for this purpose.

Pre-school education centres are generally opened in colonies where middle class people live. The children of poor families are thus deprived of this facility. Children of those women, who work on roads or who are engaged in building construction work are seen moving about like orphans. You should ensure that their children are looked after properly. Maximum resources should be mobilised for them so that their children get education.

Today our population is increasing. Poor people come to cities for earning their livelihood and as a result thereof the number of slums is increasing. Some arrangements should be made so that they get such facilities. Neither drinking water nor electricity is available to them. These facilities must

[*Shrimati Sunderwati Naval Prabhakar*]

be provided to them. Some arrangements should be made to see that they get employment at their native places so that they may not feel the necessity of coming over to cities. With these words, I thank you for giving me five minutes' time to speak.

**PROF. SAIFUDDIN SOZ (Baramulla) :**  
Mr. Deputy Speaker, Sir, I will not go into details. When I spoke earlier, Shri Janardhana Poojary was sitting here. He did not even reply to my point. But, now I want an assurance whether the points I raise here would be considered or not.

One Member said that Parliament had become irrelevant. Anger was expressed by saying that while giving interview, I had described the Budget as a good one. I again say that it is a good Budget. You may feel that I am emboldened to say so because Palkhiwala has described the Budget as a good one. When Shri Vishwanath Pratap Singh was making the Budget speech, I did form the impression that it was a good Budget.

The Finance Minister had said that now crops would be insured. It is a good step. I totally agree with him. When the crop is ready to be harvested, if there are rains or severe storms, nobody can imagine the plight of the farmer. Now, the farmer need have no such apprehension any more and he will work hard. If his crop is damaged, he can still hope that he will not be ruined. By this Scheme, he will get some psychological relief also.

Social security measures have been taken up in this Budget for those poor people who are killed in accidents. A legislation should be brought for such areas also where some sick units are there or where some factories are lying closed.

I shall say something about education only when the Education Minister is present here. Education is a matter of vital importance. Neither has any attention been paid to it nor any priority given. The Finance Minister has said for the first time that education will be given top priority. Whether it is done or not, it will have to be seen, but the intention seems to be there. He

intends to apprehend tax-evaders also. A large number of Members have supported these five or six points to please the Minister. These are very good things.

I would like to say two or three things more. Poojaryji is our colleague and friend. I would request him that after holding consultations again in the Ministry he should not try to put off things as has been happening hither to fore. Attention must be paid towards two or three things and some relief must be given. For example, you have not imposed more taxes, but people are facing great difficulty due to an indirect tax, more so in my State. The price of petrol has increased by 90 paise per litre. It has increased very much in Srinagar. There is great difficulty of transportation in our State. You have raised the price of kerosene oil by 40 paise in one stretch. The price of petrol may be raised because there is no other alternative, but I request that the increase effected in the price of petroleum may be reduced by 50 per cent. The price of kerosene may be increased by 10 paise only, as it is used by the common man. You have given the slogan of removing poverty and you have taken certain measures in this respect in the Budget. When you give the slogan of removing poverty—some of our friends get excited over it and say that we do not want to remove poverty—the increase of 10 paise in the price of kerosene will be adequate. The price of cooking gas has been increased by Rs. 6. There is no home delivery system in Srinagar and certain other cities. I had told Shri Shiv Shankar that there was no home delivery system in Srinagar and other cities of Kashmir. One has to go to the agent's godown to collect the gas cylinder and has to pay more also. So, the increase in Srinagar, Baramulla and other far off places would be Rs. 10 instead of Rs. 6. Gas has become one of necessities of life. Even poor people want to use it by curtailing other necessities of life. It has become an item of common consumption. Hence, I would like to say that the increase of Rs. 6 on a cooking gas cylinder is not justified.

This is a very good Budget. Even Nani Palkhiwala has described it as a good Budget and a lot of discussion has taken place on it. I have been a student of econo-

mics myself. You know that the common man's budget will get upset by the increase in the prices of petroleum, kerosene, gas and five or six other items. So, the hon. Minister should consider it. This is not a question of prestige.....(Interruptions) ...I am concluding shortly.

If you see the slabs of income tax, you will find that one category is not going to benefit by the proposed exemption. I had already said in an interview that the exemption limit should be fixed at Rs. 25,000, instead of Rs. 18,000 and, if it is not possible to do so, it may be fixed at Rs. 20,000. Those who prepare the Budget have their favourites in mind while giving concessions. You please look at the second scale of income tax. The people in that scale do not get any benefit. Regarding retirement benefits, you have said that they would be given from the next Financial Year. What about those employees who retired in January 1985? The Finance Ministry may not agree with it, but can a way not be found out whereby messengers, clerks or other low paid employees also can get benefits? They know that handsome concessions are being given from 1st April and the high officials are to get many more concessions. Such low-paid employees as retired between January and April, 1985 will resent it that they have been deprived of the benefits. So, they should be given the retirement benefits from January 1985.

**SHRI RAM SAMUJHAWAN (Saidpur):** Mr. Chairman, Sir, the hon. Finance Minister and the hon. Prime Minister deserve full appreciation for the Budget for 1985-86 presented in the House, because the all-round progress of the country has been kept in view in the Budget. Enough funds have been provided in it for Crop Insurance Scheme, employment and for other schemes like N.R.E.P. In one hundred districts, the dependents of those killed in accidents will be given Rs. 3,000. I would urge upon the Government to extend this scheme to the entire country.

Similarly, food subsidy has been increased from Rs. 800 crores to Rs. 1,500 crores. This step will have a good effect on the production of wheat and paddy. Along with it, I want to say that 80 per cent of our people live in villages and are dependent on

agriculture. There is need to bring down the prices of items like seeds, manures, medicines and other commodities which are used by them. There is need to supply the maximum electricity to the farmers. Today the situation in respect of electricity is such that it goes off within two minutes of its commissioning. The farmers go to their fields but are unable to irrigate them. Electricity is supplied during the night, with the result that there remains the possibility of the farmer falling ill. I want that the farmers should be supplied with maximum electricity. Similarly, regarding the provision of electricity in the Harijan colonies, I have seen in my constituency that the people are informed that such and such Harijan colony has been provided with electricity but there is no light in sight. The reason is that the employees are careless. I think special attention should be paid towards it.

Mr. Chairman, Sir, my constituency also falls in the eastern part of Uttar Pradesh. As Shri Rai who spoke before me said, the districts in the Eastern region are quite backward and away to their being densely populated and having less land, the poor people of that region leave their homes for taking up jobs in other places like Calcutta, Madras, Bombay, Delhi to earn their livelihood. It is absolutely necessary that big industries be set up in the region of Gorakhpur, Basti, Ghazipur, Jaunpur, Ballia, etc., for the benefit of the poor people. There is no big or small industry in our area. So, I urge upon the Government, to pay special attention in this respect. Our area of Ghazipur and Jaunpur is surrounded by 17 small and big rivers and it gives a harrowing look during the rainy season. The Ganga, the Gomati and the Sai rivers are known for causing floods. In that area, there is a place named Karakat where the erosion caused by the Gomati is increasing. The Government have been approached many a time to construct a 'thokar' there, but nothing has been done so far. Construction of a bridge there is very essential because then the development of the area can take place and the distance to reach Azamgarh, Banaras, Jaunpur will be shortened. So, a bridge should be constructed there.

In our area, irrigation is done from the

[*Shri Ram Samujhawan*]

Sharda Canal. The 35 kilometre branch of the Sharda Canal passes through my constituency but its condition is such that it is breached here and there with the result that the entire crops are damaged and the farmers are not given any compensation for the loss. Therefore, I suggest that the Sharda Canal be made pucca to provide relief to the farmers.

In the end, I welcome the balanced Budget presented by the Finance Minister here. I will urge upon him that taxes on those items which affect the poor may be reduced. By reducing the prices of kerosene oil, petrol and diesel the farmers should be given some relief.

With these words, I support the Budget.

DR. CHANDRA SHEKHAR TRIPATHI (Khalilabad) : I support the Budget because this is the first time when relief has been provided in it to both the poor and the rich. Just now, much criticism has been made that the upper class people have been provided with more relief. I would like to say that 70 to 80 per cent of the people of India live in villages and their occupation is agriculture. The people who are dependent on agriculture cannot sustain themselves only on agriculture. So, for the first time, relief has been provided to both the small as well as big the industries which will provide jobs to the maximum number of people. Lakhs of persons who are engaged in agriculture, will get employment opportunities by this and the industrialists will get opportunities to set up industries and in this way our country will march towards rapid industrialisation. Hence, to criticise that industrialists have been given more attention, does not seem to be proper. Our hon. Finance Minister has tried to mop up the untapped financial resources so that they are invested in the setting up of industries to take the nation towards progress.

I would like to draw the attention of the hon. Finance Minister particularly to one point. He has raised the income tax exemption limit from Rs. 15,000 to Rs. 18,000. For this, he deserves congratulations. But I think this is not sufficient. This exemption limit should be raised to Rs.

25,000, so that the persons who have money but do not want to invest for fear of having evaded income-tax may not have to unnecessarily hunt for loans and may have an opportunity to invest that money in industries, and hereby stand on their own feet and march towards progress. I, therefore, submit that this limit must be raised to Rs. 25,000.

To remove the regional imbalances and to ensure the progress of the country, the Late Pandit Jawahar Lal Nehru had adopted mixed economy for the country in which both the private and public sectors were given opportunities to set up industries. It is true that we have made a huge investment in the Public Sector. These are the industries having monopoly in certain items ; even then their production is not to the desired extent, nor have they earned the desired profits. I have no hesitation in saying that in the Public Sector, the majority of the industries are running in loss to the tune of crores of rupees. This should be looked into and efforts made to obviate the losses and the people should also not be burdened with taxes to meet the losses. The workers in that sector have been provided with all the facilities but in spite of this, they are not increasing the production and are bringing the country on the brink of huge losses.

Many problems have been raised in the House relating to different States but I want to draw the attention of the hon. Finance Minister towards a problem which is not related to any particular State but is related to the entire country. No doubt, hill districts are considered as backward keeping in view the development of the country at large but I have no hesitation in saying that Cachhar area is a water-logged area of the country and remains as such for 5 to 6 months in a year. The people there are very poor ; there are no schools ; drinking water is not available ; there are no roads and people are without houses. I would request the hon. Finance Minister to set up a separate board for the uplift of this area so that it marches ahead along with the rest of the country.

I would also like to submit that although the maximum limit of Rs. 20 lakhs fixed in 1980 for setting up small scale industries



has been increased by the hon. Finance Minister to Rs. 35 lakhs to encourage the small scale industries, yet these industries are not set up in the villages because transport facilities are not available and power is not supplied there. Therefore, the purpose of encouraging small scale industries in rural areas, for which this limit has been increased from Rs. 20 lakhs to Rs. 35 lakhs, will be achieved only when transport and power supply facilities are provided.

I would like to submit one thing more and this is of national interest. In our country, smuggling is done on a large scale. Articles worth crores of rupees are smuggled from Nepal into India through places like Bhairwa, Krishnanagar, Taulihawa, & Raxaul, adjacent to the Nepal border in collusion with high officials. Smuggling is not going to be stopped by the giving of rewards and incentives. Certain effective steps should be taken for this. I would, therefore, like to say that the squads constituted for this purpose should include the M.Ps. also and offenders should be punished so that there is no natural loss.

The educational system in the country should be uniform. If it is possible, a uniform education policy should be implemented.

Many hon. Members have asked for reduction in the enhanced taxes on gas, bidis, kerosene oil, vanaspati ghee, diesel and petroleum products. I shall be grateful if these enhanced imposts are reduced so that the people of the country get relief.

**SHRI RAM PUJAN PATEL (Phulpur) :**  
 Mr. Chairman, Sir, I am thankful to you for giving me an opportunity to speak on the 1985-86 Budget.

The hon. Finance Minister has prepared the Budget for 1985-86 with wisdom, care and farsightedness and I thank him for this and he deserves congratulations because through this Budget all sections of the society will be benefited. I feel however that the farmers have been neglected, because after going through the entire Budget, I have not found anything which may benefit the farmers directly. My submission is that we shall have to think seriously about the farmers. The Finance Minister has said in

his Budget speech that whereas for keeping the inflation under control, curbs on expenditure and imaginative supply management and timely imports have their own importance, having two successive good crops has also helped in this regard. Thus, the annual rate of inflation in wholesale prices on 23rd February, 1985 was 5.2 per cent as compared with 10.00 per cent during the corresponding period last year. Not only this, the consumer price index has also shown an increase of only 4.4 per cent in January 1985 as compared with an increase of 13.7 per cent in the corresponding period of the previous year. The farmers of the country with their hard work have strengthened the country and I think the Finance Minister should consider seriously about giving facilities to the farmers also because neither the prices of fertilisers have been reduced nor any other facility provided. On the one side, you have given a minor relief but on the other side you have increased the prices of the petroleum products. The farmers have neither got exemption in the prices of fertilisers and machinery nor have they been provided with any other relief. In the Budget presented before us, the only facility to the farmers is the introduction of the Crop Insurance Scheme. I want to give two suggestions to the Finance Minister for the benefit of the farmers. Our Budget is prepared for the period 1st April to 31st March. The money due from the farmers is recovered by 31st March and if they do not pay, attachment warrants are issued against them. The farmers have to sell their crops etc. very cheap. I think no crop is ready by 31st March and even if any crop is ready that has to be sold at lower rates. I, therefore, want that our Budget should be for the period 1st July to 30th June. The second reason for change in the dates is that nowadays by the time the Budget is passed, the monsoon has already set in. The rains continue for two to three months. During the rainy season, the construction works come to a standstill. A period of three months is taken for passing the Budget. Thus for 6 months, there is no construction work in the country. For the remaining 6 months, engineers and workers do construction work and they are asked to complete the works somehow or other by 31st March and spend the money before that date.

[*Shri Ram Pujan Patel*]

This leads to misutilisation of money and construction work is also not done properly. I, therefore, request the Finance Minister to consider my suggestion to adopt the period from 1st July to 30th June as the financial year.

In our country, the education to girls up to higher secondary level, i.e., up to high school has been made free. For this, the Finance Minister deserves congratulations. It is a very important provision. My submission is that all the children, both boys and girls, should be given free education up to high school, and everyone in the country should get education uniformly; there should not be any disparity. It should be taken care of that the education gap between the rich and the poor does not go on widening. Everyone should get uniform education. This was the dream of our late Prime Minister Shri Jawahar Lal Nehru.

We have resolved to eradicate poverty from our rural scene through Integrated Rural Development Programme, National Rural Employment Scheme and Rural Landless Employment Guarantee Programme. Unemployment is being removed by providing money to the unemployed people so as to lift them above the poverty line. I would request the hon. Finance Minister to order an inquiry whether the funds spent for this purpose have actually raised the standard of living of those living below the poverty line. The people of the Department of Industry in connivance with the bank officials somehow procure these funds, but the people who are supposed to get this money do not get full amount. Your officials indulge in many irregularities in this regard. I would request the hon. Minister to look into it. As a result of hike in taxes on articles being used by the poor, viz., beedi, paan masala, kerosene, the prices in villages have considerably risen. I request you to re-consider the hike in tax on these items including cement and diesel.

The hon. Finance Minister has made a provision of Rs. 10 crores in the Budget to check pollution in the Ganga. This is a commendable step.

The money of the poor deposited in the

banks gets doubled in 6½ years, that deposited in Post Offices gets doubled in six years, whereas the money invested by the big capitalists gets doubled in five years. Thus, the country's entire money gets accumulated with the big industrialists and is not utilised for the welfare of the people. So, the capital of the private sector industrialists goes on increasing. Consequently, your public sector would be lagging behind which would not be in the interest of the country.

With these words, I thank you and conclude.

**SHRI RAMASHRAY PRASAD SINGH** (Jahanabad): Mr. Deputy Speaker, Sir, I am grateful to you for giving me an opportunity to speak. It is evident from the Budget for 1985-86 presented in this House and from the discussion which is going on here as also from Shri Poojary's reply that this Budget is a deviation from our national policy. The policy evolved by the new Government is a departure from the past.

Sir, I would like to ask those who claim that this is a progressive Budget and that it will benefit the poor whether they have gone through the Budget and examined to what extent it has benefited the poor and also what has been the quantum of benefit and concessions to the rich and multi-millionaires as a result of it. That will tell you the truth. A careful scrutiny of this Budget would reveal whether it is in favour of the poor or the rich. No doubt, there are certain things which would help the poor, but on the whole, it would do comparatively more harm to the poor who are already facing penury. Beedi, soda, kerosene are the items of mass consumption and the Government should reconsider the hike in the prices of these commodities.

I belong to a family of farmers and the people of our country mainly depend on agriculture. 70 per cent of our people depend on agriculture, but you have ignored agriculture. You can claim that you have set a record in agricultural production. But your production of 151 million tonnes of foodgrains in 1984-85 cannot be considered as stable. When there is good monsoon, the production goes up, but when the monsoon fails, the production declines. There-

fore, it cannot be called stable. I can substantiate my point by giving an example. Before 1982-83, the production was 133 million tonnes, but we had a bad monsoon in 1983-84 leading to drought and famine conditions in the country and consequently, the production declined to 126 million tonnes. You have adopted a casual attitude towards agriculture. I am not talking of the entire country. There has been extensive development in agriculture in Punjab, Haryana and some parts of Uttar Pradesh, but Bihar, Bengal and Orissa are much backward in this regard. We still have vast fertile land in our area, and if it is developed properly and water is made available, it can produce a rich harvest. Such land has been ignored. Had you developed agriculture and increased production, you would have controlled inflation and would not have faced deficit. One of our hon. Members has said that we are exporting foodgrains and we have become self-sufficient. Let me tell you that in 1978 you provided 468 kilograms of foodgrains per head but today you provide only 438 kilograms. It shows that the in-take per head has gone down. We should pay attention to this aspect.

There is a scheme named 'Punpun Irrigation Project' in our area which is likely to benefit Karpi, Kurtha, Jahanabad blocks of Gaya district and Massaudi and Dhanrua blocks of Patna district. During Lok Sabha elections, a joint photograph of Congress (I) candidate Mahendra Singh, who is called King Mahendra in the local area, and that of the Chief Minister appeared in the newspaper with the assurance that work on this scheme is going to be started and that the foundation stone would be laid soon. But, that Punpun Irrigation Project has not yet been cleared by the Centre. I would request the hon. Minister to approve this project and start work on it, so that it may bring prosperity to the people of these areas.

\*SHRI HARIHAR SOREN (Keonjher) : Mr. Chairman, Sir, I rise to support the General Budget for 1985-86. The Budget presented by the Finance Minister is a progressive Budget. It is the hope and aspiration of millions of people in this country. The Finance Minister is an efficient and honest person. He has got a strong person-

ality. He has presented a well structured and balanced Budget. Therefore, the people from all sections of the society have congratulated him.

At the outset, I congratulate our Prime Minister Shri Rajiv Gandhi. His intention to provide clean and efficient administration has attracted millions of people. Therefore he got massive mandate in the last General elections. He is determined to make the 20 point programme of our late Prime Minister Shrimati Indira Gandhi a great success. During the time of election the Prime Minister Shri Rajiv Gandhi had promised the people to pass the Anti-defection Bill. In the first session of the 8th Lok Sabha itself the Anti-defection Bill was passed by Parliament. The 30th January, 1985, the date of passing the Bill, will therefore remain as a memorable day in the parliamentary history of India. Today the whole nation looks towards the leadership of Shri Rajiv Gandhi.

Sir, it is a matter of great pleasure that greater emphasis has been laid in the Budget on the upliftment of rural areas. The rural welfare schemes like National Rural Employment programme, integrated rural development programme and rural landless employment guarantee programme are under implementation in the rural areas in different parts of the country. As you know Sir, India is a country of villages. Therefore, when we talk of the progress of the nation, we must think of the welfare and the upliftment of the rural people. All the above programmes are meant for raising the Status of the rural people from below the poverty line. I am glad that provisions have been made in the current years budget to alleviate poverty. It should be the main endeavour of the politicians, Government employees and voluntary organisations to work unitedly for the greater success of the rural development programmes. The co-operation of all sections of the people involved in implementing these programmes is very necessary to achieve the main goal. It is not proper to say that the people working in all spheres are honest and sincere. There are many people, involved in implementing these programmes who misappropriate and misutilise the funds allocated for rural development. I appeal to

\*The speech was originally delivered in Oriya.

[*Shri Harihar Soren*]

the Government to take action against such people. I also suggest the Government to monitor the implementation of rural development programmes from time to time. The State Governments responsible for implementing such programmes should be taken to task if they fail to achieve the target set for implementing such programmes. The real benefit should reach the people who urgently need it. The beneficiaries lists should be checked up and action should be taken against the officials who prepare the lists if fake beneficiaries are found in the lists. All these suggestions, if implemented, will provide the real benefit to the rural people and the poverty can be removed from rural areas.

Now I would like to say a few words about rural water supply. Sir, there are many villages in Orissa and other States where drinking water facility is not available. The problem villages were identified during the 6th Plan period. All States have not fulfilled the Sixth Plan target to provide drinking water. Therefore I request the Government to provide potable drinking water to the problem villages on priority in 1985-86. At the same time I request the hon. Minister to put pressure on the State Government to accelerate the programme to provide potable drinking water to all the villages by the end of the 7th Plan. The country is facing many problems today. The unemployment problem is one of those major problems. The Government of India should make all possible efforts to generate more employment in the sphere of agriculture and industry. The Government of Orissa had taken a number of steps for the growth of industry in that State during the last five years. A good number of industrial units have been established in small scale sectors. But the number of medium and major industries are microscopic. Therefore there is a greater need to set up some major industries in the State of Orissa.

While speaking on the industrialisation in Orissa I must make the mention of a second steel plant in that State. Sir, the proposal to set up a steel plant at Daitari in Orissa was taken up as many as five years back. The site has been selected. The steel

plant was to be located on a triangular piece of land at Daitari in the border of Cuttack, Keonjher and Dhenkanal districts. The land acquisition work was on progress. Daitari is ideally located so far as the establishment of steel plant is concerned. But it is unfortunate that the construction work of the steel plant has not been started so far. The inordinate delay in the establishment of the steel plant has created great discontentment among the people. The demand for the steel plant is not confined to a few districts of the State, but it is a demand of the people of Orissa as a whole. If the steel plant is established it will go a long way in providing employment to hundreds of unemployed educated youngmen in Orissa. As the labour water and raw materials are easily available near the proposed site selected for the location of the steel plant, there is every justification to set up the steel plant at Daitari. The delay in the establishment of the steel plant will result in cost escalation. Therefore I request the Government of India to expedite the proposal for the establishment of steel plant at Daitari without any further delay.

Lastly, thank you very much for having given me the opportunity to take part in the discussion.

[*English*]

SHRI ASUTOSH LAW (Dum Dum) : Mr. Chairman, may I congratulate the hon. Prime Minister for presenting the most dynamic growth-oriented and rational Budget ? I also congratulate the hon. Finance Minister on taking such bold steps which could not be taken for the last 20 years.

The Union Budget has been opposed and criticised by the Opposition on various aspects. May I request them, "For the sake of criticism or for the sake of opposition, please don't criticise or oppose this Budget" ? This is the only Budget in the history of Indian Parliamentary democracy wherein the all classes of people have been given substantial benefit and/or relief involved. (*Interruptions*)

MR. CHAIRMAN : He has got only two or three minutes to speak. Don't disturb.

**SHRI ASUTOSH LAW :** I will appeal to you that for Heaven's sake, once in your life, please try to realise that this Budget is for the country's benefit and also for the future generation. If you think you have suffered and our previous generation had suffered then let not our future generation to suffer again. Let us do something in the name of the people so that our future generation will derive some results out of this Budget. This is the budget where three sections, i.e. weaker section, middle class people and the cooperative sector, have been given the relief.

Now, let us see what the benefits and reliefs are given to the weaker section in the proposed Budget. Since time is very short, I will be very brief. If I am permitted to clarify farmers, lower middle class people and the unemployed youth under the weaker section of the society, you will find in the Budget that they have been given benefits by all means. What are the benefits? Now let me first consider the claims of the workers. In the case of a company being liquidated or wound up, previously, after Government dues, the claims of the secured creditors would come. Workers claims were placed down. Now the workers wages and claims will be paid first. Now the workers wages have been put *pari passu* with the Government's revenue. So, this is one of the most important and substantial reliefs given to the workers.

The bonus limit has been raised from Rs. 750 to Rs. 1650. That will benefit not only the workers, not only the weaker section but also the lower middle class people. More money has been allocated for the rural development. In the rural development sector, not only the farmers will get the benefit but the unemployed rural youth will also get the benefit. The crop insurance scheme which has been envisaged in this Budget is one of the most revolutionary propositions which has never been thought of and the benefit will be given to the farmers. Even in case, the farmer is not in a position to pay the insurance premium, then the subsidy has been provided.

Regarding the industrial policy and the corporate sector, may I submit that the corporate sectors have been given substantial relief I think, my hon. friends on the

other side who are shouting so much would realise if they go through the Budget carefully that exemptions which were previously enjoyed by corporate sector have been taken away, by this Budget whereas rate of corporate tax has been reduced. If you consider the impact of this Budget upon the middle class society, you will find that they will be benefited by way of reduction of tax structure, recasting of wealth tax structure and abolition of Death Duty and C.D.S. These are the steps which will give substantial benefit to the middle class people. Therefore, it cannot be said that this Budget is only for the upper middle class. This is a Budget for all the people.

Lastly, let me say something about proposed petroleum price hike, the kerosene price hike and also the gas price hike, I support this ...*(Interruption)*. You must not misinterpret my statement. You listen to me. I say, if it is inevitable that the price of petroleum products, have to be increased then it is better to have small increase in the price this year rather having stiff increase in the price next year which will create more burden on the people. In any event I request the Hon. Finance Minister to reduce the kerosene price otherwise weaker section will suffer. If necessary, the tax abolished on TVs, VCRs and other luxury items may be re-imposed and introduced to give such relief to the weaker section.

**SHRI H.A. DORA (Srikakulam) :** Mr. Chairman, Sir, some of the hon. Members on the other side contended that the Budget reflects socialism; it invigorates the earnings of a common man in the street and it is pregnant with progress and revolution. This has also been previously said in the same tenor and tone. I am at a loss to understand as to how much dose of socialism is imported into the Budget.

The Directive Principles of State policy enshrined in our Constitution aimed at socialism. 35 years have almost been completed. What is the degree of socialism that has been brought about in this country? Could it be visible to the naked eye applied with a magnifying glass?

What are the assets of Tata, Birla, Singhanian and others in the year 1947 and

[*Shri H.A. Dora*]

what are their assets now? How many persons were there below the poverty line by 1947? What is the increment now given to it in the year 1985?

Is it that we have achieved socialism in our country? The Budget is revolutionary in the sense that it revolves round the industrialists. The Budget spells out maximum benefits to minimum number of people in this country. I would say:

The problems in this country are plenty, the Budget is based on principles twenty, but the result is absolutely empty.

I may be permitted to say that the hollowness of the Budget can be seen from the few points which I may be permitted to present before the House. The gross annual requirement for the year 1985-86 is Rs. 2,12,798.82 crores. The allocation for rural development is only Rs. 399.95 crores, not even a fraction of 1 per cent, not even 1/500th share, of the total gross annual requirement for the year. May I request the hon. Minister to take note of the development in the rural areas? There are roughly 5,75,000 villages in this country. About 80 per cent of our country's population live in these villages and about 70 per cent of our national income is only from the villages. But the allocation of amount for the development of villages is very meagre, not even 1 per cent. It is only a small fraction of 1 per cent. Why is this criminal discrimination made in respect of the villages? May I say that such a discrimination had been made, was made, has been made and is also being made? How can the Government expect progress in this country without rural development?

I am ready to correct myself if I am wrong in contending that the development in rural areas is wantonly neglected. The rural development hitherto achieved is comparatively negligible.

Most of the villages in the country are not provided even with earthen roads. There is scarcity of drinking water in this country, in the villages particularly.

Even 60% of the villages are not elec-

trified. The hon. Minister is quite aware of the sanitary conditions in the villages. In spite of his being aware of all these conditions, the provision made towards rural development is only a fraction of a per cent.

I am sorry to say that the Budget is not for the people dwelling in the villages who live in semi-permanent houses. It is only for those who live in mansions.

SHRI A. CHARLES (Trivandrum): Sir, I am happy that I am given a chance to speak on a Budget which has been widely accepted and which has ushered in a new era of greater social justice.

We have been listening to the criticisms made by some of our friends on both sides. It has been criticised by the Opposition that this Budget is pro-capitalistic, anti-rural and is a deviation from the path of socialism which the country has been following since independence. It is also said that as persons like Mr. Palkhivala and some of the news media of the West have welcomed the Budget, it must be essentially pro-capitalistic. This is simply illogical. The hon. Member in the Opposition Shri Indrajit Gupta himself has admitted that in the course of the discussions he had with the Minister of Finance, he had suggested three measures to alleviate some of the difficulties of the middle class and the working class and that all the three suggestions were accepted by the hon. Minister. Does if the argument of Shri Gupta is accepted can't we say that this Budget is pro-socialistic since it contains some of the recommendations of Shri Indrajit Gupta? It is really a strange irony of fact that the parties which were criticising, opposing and bullying our late Prime Minister Shrimati Indira Gandhi and were bent on eliminating her from public life during the whole tenure of her office, are now education lamenting that the glory of socialism has given way with her passing away. We are thankful for this belated recognition or rather confession.

It is gratifying to note that our economy is almost on a safe footing and that there is an overall growth on all sections of the nation's life, may it be agricultural, industrial, power generation, coal production or freight movement by rail. Coupled with this

growth, the numerous benefits and incentives now provided in the Budget to a wide ranging section of the population have instilled greater confidence in the whole nation and has given a measure of social security to the poorest of the poor.

The comprehensive scheme of crop insurance, the accident insurance scheme for all sections of workers who are not covered by any scheme, the proposal to raise the limit of income for payment of bonus, free education of girls all over the country up to the Higher Secondary level, enhanced retirement benefits, the proposal to raise the exemption limit for personal income tax and to discontinue the surcharge on income tax, abolition of the scheme of compulsory deposits, abolition of the levy on Estate duty, raising the limit of the monthly income for payment of bonus to employees, top priority given to the workers' dues in the event of an industry being closed and a number of other such progressive measures are certainly radical measures which take the whole nation to a new era.

However, I am constrained to say that some of the Budget proposals have added to the strain of the middle-class and the poor. The increase in the duty on crude petroleum and the increase in the cost of cement will no doubt increase the burden of the poor and the middle-classes. Increase in the cost of kerosene will have to be reconsidered lest the number of relief measures meant for the common man shall be eroded in respect of the poorest of the poor. So also it is too early to assess the total employment potential that will be generated as a result of the many incentives proposed to be given for developing small-scale industries. Housing is yet another major problem that has to be given top priority. So also, while those below the poverty line in the rural areas will be very much benefited by schemes such as the IRDP and NREP etc, there are no such measures for their ill-fated counterparts in the urban areas.

With a view to relieve the sufferings of the above sections of the people and to make the Budget more meaningful in their cases also, I would make the following specific proposals :—

For domestic use and for genuine use of small agriculturists, kerosene shall be distributed through the public distribution system on a subsidised rate in case it is not possible to reduce its cost.

The proposed enhancement of cost on cooking gas (LPG) shall be withdrawn.

The excise duty now proposed on cement and soap shall also be withdrawn.

Schemes similar to the IRDP and NREP shall be drawn up for the poor sections of the urban areas also.

Steps shall be taken to ensure remunerative prices for all agricultural products to the farmers.

The problem of housing should be given utmost priority. Special projects should be prepared and implemented on a time-bound programme for providing flats to the landless poor giving priority to the poor living in the coastal belt and in the slums in the urban areas.

This is a time when the whole nation is looking forward with high hopes and aspirations on the young leadership given to this country to pioneer its destinies to peace and prosperity. The first Budget of the Eighth Lok Sabha now before us amply proves that the great confidence reposed on the ruling Party and especially on the young Prime Minister is not misplaced. The Prime Minister in his first message given to the nation after his unanimous election as leader has stated in unmistakable terms that honesty, efficiency and time-bound programme will be the basis of the new administration. The first Budget of his Government has amply justified these high ideals. I would, therefore, give my unstinted support to the Budget with the pledge that we all shall work together upholding the above ideals in building up this great country so that a united India may live and prosper.

MR. CHAIRMAN: The House stands adjourned to reassemble on Monday, March 25, 1985, at 11.00 a.m.

19.01 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Monday, March, 25, 1985|Chaitra 4, 1907 (Saka).*