

GENERAL BUDGET, 1987-88—  
GENERAL DISCUSSION  
AND  
DEMANDS FOR EXCESS GRANTS  
(GENERAL), 1984-85—*Contd.*

[*English*]

SHRI INDRAJIT GUPTA (Basirhat) : Mr. Deputy Speaker, this morning I had the good fortune to listen to my old friend Mr. Bhagwat Jha Azad.

AN HON. MEMBER : Now, is he not your friend, Sir ?

SHRI INDRAJIT GUPTA : He is my friend. I said, he is my good friend.

SHRI BHAGWAT JHA AZAD (Bhagalpur) : For his information, we are two Members in this House who have been here for six terms in the whole House.

SHRI INDRAJIT GUPTA : There is a lot of research, I must say.

Among the many points which he made because I am not going to deal with all of them, this is not my job here, a central point which he highlighted and repeated several times in his advocacy of the Budget, was what according to him was something unique and that was that there are no taxes in it. It is a budget without taxes ! Well, in a sense, he is correct. And we should be thankful, Sir, to the fact that this budget has come on the eve of elections, in three States immediately and in another State after a short interval. And no doubt the new Finance Minister had very much in his mind the compulsions of the elections, and was therefore careful to see that such taxes should not be imposed which would directly hit the common man or the poor man. It is good. After all, that is a side product or by-product of the election, for the time being. It is good.

DR. DATTA SAMANT (Bombay South Central) : So, every time elections should be there.

SHRI INDRAJIT GUPTA : What will happen after the elections, we do not know. This year, therefore, we are being

spared a hike in the administered prices which has been coming every year just before the budget, just before Parliament assemblies for the Budget Session. I have no doubt in my mind that after this Budget Session is over, we will be in for a dose of heavy rise in the administered prices.

Then, I might just point out one some small thing. Some times it is very difficult to identify very subtle means of taxation. From the 1st of January this year in a small thing called the money order—the money order is utilised by whom?—the money order is normally utilised by poor people who do not have bank balances, they cannot transmit the money through the bank accounts, they use the money order and millions of poor people who are probably working somewhere where they are separated from their families, and regularly depend on this medium of this money order, to transmit money back to their families. Everybody knows that. From the first of January this year the postal charge for let us say Rs. 100 money order, was raised from Rs. 1.50 to Rs. 4. And some economist has calculated that this increase in the money order charge from Rs. 1.50 to Rs. 4 for every hundred rupees transmitted—this alone—will fetch the Government Rs. 20 crores to Rs. 25 crores additional, every year. Is it a subtle form of taxation or not ? I do not know. But certainly, people do not recognise it, immediately as so.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : Service charge.

SHRI INDRAJIT GUPTA : Service charge, administered price, this and that, so many names can be used.

Anyway, what I am saying is it true that there are no taxes in this year's budget, which directly hit the common man. But on the other hand, what I want to ask is, what can be the additional burden for the common man than having a heavy dose of inflation ? If there is a general rise in prices in the country who would be the worst sufferer but the poor man in spite of the fact that there are no taxes as such ?

Mr. Bhagwat Jha Azad has argued that big deficit in the Budget does not necessarily mean that there is going to be inflation; it does not mean that there is going to be a very big increase in the money supply and so on and so forth. But anyway, what we see in this Budget is that, everybody knows and it is there in the figures for every one to see, the deficit has reached an unprecedented height, a record deficit. I should say—at least whatever economics I have understood ever—a deficit of this dimension cannot but stoke the fires of inflation. It is stoking the fires of inflation with a vengeance? The deficit in 1983-86, the actual deficit—I am not going into the estimates; now you know that the estimates were exceeded very much—was Rs. 6565 crores. Actual deficit in 1986-87 went upto Rs. 8285 crores. And this year the estimate, as presented by the Finance Minister here, is going to be Rs. 5688 crores which in the revised, actuals, when we come to that after a year, may go upto Rs. 12,000 crores and even more than that. The increase in money supply has been running at the average of about 15 per cent. The output, as correctly pointed out by Mr. Azad,—if the production keeps pace with it, it is all right—has been rising at 45 per cent. The prices have been rising at about 10 per cent. So this picture that he has painted of being able to keep things under control, I am afraid, is totally unrealistic because, Mr. Gadvi knows, the total deficit which has been planned for the entire Seventh Plan period by the Planning Commission, has been exceeded in the first three years. It is more than the total deficit which was planned for the entire Seventh Plan period.

The other point I wish to emphasise is that actually what is booming is the non-plan expenditure. Everybody has remarked on it. You can read any economic journal, any economist's views. The non-plan expenditure is booming. The defence budget has gone upto over Rs. 12,000 crores. This is not a question whether we are willing to spend more for our country's security and all that. We are not divided in this House on this question at all. The only thing I would point out is that simply allocation of bigger and bigger sums of money on paper does not necessarily mean

that your defence arrangements are going to be more effective. For that other steps are to be taken. To make it a cost effective defence budget, many more things are required to be done than simply to allocate certain sums. Anyway, the figure has gone up. I myself see here, which I have mentioned many times in this House, behind all this business of compelling countries like ours in this region, in the neighbourhood including ours, to be stampeded into a mini arms race against each other. This is also a part of a much deeper design that certain powers who have got global strategies are exercising in this region. Willy nilly, whether we like it or not, though, I think, we can exercise more caution and exercise some alternatives, we are being caught in this trap of mini arms race between countries which certainly cannot afford it.

Secondly, interest payment. Interest payments are a measure of Government's indebtedness. This rising of indebtedness of the Government is really ominous. In 1986-87, the estimates were Rs 8750 crores interest payments. Revised figure went up to Rs. 9,550 crores. The estimates for this year 1987-88, are placed at Rs. 10,650 crores. These are interest payments on our debts. It means that a total of about Rs. 10,650 crores is being spent only on repaying the interest on the debts into which we have entered.

Then, subsidies have also gone up again from Rs. 4,225 crores year before last to Rs. 4,681 crores last year, and this year they have been budgeted for Rs. 4,780 crores. The non-plan expenditure is booming. But when Mr. Azad says this is a budget for growth, I find the allocations have been reduced this year. For energy sector it has been reduced by three per cent. That means coal and electricity will be less. I do not know what the Energy Minister feels about all this. For industry, the allocation is less by 6.2 per cent; for petroleum and gas, the allocation is less by 11.71 per cent; for mines, that is, other than the coal—perhaps because coal mines are covered under energy—it is less by 53 per cent. And strangely of all, the agriculture! The allocation for agriculture has been reduced. From Rs. 480 crores it become Rs. 484 in the next year—went up

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a little bit—and has come down to Rs. 469 crores this year. Is this an orientation towards growth? I cannot understand it. Mr. Azad has tried to explain this theory that if you have more money—simply more deficit and more money—and perhaps even some more inflation, then it is not a bad thing, it is a good thing because it will create a demand. The new Finance Minister—I was not present in the House but from reading Press reports I gathered—was very harsh on the Opposition because he was alleging that they were trying to borrow some theories of socialism from outside the country. I am also not for any theory from outside but I am certainly against this importing of theories about inflation from outside. This is the old World Bank theory coming from Mr. John Maynard Keynes via Mr. L.K. Jha. Mr. L.K. Jha and I were both in Cambridge at the same time and he also studied from Mr. John Maynard Keynes and so did I...  
(Interruptions)

PROF. MADHU DANDAVATE  
(Rajapur): One was North Pole, another was South Pole.

MR. DEPUTY SPEAKER: Opposite poles will attract.

SHRI INDRAJIT GUPTA: ... perhaps with Mr. Kumaramangalam's father though I think he was not a student of economics, as far as I remember. This is a theory which is a long exploded theory and a theory which was worked out by Mr. Keynes in a very different period, in the thirties, that if you have more inflation and more deficit, then it stimulates demand, and if it stimulates demand and then if you can manage what he calls the supply side, then there is nothing to be afraid of. This theory I find was expounded in the other House yesterday also by Mr. L.K. Jha and today it is sought to be expounded in rather a confused way—if you will excuse my saying so—by Mr. Bhagwat Jha Azad. This theory has been blown up long ago. In a country like ours, in a developing country where we have got a huge mass of unemployment, where productive resources are limited and where even the capacities of our productive apparatus are under-utilised, where our markets are restricted, where

we are talking about exports but know very well that the foreign markets are exercising protectionism and will not allow our exports to enter those markets, in such a country to think that by flooding the market with a huge amount of money and much of which, of course, is money being spent, as I said, on non-development expenditure. I am leaving aside for the moment the black money. Nothing has been said about mopping up the black money and I hope that the Government is not going to go in again for the old method of having some kind of bonds without, of course, asking any questions as to the source of that money. I would request the Government, at least even after the budget, not to resort to this device. To try to mop up unaccounted money through floating bonds, without questioning the source. This will not cure the disease. It will only aggravate the disease. It boils down to only rewarding the law breakers and that weakens the whole tax administration. So, the black money part of it is not included in this. I should say that in such a situation whatever talk there may be of socialism or anything else, such Budget can never be anti-inflationary. It is 100% pro inflationary. That means that the poorer sections in their daily lives are going to suffer much more. There is no protection whatsoever for them. There are disquieting possibilities being expressed already over runaway inflation such as we had in 1973-75 and again we had in 1979-80—that type of runaway inflation which is absolutely galloping out of our control, there is fear expressed in many quarters of the country that we may be heading towards such a thing again.

The fact of the matter is the most disquieting thing—the Government seems to have lost control over expenditure. I would really beseech the young Finance Minister-cum-Prime Minister to ponder over this question seriously. On the one hand you have closed your options by sticking to Shri V P Singh's long term fiscal policy. You are sticking to that. That means you have closed your options on one side. Your problem is creation of resources. Where are you getting your resources from? Knowingly, deliberately, you have closed your own options by the long fiscal policy, assuring the corporate sector

that for the whole period of the Plan you are not going to impose new direct tax or to increase direct tax. On the other hand, as far as the ordinary mass of people are concerned, you can only tax them through further indirect taxation which is not only economic evil but will also become politically explosive at some time. It can become. The Government does not dare to alienate the affluent class. I found the other day as is normal, customarily, just after the Budget is presented, a Press Conference is held by the big exports of the Finance Ministry and that Press Conference is always widely reported. Somebody had asked a question then—that industry is grumbling and complaining that they have got nothing much out of this Budget and so on. I am sorry I have not got the cutting with me. You can refer to the Economic Times of the 2nd of this month. In that Press Conference, in order to reassure them, I think it was Mr. Bimal Jalan who has pointed out—why the industrialists are complaining like this. If they study the Budget Proposals carefully and go into detail, they will find that about Rs. 600 crores of relief has been given to them in this Budget by various types of concessions, exemptions reliefs and all that. This is not what I am saying. But this is what Shri Bimal Jalan is saying who is one of the blue eye experts of the Finance Ministry. So, the Government on the one hand will cling to the long term fiscal policy. I do not know why? It is time you scrap this thing. Shri V. P. Singh might have promulgated it two years ago but it is not necessary or incumbent that it should hang around our neck like a burden. You have closed your options. Now you do not dare to alienate these affluent classes, big business and industry and all that. On the other hand you cannot risk displeasing the international financing institutions—the World Bank, the I.M.F. and so on. I am warning the Government against the destabilising strategies of these international institutions. You have heard from many of your non-aligned friends who came for Heads of Government Conference here. The President of Peru came here as your honoured guest this time at the Republic day parade. What did he say here to the Press and everybody else? What are countries like Brazil and others telling you the way the World Bank and

International Monetary Fund is trying to destabilise their economies completely by getting them into a debt trap. We are not yet in that kind of debt trap and while there is still time, I would appeal to the Government to take measures to see that we do not go on moving inexorably towards that kind of debt trap which has already so badly affected so many of the developing countries. But at the moment because of the heavy loans that we have taken from them, because of the heavy commitments of interest payment that we are saddled with, we are afraid to do anything which will displease them. But then we are left with no alternative. I think you have to print notes or you have to raise administered prices again whenever the election difficulty is over or you have to go in for commercial loans as the World Bank is continually trying to push us and prod us towards that. Mr. Clausen came here, the president of the World Bank came here. What is the advice he gives us? He said: no, no we cannot give you any loans and all that, you better go in for commercial loans in the open private market, the foreign commercial loans at 17% or 18% interest. Already we have taken a sizeable amount of loan. He can tell us how much. I have got those figures also. But this is the whole strategy by which this international institutions wants to drive us towards total bankruptcy. Sir, I would say that the philosophy behind this budget is not only wrong but it is a dangerous philosophy. I am as concerned about it as you should be. You say what is the first item. The first thing is development, that development should be left to the private sector. This is by and large the first item of this philosophy. The public sector is only for the infra-structural purposes. The public sector is for consolidating and maintaining the infrastructure. The development should be left by and large to the private sector. This, in my opinion, is the opposite of what we have been taught in this country and the country has been taught all these years by the original father of planning in this country, if you call him that, Pandit Jawaharlal Nehru and the programme which was carried forward by and large by his daughter. There, we were always and the country was led to believe that—we may have committed many mistakes, and

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vacillated and sometimes made errors and all that but by and large the outlook given to the country was that in a country like ours it has to learn to become self-reliant, must stand on its own legs, if we are not to end up like Pakistan or Bangladesh or somebody. Do you want to end up like that? We have to stand up on our own feet. We cannot become beggars at the doors of foreign powers begging for everything because we cannot make anything in our own country. Therefore, the idea of this public sector was conceived and we were taught that the main engine, the main motor of development in a country like ours must be the public sector, its strengthening, its expansion, its perfecting and the main engine would be the public sector. The private sector is concerned with nothing except its profits. The public sector may be full of hundred defects. As it is, we in the trade unions were constantly trying to fight again all these defects and mistakes and all that in the public sector and its weaknesses. But still I say it is hundred times better than the private sector. Yes, it does not close the factories, it does not retrench thousands of people, it does not evade taxes, it does not do all these things.

SHRI MADAN PANDEY (Gorakhpur) : You are encouraging strikes in public sector.

(Interruptions)

SHRI INDRAJIT GUPTA : What a highly relevant remark. The last strike carried out in the public sector was on this very point on the 21st January against those who want to down-grade or denigrate.....  
(Interruptions)

SHRI MADAN PANDEY : On 21st, they had declared general strike in the public sector.

SHRI INDRAJIT GUPTA : I will be very happy if you friends come to defend the public sector. I will be very happy. You please do it. I will hand it over to you.  
(Interruptions)

SHRI BHAGWAT JHA AZAD : I did it stronger than what he is doing.

SHRI INDRAJIT GUPTA : The first item of this philosophy is development. You

answer my first point. The first item of philosophy is that the development should be left primarily to the private sector. I say this is contrary. This is contrary to the outlook that the country has followed for the last five or six Five Year Plans.

SHRI BHAGWAT JHA AZAD : None of us has said this.

SHRI INDRAJIT GUPTA : You better not agree. Those real Congressmen will agree, because no Congressman who is a real Congressman can agree or should agree.

SHRI P.R. KUMARAMANGALAM (Salem) : If you want to say it, we can understand.

SHRI INDRAJIT GUPTA : Do you want me to go into all that, what has been happening in the last few months, this public ridiculing of the public sector? By whom has it been done? Not by us.

SHRI BHAGWAT JHA AZAD : The Prime Minister's speech is very clear.

SHRI INDRAJIT GUPTA : So, the public sector is for infrastructural purposes mainly, Sir, not for any other development.

Then the second part of this philosophy .....

MR. DEPUTY SPEAKER : Please conclude.

SHRI INDRAJIT GUPTA : Just a few minutes more, Sir. (Interruptions) Why are you spelling it out? Everybody knows. They do not want to remind us—those articles and all that.

PROF. MADHU DANDAVATE : He is supporting you.

SHRI INDRAJIT GUPTA : I never mentioned the Prime Minister.

SHRI P.R. KUMARAMANGALAM : That is not written by the Prime Minister.

SHRI INDRAJIT GUPTA : You have got the Prime Minister in your bonnet. I have not.

SHRI P.R. KUMARAMANGALAM : No, no. He is our leader, he is our guiding force.

**SHRI INDRAJIT GUPTA :** That is what that gentleman also says, the gentleman who wrote those articles.

**PROF. MADHU DANDAVATE :** If you want peace, don't refer to the Prime Minister !

**SHRI INDRAJIT GUPTA :** Then, Sir, the allotments which have been made—'increased' I should say—in the name of the poverty alleviation programmes, of course on paper these allotments are increased. Increase in the allotments are welcome. But the only trouble is, and everybody here knows it, particularly those who work in the rural areas, that much of these allotments never actually reach the intended beneficiaries and they cannot, because the effective utilisation is prevented by the non-participation in the implementation of those people themselves whom these programmes are meant to benefit. There is not a mention anywhere, no lip service even, in this connection, to the crucial need of land reforms. This has been given up. Without land reforms, all these so-called poverty alleviation programmes will never alleviate any poverty. The fact of the matter is, if you want to increase the purchasing capacity in the hands of those poorer people in the rural areas so that they can help to develop the market, it cannot be done without land reforms, of which there is not the slightest mention anywhere. The industrial workers have been given some benefits, but only after they are retrenched or after they retire. After they retire or after they are retrenched, they will get some tax relief on that money which they get as compensation.

**PROF. MADHU DANDAVATE :** Homage is paid after death !

**SHRI INDRAJIT GUPTA :** Agreed. A *hoo ha* has been made about the provident fund. What do they want ? They want this daylight robbery of the workers' money which has been going on in the name of this provident fund by these private sector people and this should be allowed to go on. What are you going to do with all the hundreds and thousands of crores of rupees which have been stolen already ? Has a single employer been put in jail ? Has a single man been punished ? They deduct the money from the worker's wages and do not

deposit it in the provident fund account. I regret to say that in this, some public sector units are also involved, but the majority is of private sector people. Now, I welcome this provision that has been made now after all these years that this money, if it is not deposited, will be treated as a part of the taxable income of those employers. Let us see how it works out, but thousands of crores of the workers' money has gone.

**SHRI P.R. KUMARAMANGALAM :** At least appreciate the intention. (*Interruptions*). At least the intention should be appreciated.

**PROF. MADHU DANDAVATE :** The road to hell is paved with best intentions !

**SHRI INDRAJIT GUPTA :** Then, Sir, about this 10 per cent tax on expenditure in expensive hotels, well, it is cosmetic of course. We do not know what is meant by 'expensive hotels', I suppose it will be spelt out later on. Secondly, whatever additional expenditure by way of this tax these people incur by living or spending in those hotels, they are generally company people who live in those hotels, they will pass it on to the goods or the services which they supply to the people. Now, it may be a Company dealing in goods and services which do not affect common people much, so it does not matter. It depends on who it is, which company it is. They are not going to pay this 10 per cent out of their own pockets, it will be passed on.

One thing I must point out is—I may be accused of being on the wrong side, I do not know—this deduction at source for professional payments, royalties, fees, commissions etc. and also for goods—in respect of goods anybody supplies to the Government, he will be forced to pay an extra 5 per cent of that. Prof. Dandavate at Zero Hour today raised the question whether this is meant to exclude private companies, and only applied to those who are not private companies. I do not know. It is for you to clarify. But my point is different. My point is, in the name of simplification of the taxation laws, this is the measure which is going to get 100-time more complicated and aggravate the procedure of taxation. It is because, in every case, in the majority of cases, it will mean that the self-assessment

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will lead to the payment of excessive sums which will later have to be refunded when the final assessment is made. And everybody knows that tax-payer has to wait for years together to get that refund.

**SHRI P. R. KUMARAMANGALAM :** Who is paying the tax ?

**SHRI INDRAJIT GUPTA :** Who is paying ? Anybody can pay it. If a small scale unit supplies some products or some goods to the Government...

**SHRI P. R. KUMARAMANGALAM :** Is he talking of the level... (*Interruptions*).

**MR. DEPUTY SPEAKER :** Please wind up, Sir.

**SHRI INDRAJIT GUPTA :** You must learn like your Prime Minister, not to get provoked so easily.

Now, what have the big business sectors gained out of this ? Capital gains tax, No. 1. Depreciation allowances, No. 2. The Rs. 600 crore relief which Mr. Bimal Jalan has identified, No. 3. The sur-tax on company profits which was promised by Mr. V P. Singh that it would be abolished but was not, has now finally been abolished. The extension of MODVAT scheme to so many more commodities. And the allowances to be given on investment in new equities, equities on new companies; these are all net gains that the big business sector, business, industrial sector is going to get out of this.

The minimum tax which is to be imposed, which is a confession, which I must say, the Prime Minister explicitly said in his speech that we have failed to curb that evil of zero-tax liability which Mr. V P. Singh spoke about so indignantly here two years ago that big companies which are making so much money end up the year by saying zero-tax liability, something wrong with the laws, something must be done about it, now the Prime Minister admitted that we have failed to curb this thing. Therefore, these things have been brought in now. I welcome it, *i.e.* 15% on 30% of the book profits. 15% on 30% of the book profits. Well, I do not put it above the ingenuity of the employers or the big business people to circumvent this

tax also because the book profit is the money which is always regarded with some suspicion by us, any-way.

One other specific matter I want to refer to is, there is a new proposal to tax non-resident airlines, This is in clause 12 of the Finance Bill, which intends to tax each year a hypothetical profit, having no relation to the actual profit or loss of the airlines concerned. A flat rate of 5% is to be applied each year irrespective of the actual profit or loss. Now I only want the Government to consider whether or not this may create a disincentive for such foreign airlines who do not have double taxation avoidance agreement with us. Those countries which have that agreement, it will not affect their airlines. But as far as the other countries are concerned, those foreign airlines may now be actually dissuaded from using our airports to operate through India. And this may need a second look because this may lead on the one hand, to shrinkage of foreign tourist traffic which you want to boost in order to get some foreign exchange earnings and on the other it may also lead to further underutilisation of the capacities of many of our airports. So, you may just look into this.

Finally, I would end up with a few suggestions. The first suggestion is that this long-term fiscal policy should be scrapped. This is in your own interest and in the interest of the country. It is very wrong of the Government to close its own option in this way, tie its own hand behind its back. What for ? Whom are you trying to placate and appease like this ?

Secondly, since Jawaharlal Nehru's name has been taken, I would just like to remind you what he did many many years ago, how he insisted that estate duty must be there so that the wealth of some people should not escape wholesale from the net. It was he who brought in the gift tax and estate duty. So, I would say, you now reintroduce the estate duty which you have done away with, and again the surcharge on income-tax. On the one hand, you are not raising the exemption limit of income-tax which so many Members have pleaded for, that it should be raised to Rs. 25,000 at least. Many ordinary employees in the public and private sectors nowadays are earning round about

Rs. 2,000 a month. That you do not do !  
On the other hand, you have scrapped the surcharge on income-tax.

Thirdly, a proposal which I make every year which earns me a great deal of anger and displeasure, particularly from the Speaker—I am glad he is not in the Chair now—it is high time that the Raj Committee's report is taken out from the shelves and dusted and seen whether there is any scope whatsoever of taxing at least a part of agricultural income, at least of the affluent sections.

PROF. N.G. RANGA (Guntur) : No. No.

SHRI INDRAJIT GUPTA : They must never contribute anything !

Fourthly, restore the cuts in the basic sectors of the economy. (*Interruptions*). Restore these cuts. These cuts must be given priorities. Otherwise, where is the growth going to come from ?

Fifthly, I welcome that some partial protection has been given to the capital goods industry after plunging them into a panic in the last two years. That is good. I had raised this point many times. All these big capital industries, heavy machineries industries in the public sector too, which we have built at such heavy investment, will be finished if imports are going to be allowed. This is basic to the question of self-reliance. I am saying once again not to take us to the path which will end us like Pakistan or Bangladesh. The capital goods industry is to be protected and nourished.

SHRI P.R. KUMARAMANGALAM : It is true.

SHRI INDRAJIT GUPTA : Sixthly, ensure cost effectiveness of the defence allocations. Regarding defence, free foreign exchange for defence, has been increased to Rs. 3,500 crores. In the past, the average has been between Rs. 700 and 800 crores. This year, it has been increased to Rs. 3,500 crores. We do not grudge any money for Defence. But the House, when it votes such huge sums of money, must be assured that there is cost effectiveness about it and that the money is not unnecessarily spent or wasted.

SHRI P.R. KUMARAMANGALAM : We assure you.

SHRI INDRAJIT GUPTA : Who are you to assure ? You have not yet become Defence Minister, young man. Be a little patient. You are not yet a Minister to make all these tall claims. (*Interruptions*)

The seventh point is, stop the open-door import policy which is benefiting only the expansion of some consumer goods industries which cater to the affluent sections. This open-door import policy, so far, has resulted in very poor induction of technology from abroad. But other consumer goods industries and screw driver technology are flooding the country. Please review it again. You have been reviewing and making changes from time to time. Please review it again.

PROF. MADHU DANDAVATE : Even lipsticks are imported.

MR. DEPUTY SPEAKER : How are you including screw-driver ?

SHRI INDRAJIT GUPTA : Mrs. Margaret Alva requires new technology for her cosmetic ! (*Interruptions*). Stop ridiculing of the public sector. Take the workers' help to strengthen and streamline it. After my speech, I am proceeding to a meeting of a Committee called by the Labour Ministry to work out how to improve the functioning of public sector enterprises. Many parallel committees are set up doing exactly the same work. I do not know where they will lead us. I am very serious about it.

Lastly, I repeat, be on guard against destabilisation strategies of these foreign international agencies. Stop a head long rush towards debt traps. The rupee has been devalued against all major currencies. We are told it is attached to a basket of currencies. Sometimes it goes up and sometimes down. I can give you the figures to show that it is all the time devalued against every major currency in the world. Devaluation is taking place. Don't seek more IMF loans. You are seeking, I know. They are called adjustment loans. More adjustment loans in order to repay the earlier loans taken. Either you deny



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it or you confirm it. I think it is a very dangerous line on which we are going. A very few suggestion I have given. I have all sympathies to the new Finance Minister because I know he is completely new to the job. The old Finance Minister was removed at the nick of time. The new Minister of State for Finance was abroad when the budget was presented. He has presented this thing. I would give my friendly advise to him that as soon as possible he should get rid of this Ministry. Otherwise, it will land him later on in a serious trouble. It is a difficult job. I do not think this Budget bodes good for the nation or the country at all.

MR. DEPUTY SPEAKER : Shri P. R. Kumaramangalam.

SHRI P. R. KUMARAMANGALAM (Salem) : Mr. Deputy Speaker, Sir, I would like to congratulate the hon. Prime Minister for his budget. He has, through the budget, clearly indicated not only that our Government is a Government which is for the poor and by the poor but also he has shown firmly—with no non-sense but with total clarity—that our budget is total with direction. There is no populism. The first charge that has always been made is that this a lack-lustre budget or it is a budget that does not have the sprinkling of glittering jewels on it. I am sorry that I differ with it lack-lustre. It definitely has a clear direction that the nation is still on the path to achieve socialism. We are dedicated to that. Without any amount of ambiguity I would like to repeat that this budget has spelled out an anti-elitist and pro-have-nots nature in its fiscal steps.

Before I move on, I think it is relevant, especially after hearing Mr. Indrajit Gupta, to quote Pandit Jawaharlal Nehru on what he stated while introducing the Second Five Year Plan to the Lok Sabha on the economic philosophy of the Plan. I quote :

“Now we have said that our objective is a Socialist pattern of society. I do not propose to define precisely what solution in this context means, because we wish to avoid any doctrinaire

thinking, any rigid thinking, because even in my life I have seen the world change so much, and I have seen so many other changes that I do not want to confine my mind to any rigid dogma. But broadly speaking, what do we mean when we say “socialist pattern of life” ? Surely we mean a society in which there is social cohesion without classes, equality of opportunities and the possibilities for everyone to live a good life. Obviously this cannot be attained unless we produce the wherewithal to have these standards and lead that good life. So, we have to lay great stress on equality, on the removal of disparities, and it has to be remembered always that socialism is not the spreading out of poverty.”

In fact, he went on further to say :

“Essentially, this means that the basic criterion for determining the lines of advance must not be private profit but social gain, and that the pattern of development and the structure of socio-economic relations should be so planned that they result not only in appreciable increases in national income and employment but also in greater equality in incomes and wealth. Major decisions regarding production, distribution, consumption and investment—and in fact all significant socio-economic relationships—must be made by agencies informed by social purpose”.

In this budget, I would like to point out that we have made a provision of nearly Rs. 1205 crores for National Rural Employment Programme, which is a very large provision. I am a little surprised that Mr. Indrajit Gupta is moving out of the House but, however, I thought I should reply.

AN HON. MEMBER : He is coming back.

SHRI P. R. KUMARAMANGALAM : Another sum of Rs. 125 crores has been made on *Indira Awas Yojana* and nearly Rs. 900 crores for water supply; higher allocation for rural electrification and more important, and which cannot be looked down upon is the National Commission of

Rural Labour. Mr. Indrajit Gupta just now stated about the implementation of land reforms. Rhetoric is not Congress Party's method of functioning. We believe in getting things done and we want the National Commission on Rural Labour to really understand in depth how to solve the problem not only through land-reform but through other social legislations, to bring rural labour to a standard of living which justifies their existence.

So far as organised working class is concerned, there was an attempt to be little what has been given to them. The deterrent tax on employers to prevent misuse of contributions of workers to the PF is something that has been the demand of the working class irrespective of political colour. I am a little surprised when Mr. Indrajit Gupta did not welcome this wholeheartedly; instead he tried to be sarcastic. It shows that it is not the interest of the working class that he has at the top of his mind but rather the interest of his sectarian, partisan party.

The objective of a minimum pension should not be belittled. Rs. 375 for nearly six lakh employees who are pensioners today is not a small amount of money. It has its impact. If one sees what has been given to the have-nots and to the working class as a whole, one would know that this budget as a whole is devoted to them. It cannot but be called a socialistic budget. The budget has laid emphasis on the fundamentals. As Mr. Azad has said, *Roti, Kapada and Makan*.

MR. DEPUTY SPEAKER : He said education also.

SHRI P. R. KUMARAMANGALAM : He added *Shiksha* which is important and to which I would come a little later.

*Makan* has great importance. *Roti*, we have provided for. We have provided concessions. One speaks of the various subsidies; subsidies are only because you want to ensure that food is available at concessional rates. Subsidies are not being given to the multinationals. Subsidies are being given on food which goes to the common poor. (*Interruptions*)...I shall come to the fact as to why it is not going in your case.

On *Makan*, after years the Government has come out with a policy positively saying that we shall provide housing—a national bank on housing. There has been demand for it, not for one or two years, but for many decades that the Government must pay a special attention to housing.

If I may at this stage make a suggestion, in addition to the national bank on housing there is today a positive requirement to ensure that construction business is certified as an industry in order to encourage building, housing. I would request that the Government have a deep look at this. Because if construction business is identified as an industry, many young civil engineers would become entrepreneurs and take into their hands the responsibility of really building industry which would help cement, which would help steel and which would generate a lot of employment.

A deficit bogey is being raised of and on and often the World Bank is being cited and our friend Mr. Jha is being cited. Mr. Azad was in fact being blamed. I don't know how Mr. Gupta was attaching Mr. Azad to World Bank. But I doubt whether Mr. Azad has spent sufficient time in World Bank to have got even an essence of what is going on.

SHRI BHAGWAT JHA AZAD : All through my life in this House I called it an American National Bank. World Bank is the greatest perpetrator of injustice in this world; not only in this country.

SHRI P. R. KUMARAMANGALAM : I think Mr. Gupta is aware of what Mr. Azad has said just now. Even though he is aware, the doctrinaire approach, the rigid rhetoric that is adopted by the opposition is a little surprising. I would have thought, when one comes to national economic development, there would be a consensus just like we had on political development, on keeping the national integrity and unity. After all, without economic development, can we keep this integrity and unity together? There should be a consensus also on economic development.

Mr. Deputy Speaker, Sir, may I make it clear that the figures year before last and last year will establish that deficit does not

[Shri P.R. Kumaramangalam]

necessarily mean inflation. Of course, deficit without production and productivity would mean inflation. I would have felt and it would have been the responsibility of Mr. Indrajit Gupta who himself is a trade union leader to come forward and said that the working class will ensure that this deficit does not become or does not lead to inflation and that we will produce more and save our national economy. After all this deficit is because money has been allotted to the poor and the working class and it is our duty. Money has not gone to the rich. Rs. 600 crores of so-called duty concessions to industrialists to whom it has gone? It has gone for a variety of items of mass consumption, for example, refined edible oil. We were shouting that the refined edible oil prices have gone up. If we give duty concessions to refined edible oil are we giving it to industrialists or to the poor so that they can have oil? Packed butter, dried vegetables, skimmed milk powder, etc. is this going to the industrialists or to the poor who need it. Take laundry soaps, the cheaper types is it going to the rich? Are Tata and Birla going to use laundry soaps? Have they ever used it or dhobis are going to use it? Hand processed cotton fabrics or polyester fibre yarn are these going to be used by those who go to London to make their suits! Definitely not.

Sir, one thing is without doubt clear that the Opposition this time have been taken off guard. Their usual rhetoric that the Congress Party is moving away from the path of socialism is today defeated. The Prime Minister while delivering the budget has clearly shown that the Congress party stands bound hand and foot to socialist concepts.

Sir, at this stage I would like to only point out what Panditji had said in the Second Plan:

“The responsibility for new developments in these fields must be undertaken in the main by the State and the existing units have also to fall in line with the emerging pattern. Public ownership, partial or complete and public control or participation in management are specially required in those

fields in which technological considerations tend towards concentration of economic power and wealth. In several fields private enterprise can under the present-day conditions make little headway without assistance and support from Government.”

Sir, the reason for quoting this is simple. Today the Prime Minister has said that the Government would present a White Paper on public sector. I would like to emphasise that today the real crisis is to motivate the working classes and this motivation would not come unless we bring about a sense of belonging. This sense of belonging can come only if the work force are given decision making right as participants in progress. This must be done statutorily. Why should an industry where 97 per cent of the money invested is public money be controlled, siphoned and made sick by those who invest only the remaining 3 per cent? Is that the way? It is necessary that the working classes sit as a majority on the Board and control that industry. That is the answer. *(Interruptions)* You never had the courage to say but I am saying from the ruling benches.

DR. DATTA SAMANT: Who is going to do that? Have you taken any measures? *(Interruptions)* Sir, he is making a bold step. I have been hearing it for the last ten years.

SHRI P.R. KUMARAMANGALAM: I only quoted what Panditji said in the Second Plan. *(Interruptions)*

DR. DATTA SAMANT: We do not want speeches. Who stopped you from doing that over the last forty years?

SHRI P.R. KUMARAMANGALAM: I am not the Minister, year.

15.00 hrs.

Mr. Deputy Speaker, Sir, I am sorry one cannot help it when Mr. Datta Samant speaks from the side. One is tempted to reply.

AN HON. MEMBER: Since he is Samant, that is why he is troubling.

SHRI P.R. KUMARAMANGALAM: Mr. Deputy Speaker, Sir, the workers'

participation demand that is being made by me is not my demand. It is the part and parcel of the economic policy of this nation. It is necessary if it wants to have progress that the workers and the work force is given full responsibility so that it brings into them a sense of belonging.

Mr Deputy Speaker, Sir, I do not want to take too much time because I understand that the Honourable Minister is also liable to intervene at the moment. I would like to say only a few more words and that is to the effect that in reality if any part of the population of the country deserves a little more exemption, it is the working class. This exemption which they require, if I may humbly submit, is the raising of the limit. The value of the rupee, one undoubtedly cannot deny, the real purchasing power has gone down and Rs. 18,000 is not sufficient. Today even a Class IV employee, the lowest of the rung, draws that. Rs. 25,000 is the proposal I have made earlier and I would like to repeat that the limit should be raised. It would not cause, I repeat, it would not cause any real loss to the exchequer because taking money from this section of the working class, the lower section of the working class, would only cause a demand to be raised for higher wages which, I am sure, the honourable Mr. Gadwhi, the Minister of State for Expenditure, would not concede. Beforehand, I would request him to ensure. That is the point.

Mr. Deputy Speaker, Sir, the last point which I would like to raise today in the public sector is about the dominance. While in the private sector, the dominance is by capitalists who wish to exploit, who take the money of the common man and exploit it for their progress only with no social objective in mind. In public sector, we have officials—corrupt, dishonest, ideologically blanked out, taking the money of the common man, exploiting it ruthlessly not believing in any management system, having no affection or connection with the work force of that set-up. We have people who are imported from so-called general services of superior general administration, who are brought, whose mentality, outlook has no connection to the socialist pattern of society, brought and put right on top of these public sector institutions whose objective seems to be not run-

ning the public sector institution but destroying it.

If the Government wants to have the cooperation of the working class, it is essential that firstly those who head companies should come from inside, especially in the public sector. Technical experience should be given credit. Secondly, the work force of that company must be involved in the planning exercise. When the memorandum of understanding is being signed by the chairman of that institution, the work force also should be asked to sign that memorandum of understanding so that the work force is involved. Unless the work force cooperation is obtained, I am on record to say this country would not achieve the progress which you want to achieve. I can say this much with total conviction, Mr. Deputy Speaker, and that is the day the working class is given that prominence, that responsibility, it would sacrifice its life, if necessary, to take this country to the 21st century with progress. I am reasonably confident about that whatever be the criticisms which Mr. Indrajit Gupta made, of course, with such condescension. I understand his scolding me. Sir, I am not a Minister as yet and I hope I am not very soon. I can only say this much, Mr. Speaker, Sir, that he was taking advantage of the fact that he knew me in short pants and he is taking very bad advantage about that.

MR. DEPUTY SPEAKER : Let him be Industry Minister.

SHRI P.R. KUMARAMANGALAM : I would like to end by saying that this budget is a budget for the poor. This is definitely a Budget for growth; this is a Budget which has taken the right lines and has really answered all the criticism that has appeared both in the press and has come from the opposition benches. Prof. Madhu Dandavate has ridiculed us during the last two years that we are leaving the path of socialism. I am sure, at least this time he would not be able to say that.

Finally, there are people who are making a plea and I was a little surprised for this plea coming from Indrajit Gupta's honourable self. He made an attack and I do not think he deserves to go unattacked.

[Shri P.P. Kumaramanglam]

For him to say that deduction at source from people who supply goods is bad can only shock every nerve of my body.

I would like to say finally that I only hope that the Government does not get pressurised by both the bureaucrats and the industrialists sitting together to amend Section 194E, they keep it as it is, where it is, so that the money which is required for the development of the poor and the working class is available. I would request them to raise the income-tax exemption limit from Rs. 18000 to Rs. 25000 rather than amend Section 194E to satisfy a few forces.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): Mr. Deputy Speaker. Sir, I rise to intervene on this debate and reply to a few points. I do not wish to make a very long speech, but reply to certain points raised by the opposition members.

The criticism that has been levelled by the initiator of the discussion, Prof. Madhu Dandavate is that this Budget is directionless and rudderless.

Prof. Madhu Dandavate has the experience of both the cities as well as the villages and I wish that he should have studied the Budget a little more carefully.

What are the directions we are finding to bring about development in the country and to bring about upliftment of the poor. Is it not the area of villages? Is it not the area of farming community? Is it not the area of industrial growth? Is it not the area where shelterless people need shelter over their heads? Is it not the area where our industrial growth needs to be a little boosted up? Is it not the area that we are not saving sufficiently in this country and a culture of saving has to be created? Are these not the areas which need to be looked after by a direction given in the economic policy through the Budget? Why are we always shouting from the housetops that millions and millions of people are

below the poverty line? Why are we shouting all the time from the housetops that these people are not getting what is due to them and their condition needs to be ameliorated? What have we done? We have put a thrust on the rural development, we have put a thrust to create opportunities for employment generation, we have put a thrust that farming community should benefit by better farming and better farming products and get better prices for their commodities. We are always telling that. But when it comes to scrutinising the budget proposals, these directions are totally forgotten by the Opposition. That is why I wonder what kind of vision they are having.

Have you seen this budget? I wish you had seen it. Our friends, belonging to our party, have said that this is a budget for the poor. Indeed I would say that this is a budget for the poor. They have stated that this is a budget for growth. I would also say that this indeed is a budget for growth.

I do not wish to dwell upon the various provisions which have been made in the budget. But I want to focus my attention and I want to appraise the House particularly about my side, viz. expenditure side and deficit side, because these are highly criticised.

No doubt, we have got a deficit. And our Prime Minister has stated in his speech that he does not like it. Nobody is happy with deficit. But in a democratic and a developing country, which is yet to stand on its legs, which is yet to stand on an equal footing with the developed countries, can you imagine that there could be a budgetary provision or a fiscal policy where deficit could be totally eliminated? Is there any such case in history? I say all this because a budget is just not balancing the revenue and expenditure sides. A budget gives directions to the country about the path it has to take for achieving overall growth. It tells us as to what the objects before the country are and how they could be achieved. All these things are being done through the instrument of this budget.

There are plan and non-plan expenditures. And everything connected with

Defence comes under non-plan expenditure. I wish even the definition of plan and non-plan expenditure is re-examined. It needs to be re-examined. We have got defence production units, ordnance factories, etc., and these are bracketed under non-plan. If we develop our defence apparatus, is that not a development? If we develop our production units in defence areas, is that not a development? But they come under non-plan. And it has been attacked by several members.

Prof. Madhu Dandavate and Shri Indrajit Gupta both stated that outlay for agriculture have been reduced. The subsidies that we provided also came under criticism. We give subsidies because apart from providing cheaper food to the poor, we want you to realise that this country belongs to the farmers. Can you stop procurement and just leave the total farming community at the mercy of those private merchants and private traders? I had been to Punjab about three or four months back. Farmers in Punjab met me and told me that but for this procurement of wheat, they would have sold it at the rate of Rs. 100 or Rs. 80 per quintal. They are very happy with the procurement policy of the Government. That is the very reason that despite there being troubles in Punjab and on other areas, procurement has gone increasing and production also has increased. So, we support the farming community and we subsidise the procurement. But they criticise the subsidies.

DR. DATTA SAMANT : Rs. 160 is the rate for wheat !

SHRI B.K. GADHVI : Rs. 162. There are incidentals too.

DR. DATTA SAMANT : But the consumer has to pay Rs. 3.50...

PROF. MADHU DANDAVATE : I never put that argument about subsidies. You misunderstood me as much as the Prime Minister misunderstood me.

SHRI B.K. GADHVI : We have put subsidies under non-plan. I am telling you that these are the areas which come under non-plan expenditure. What are

the major areas where we have this non-plan expenditure. For example, take the case of maintenance. You will say that it is a plan expenditure, when we build a hospital. You will say, it is a plan expenditure, when we build a school. Is it not necessary that whatever we have built as projects in the plan should also be maintained because you have to continue the productivity? If the school building dilapidates or if it falls down, would it not cease to give us the productivity or the benefits? So, areas such as the maintenance are there. Initially, I have stated that a little more closer examination also of this non-developmental or non-plan expenditure needs to be done, even at the cost of having deficits.

As regards our threat perception and security environment, an expenditure over that is to maintain the balance; to maintain our preparedness. What for it is there? Is it not for the purpose of protecting the plan and development of this country? If there is a war—God forbids—the total development would fall and the developed things would also vanish. If Bombay High should be developed, should we not have protection for Bombay High, so that somebody may not come and attack it?

15 15 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

Therefore, we have to strengthen our Navy; we have to strengthen our Coast Guards, because we want to increase our developmental process of oil exploration there. So, what I wish to say is that, always to think in terms of the developmental or plan expenditure and non-plan expenditure and consequential deficit because they are so alarming, that is not the right scrutiny of the Budget. I agree that infructuous, unfruitful and totally preventable expenditure has to be pruned and has to be scrutinised. That is the very reason that for the first time, a Committee of the Cabinet is constantly going to review and monitor the expenditure. But you go by figures and say deficit of Rs. 8000 crores and odd. I would tell you, Professor, what was the position. Of course, we go on developing the amount by way of quantified amount, which goes on increasing both in plan and non-plan.

[Shri B.K. Gadhvi]

But, if you look to the percentage, when you were ruling—when the Janata Party was in power; you will then know the exact position—your deficit in 1979-80 was 13.4 per cent and in 1986-87 the deficit, which is stated to be the record, i.e. 13.7 per cent.

You compare the figures and see for yourself. There is no scope. There is no point in getting the entire nation alarmed.

*(Interruptions)*

PROF. MADHU DANDAVATE : Let me correct you. 1979-80 figure which you are referring to was of Mr. Charan Singh's Government. You forget that. You are confusing that with 1977-78 figures.

SHRI B.K. GADHVI : I think Mr. Charan Singh presented the Budget, when he was the Finance Minister in the Janata Government. You should remember it also. At that time, it was not the Charan Singh Government, it came later, when he never presented any Budget. *(Interruptions)*

The point is not that. The point is, I can assure the hon. Members in this House that there is no point in getting panicky, the Indian economy is quite strong enough to sustain this impact of deficit without escalation in the price and that you must have witnessed. Before the presentation of the Budget also, the traditional approach of traders and merchants was to hoard things; and prices were going up. Even after the Budget, prices were going up. That phenomenon has not occurred this time. On the contrary, I would tell you that in fact prices of some of the commodities have come down, and there is every likelihood that prices of some of the commodities will further come down, because we are keeping a watch over them.

But the point is that we all try, and we all wish, sincerely and collectively—including the Opposition and the Congress people—that this nation has to be self-reliant in all respects. But we do not wish that we should not suffer in any way, and that we should resort to very easy ways. We do

not wish to resort to the mechanism of selling gold and bridging the gap in the deficit. We wish that the culture of savings must be inculcated in all classes. That is why the savings incentives have been provided in the Budget.

Mr. Indrajit Gupta spoke about Defence, and Prof. Dandavate also said that they did not grudge the expenditure on Defence preparedness. It is a very happy sign that we are all one on this point.

PROF. MADHU DANDAVATE : No umbrella.

SHRI B.K. GADHVI : But we would also like to assure you that even in areas of Defence, without diminishing or without making any compromise on qualitative preparedness to meet whatever challenges might come, the economy would take care of that. Whichever areas we can, and we have to look into, we will certainly look into them. But at the same time we will take care that our preparedness does not get diluted even by a centimetre or millimetre. But it does not mean that we have to match their perception weapon for weapon. We have our own strategies; our neighbours might be having their own strategies. But there is no need for alarm on that.

Now about capital goods and other things about which I was speaking. For your information, Prof. Dandavate, I would say this : even the greatest critic, even a constant critic of the policies of Congress Government—by and large a constant critic, viz. Prof. P.R. Brahmananda has expressed his views on this Budget. They are there in the *Times of India Sunday Review*, dated 8th March 1987. I quote :

“The Budget for 1987-88 is excellent in its relative and micro level perspectives. The tax-policy has been carefully worked out, and the expenditure distributions wisely chosen. The Budget documents present assiduously collected information on receipts, and more particularly on expenditures. There is no doubt that the Prime Minister and Minister of Finance, and his predecessor

and their team have put in hard work.

Succinct information on each scheme..."

I will explain to you how this has come about correctly. I quote :

"...Succinct information on each scheme, enterprise and project with breakdowns under Plan and non-Plan components, data on own sources of finance, budgetary support and extent of subsidisation, are supplied. It is a joy to handle these papers; for professors and research scholars these are a gold mine."

This is what he has said.

PROF. MADHU DANDAVATE : May I complete Prof. Brahmananda's comments ? He is the one economist who has said that it will be a disastrous Budget which will lead to double digit figure inflation in the country.

SHRI B.K. GADHVI : I am coming to that. (*Interruptions*)

PROF. MADHU DANDAVATE : The Minister has quoted Mr. Brahmanand.

SHRI B K. GADHVI : For industrial growth, what are the areas which we have chosen? For industrial growth, it is not that on an average we have seen that our industrial growth is better or it is that. About selective areas, everybody including opposition, just like Shri Indrajit Gupta, has also stated that capital goods industry was in difficulty. There is an effort to revise it back. Our cement industry is in difficulty. There are newly set up plants which are in difficulty. There is an effort to revive it back. I can count so many, but I do not wish to take time of the House. So, in selective areas in industry where there are difficulties, where remedial measures are needed, corrective measures are needed to be taken, that has been taken care of; that is how we all say and you also said, I think, perhaps that the employment generation should be there. How can you bring about employment generation without industrial growth, without rural develop-

ment; and all these things have been visualised. Therefore, what I say is that, so far as members' expression over expenditure and their apprehension is concerned, Prof. Brahmananda's guess or anybody's guess that inflation would go double digit, is not well founded. We will see that it is contained within the projection, and for that, we are all alert; the Government of India is totally alert to it.

One or two points I only wish to say about the public sector. Let me make it very clear that we are totally committed to the public sector, but we are also committed to the improvement of the public sector working and productivity. We are also committed to the welfare of the industrial workers, but we would also see that their productivity should also go up so also the productivity by management, because productivity does not confine itself to the work as you very well know. Productivity in the area of infrastructure, in the area of raw-material, in the area of management, in the area of labour inputs, everywhere, we want to see that productivity is brightened and enhanced. Therefore, it would also be totally wrong for anybody to guess that public sector units, public sector undertakings have not been given priority; they are very much in the forefront of the economy and they will continue to remain so.

Some of the members and people have expressed their concern and pointed out, including Mr. Murli Deora, Mr. Jha in Rajya Sabha, Prof. Dandavate also I believe and Shri Indrajit Gupta, that this deduction at source (Section 194E) would create difficulties for the small scale ancillary and other units, and it would enter into a very cumbersome procedure and blockade of money which could be utilized for business in a better and more expeditious way. I may assure the House that Government is considering this representation and would remove any genuine difficulties over it. Thank you.

[*Translation*]

SHRI GIRDHARI LAL VYAS  
(Bhilwara) : My point is that the Public



[Shri Girdhari Lal Vyas]

Sector Undertakings should be set up where there is raw material but instead you establish them at places which are far off from the sources of raw materials.

[English]

SHRI B.K. GADHVI : I take note of your suggestion. So, in this, particularly so far as expenditure and deficit is concerned, Professor sahab and the entire nation should be happy to note that there are various levers being pulled to pressurise India in economic area by external agencies, but, we are withstanding it with courage and strength; and we are not going to yield to any undue pressure by the international monetary agency, and our economy would go a long way, and that is on optimism. Therefore, the projection of pessimism that you are projecting and drawing a picture of it which has got no colour. I wish the sooner you remove it the better it would be. Thank you.

SHRI PRATAP BHANU SHARMA (Vidisha) : I think Prof. Dandavate has got all the replies of his queries.

SHRI CHARANJIT SINGH WALIA (Patiala) : Hon'ble Chairman, the budget presented by the Hon'ble Prime Minister to Parliament this year is as usual directionless, depthless and is a routine budget.

(Interruptions)

Do not waste my time.

Mr. Chairman, this year's budget is directionless, depthless and is a routine budget, and he has taken shelter under few oft-repeated slogans. The Hon'ble Finance Minister has just tried to put life into this lifeless Budget by his unsound and empty arguments while intervening in the debate.

The principal objectives as the Prime Minister has outlined in his Budget Speech are 'elimination of poverty' and the building of a strong, modern, self-reliant, independent economy. These are the oft-repeated words and phrases which were used by his predecessors... (Interruptions)

SHRI GIRDHARI LAL VYAS : Mr. Chairman, paper reading is not allowed.

MR. CHAIRMAN : It is not fair.

SHRI CHARANJIT SINGH WALIA : It is not paper reading. This is my speech. I had prepared it.

MR. CHAIRMAN : Please go on, go on.

SHRI CHARANJIT SINGH WALIA : These words and phrases were used by his predecessors who belong to his own party, except for a gap of about two to three years when the Janata Government was there in the Centre. We always listen that the Government has sharpened the focus on poverty alleviation. In my opinion the slogan of 'Gareebi Hatao' which has been coined by the Congress Government has become lustreless since nothing substantial has been achieved in this direction so far. The poor is becoming poorer and the rich is becoming richer and the gap between them is becoming wider. The Hon. Prime Minister has claimed that the Government has launched an 'important scheme to enlarge employment opportunities for the urban poor'. According to Government, schemes have also been initiated to create employment for the ruralites. But this is most regrettable that the number of unemployed persons seeking jobs especially amongst the educated youth is increasing enormously and there seems to be no sign of its decrease. Every section of the society whether it is of the industrial workers, salaried persons, farmers or person belonging to any sector of society, is finding it difficult to make both ends meet because the rise in prices is proportionately higher than his net income. The Government has failed to have a proper control on the prices. I would ask the Government to take effective steps to bring down the prices or at least to control them from rising further. In my assessment an average Indian citizen in the country is under a debt of one lakh. This is my assessment. If the Government wants to, they can get a survey made.

The Government has failed to give remunerative prices to the farmers and agriculturists of India. The cost of production of agricultural produce has increased

considerably due to the rise of the prices of fertilizers, seeds, water and power rates. But there is only a marginal rise in the prices of agricultural products and the Government has failed to keep any balance between the cost of production and the prices received by the farmers as is done in the case of industrial production. As a result of which the farmers, who have made India self-sufficient in foodgrains from margin of survival by their sheer hard work, are reeling under heavy debt. The Government has done nothing in the Budget for the farmers. I would ask the Government to take steps to mitigate the hardships of the farmers and for remunerative prices for the farmers and ensure and protect the interest of the consumer by subsidising the food articles.

The Prime Minister has failed to protect the interest of lower income group people and especially the salaried class by not raising the limit of the income for exemption from Income Tax. I would ask the Prime Minister to raise the exemption limit at least to Rs. 25,000 per year.

The hon. Prime Minister has claimed that the industrial base of the country has widened. I do not contest the claim of our hon. Prime Minister. But it is a matter of regret that in the matter of industrial development and especially in the allocation and establishment of heavy industries Punjab is being discriminated against. The tale of Punjab is a continuous and long drawn out policy of discrimination by the Central Government in all spheres whether it is industry, power, territories or any other matter I would strongly plead for establishing and allocating heavy industries in Punjab.

The Central Government has failed to give Punjab its due share from Central power projects. In spite of repeated efforts and meetings the Government has failed to release the additional power from its power projects and the Central Government has failed to honour its own decisions and commitments. Since the capacity of Punjab in power generation has reached a saturation point from hydel resources and the generation of thermal power is very costly, on a demand from the government the Central Government thought of setting up a

nuclear power plant in Punjab and a team of experts was sent to Punjab for this purpose. This committee had recommended two sites *i.e.* Pattan in Patiala district and Chankaur Sahib in Ropar District for this purpose. Some seven to eight years have passed and the Central Government is sitting over this issue for reasons best known to it. I would strongly urge the Government to clear this proposal and set up a nuclear power plant and remove this injustice and discrimination against Punjab.

The Prime Minister has told the House that the Government is thinking of enhancing the autonomy of public sector undertakings to make them accountable for results. This is a good proposal. The same thing holds good in the matter of States also. I would ask the Government to give more powers and autonomy to States as demanded by Shiromani Akali Dal in its Anandpur Sahib Resolution and abandon the policy of concentration of power at the Centre. The autonomy and decentralisation of powers to the States is most vital and essential for the overall growth and development of the country. Because if the States become stronger and are properly developed, then India will automatically become stronger both economically and otherwise.

I would also urge upon the Government to remove anomalies and discrepancies in the Mehrotra Committee Report regarding revision of pay scales of University and college teachers immediately and without further delay, and thus remove resentment from the minds of those who are agitating for the implementation of the report.

I would ask the Government to make provision for employment from local population of the State in a particular Central project where it is set up because one of the main objectives is to create job opportunities.

In the end, I would urge the Government to stop this policy of discrimination against Punjab and accede to its genuine demands. I would also urge upon the Central Government to punish the guilty officers and political leaders responsible for riots in Delhi and other places in India in November 1984, restore democracy and civil liberties in Punjab by releasing political leaders young

[Shri Charanjit Singh Walia]

people from various jails of the country and by announcing general amnesty for them, and by release and rehabilitation of the army personnel sacked and jailed as a result of 'Operation Blue Star'.

SHRI BIPIN PAL DAS (Tezpur) : Mr. Chairman, Sir, according to our traditional economic thinking, the economic growth is the only indicator of the development of a society or a country. They think that growth rate alone can solve the problems of poverty which is another name for unemployment or underemployment. I do not agree with this thinking. I may remind the House that in 1972, in the meeting of FICCI—Federation of Indian Chambers of Commerce and Industry—held in Delhi, Indira Ji said—I cannot quite her words just now but this is what she said—that economic growth alone does not mean economic development and economic development alone does not mean development in the full sense of the term of the whole society. And that laid down the fundamental philosophy of her economic policies for all the years to come. What is that fundamental philosophy? The basic philosophy of the economic policies of this Government have been—at least since Indira Ji's time—growth with social justice. Both are equally emphasised because growth alone cannot create avenues for social justice and social justice also must be provided directly. And in that context she proposed that famous 20-Point Programme in 1975. The 20-Point Programme was nothing but a direct assault on poverty, a direct assault on unemployment and underemployment. On the one hand she encouraged growth—definitely she did encourage growth—but on the other hand, we must also attack poverty directly. That was the policy of her 20-Point Programme. If some State Governments like West Bengal failed to utilise the plan, allocations for the 20-Point Programme and used that money for the purpose of cadre-building, that is not our fault. As far as my State is concerned, we know how it was utilised, how people have been benefited by the 20-Point Programme.

Sir, some knowledgeable people have said—I call them knowledgeable because they are well-known—and some hon. Members of the Opposition have also said that this is an anti-growth budget. Let them once again

go through the various provisions and concessions made in the budget—in industry, in agriculture, in infrastructure and so on. I do not want to go into those figures, but I am just drawing the attention to the provisions for the farmers, provisions for public sector—I will come to that later on—infrastructure, industrial growth and overall growth. The budget has covered all, even general and capital goods industries, computers, electronics, automobile industry, cement industry, food-processing, plastic, refractory, aluminium, Industrial alcohol and every thing, and still my friends Dandavate and Indrajit Gupta have the courage to say that this is an anti-growth budget. They have said that they did not see any sign of growth in the budget provisions at all. Let them go through these provisions again. I do not want to waste the time of the House. If a man is really asleep, it is easy to wake him up. But if a man pretends to be asleep, it is very difficult to wake him up.

I hope that our Opposition leaders will not say anything for the sake of opposition but go through the Budget provisions, examine them objectively and realise that the whole Budget is on the side of advancing the cause of economic growth.

So far as the social justice is concerned, I need not go into the details. It is a Budget for the poor. There are massive programmes for the poor, rural water supply, agriculture, rural electrification and so on. What is most important, most significant is and I congratulate the Prime Ministers for this—setting up a National Commission on Rural Labour. Is it not a very splendid thing, a very grand thing? This particular section of labour has been neglected for long.

For the industrial labour a large number of spokesmen here have spoken, including my friend Shri Kumaramangalam. Industrial labour is an organised section of society. They have unions. They are conscious. They can fight. They can get. But what about the un-organised sector, the rural poor? There is no union. They are left in the lurch. Nobody cares for them. Indiraji was the first to take care of them by way of 20 Point Programme and now Shri Rajiv Gandhi brings in a new idea of setting up National Commission on Rural Labour. Is it not a very big thing done for the prosperity of this country?

I now come to anti-poverty programme for the working class. I would ask my friend Shri Datta Samant and other friends to again go through the various provisions made to improve the lot of the working class. Various provisions are there to improve the lot of the common man.

DR. DATTA SAMANT : Let us talk about the workers in the public and private sector ?

SHRI BIPIN PAL DAS : Do not take my time. I will answer that.

DR. DATTA SAMANT : How many workers have been removed ?

SHRI BIPIN PAL DAS : You want an answer to that question. Mr. Minister, please take a note of that. I would ask the Government to make an enquiry, in the last one year *i.e.* in the year 1986-87 how many strikes have been conducted by these leaders in the private and public sector ? They do not do it in the private sector. They want to do it the public sector. This is my assertion. There have been strikes in the Railways, Telephone and other Departments.

*(Interruptions)*

DR. DATTA SAMANT : What is the law in the country to protect their interest ? What is the legal procedure in the industrial court and Commissions where they are working ?

SHRI BIPIN PAL DAS : I have not made any assertion. I have only asked the Minister to make an enquiry.

DR. DATTA SAMANT : The IAS officers had to go on strike.

*(Interruptions)*

MR. CHAIRMAN : Please address the Chair.

SHRI BIPIN PAL DAS : I have only asked the hon. Minister to make an enquiry.

DR. DATTA SAMANT : 1,17,000 industries are sick. As per Reserve Bank 2% workers are responsible.

*(Interruptions)*

MR. CHAIRMAN : Your turn will also come.

*(Interruptions)*

SHRI BIPIN PAL DAS : As I said the most significant programme for the rural poor and the common man in the street in this Budget is—one I have already mentioned—the National Commission for the rural labour. This is for the rural population and for others—the industrial poor and middle class and all that. There are other provisions. Secondly, there is a proposal for a National Housing Bank. This is a very significant proposal for the improvement of the lot of the people who are below poverty line or near-about the poverty line.

The industrial labour, I have said is well-organised and have been benefited by large number of legislations made during the last thirty years. But the rural labour is un-organised and they are the worst sufferer. I hope the National Commission will help to serve their cause. Similarly, the National Housing Bank will benefit the lower middle class immensely. There is a provision in 20-Point programme for house sites for the houseless poor and I think that will cover the rural people in so far as solving the problem of housing is concerned.

Sir, I must congratulate the Prime Minister for the very high priority he has given to Education and Human Resources Development. We all know his zeal for progress of education and educational reforms. The very fact that he has put the senior-most Minister of the Cabinet in charge of this Department—Human Resources Development—itself shows how much interest the Prime Minister has for the development of education and human development in the country. Sir, education does not simply mean producing matriculates, graduates and Degree-holders. It is an all pervading thing. It also means educating the farmer in the new technology in agriculture, it also means the improvement of skill of the workers in the industries; it also means the development of Science and technology; it means the improvement of culture, living habits and all that and this is what Indiraji meant, that is, total development all round. Education is the only

[Shri Bipin Pal Das]

instrument. Sir I have said earlier in the other House and I would say here that education can become a powerful instrument for transformation of the society. Therefore, I am very happy, as a teacher, I am very happy that the Prime Minister has raised education to a very high level of priority in the matter of budget allocations.

Sir, as I said, since Education includes Science and Technology, I would not go into that. It will also look after child welfare and the welfare of the physically and mentally handicapped. It will also look after health care facilities. This is a vital programme to build up the new generation to be able to face the challenges of the 21st Century. Again I congratulate the Prime Minister for this particular provision.

Sir, some people are grumbling about the budget deficit. I would reply to two points of the Opposition. One is budget deficit. Do they know that even the American budget has a huge deficit?

PROF. N.G. RANGA : That is there all over the world.

SHRIBIPIN PAL DAS : Even the American budget has a huge deficit. It is a rich country, one of the top countries in the world if not the top-most. For developing economy, deficit budget is a must, is unavoidable, is indispensable. So I believe in that Economics which says that deficit budget is indispensable in a developing economy. What are their fears? Is it that this budget will raise the inflation rate? The revised deficit of the current year is going to be more than Rs. 8000 crores. What is the rate of inflation? It is 6.5 per cent. Although the revised deficit is going to be more than Rs. 8000 crores, has it helped in raising the inflation rate? It clearly disputes the economic theories of the opposition. One must be in touch with the realities.

Sir, Prof. Madhu Dandavate raised the question of inflation. In 1974, the rate of inflation went up to 30% when we were in power. Why? Because there was Bangladesh war and there were three consecutive droughts in 8 important States,

big States, and oil price hike was there and there was global inflation. All this contributed to our inflation which went up to 30%. Everybody was alarmed. But the Government took firm steps, very very firm steps and I should say ruthless steps and in 1975, it came down to minus rate of inflation. When it was below zero, that is also dangerous, because zero rate of inflation is not good for a developing economy. I remember that in our party meeting, the then Finance Minister, Shri Subramaniam said that this was not a healthy sign and we should take measures for refiation. He talked of refiation and for the first time I heard the word 'refiation'. I knew deflation and I knew inflation, but Shri Subramaniam talked the language of refiation. And in 1976 this inflation—Mr. Patel is here, he will agree, in 1976 the inflation rate went up to 4 or 5 per cent. Then our Government fell and Mr. Madhu Dandavate came to power. What happened? In 1976 our rate of inflation was 4 or 5 per cent, but in 1978 the rate of inflation was 22 per cent. In two years, Mr. Morarji Desai's Government and Mr. Charan Singh's budget helped to raise the rate of inflation from 4 per cent to 22 per cent. Thereafter, when Indiraji again took over, we had to take steps to bring it down. So, that is the story of inflation they should not forget. Those who sit in glass houses must not throw stones at others.

SHRI BALWANT SINGH RAMOO-WALIA : You want refiation, Janata Party gave refiation!

SHRI BIPIN PAL DAS : Refiation does not mean that you should cross the limits of inflation.

Sir, I have to make a statement. In the developing economy inflation in the first digit is nothing alarming. We should be worried and careful and take steps only when the rate of inflation reaches the door steps of two digits. That is the dividing line between 'Is it a permissible inflation or not a permissible inflation?'

Sir, deficit financing and a reasonable dose of inflation are indispensable any developing economy. Zero inflation means stagnation of the economy. The basic and

real question is to augment production and productivity. If production and productivity rise at the desired rate, then this amount of deficit financing cannot do any harm to our economy.

Sir, the proposed deficit is large mainly because of Defence expenditure. Is there anybody in this House or in this country who will say that it was not proper to allocate Rs. 12000 crores for Defence? Is there anybody who will say that? Not a single soul or a single patriot *i.e.* Indian will say that. And if increase of Defence expenditure from Rs. 9000 crores to Rs. 12000 crores adds to our deficit, well, it cannot be helped. And, Sir, when we could stand the deficit of Rs. 8000 crores and more, we can easily stand up to Rs. 5000 crores or more, and the Prime Minister has given a solemn word that he will not allow the deficit to go up.

MR. CHAIRMAN : Please conclude.

SHRI BIPIN PAL DAS : I am closing. So, I said that deficit or no deficit, inflation or no inflation, we cannot compromise with the independence sovereignty and territorial integrity of this country and all Indians are prepared to pay for it whatever are the consequences.

Sir, Defence expenditure does not only mean unproductive expenditure, please note it. Defence expenditure percolates down to the common people in various forms, I need not go into details, except what is spent on imported armaments, and I should tell the House that 90 per cent of Defence equipments of our country are indigenous and when 90 per cent are indigenous, whatever is spent on Defence percolates to the common people, the farmers, industrial workers, industries, and so on and so forth.

Sir, finally, I will make a few suggestions and conclude my speech—only suggestions, no more speech.

16.00 hrs.

While supporting this budget wholeheartedly I would like to emphasise on some suggestions of mine : (1) Non-

productive expenditure must be minimised. (2) All ostentatious expenditure and conspicuous consumption must be curbed. (3) All possible steps should be taken to see that in anti-poverty programmes the benefits reach the people for whom these programmes are meant and not to the middleman. (4) defence and industrial units must aim at self-reliance by activating our R and programmes. (5) import of luxury goods should be banned. I have been shouting about this for a long time. (6) personal income-tax exemption limit may be raised to Rs. 25,000. (7) public sector must be able to produce surplus so that it can strengthen resource mobilisation.

I want to say one word about public sector because most of them have talked about it though there is not much substance in it. We are trying to build the public sector. About public sector. I will read out only one sentence. In the first three years of the 7th Five Year plan, a record of 63% of the total outlay has been provided whereas in the first three years of the Sixth Plan, 43% of the total outlay was spent. In the 7th Plan, in the first three years itself, 63% have been allocated. Do these Members want any more proof that Shri Rajiv Gandhi is giving more importance to public sector than anybody else before?

PROF. N G. RANGA (Guntur) : Mr. Chairman, Sir, I thought that I was going to be called for after one of the Member of the Opposition would be speaking soon after Mr. Das. Any-way, since I have been asked to speak, I wish to congratulate Mr. Das on the very enlightened speech that he has made and also I think him for having lightened my own task also.

I wanted to answer the criticism that has been made by some of our friends from the Opposition against inflation on one side, deficit financing on the other, and the budgeting for a heavy deficit on the Plan side as well as non-Plan side and so on. He has covered most of the ground. All I have to say is this. In a country like ours which is trying to become self-reliant, having to govern a huge country with more than 700 millions of people who have come down

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from poorer homes, indeed poorer hovel, trying to have some kind of a shelter on their heads, deficit financing is absolutely not only inevitable but necessary, and progressive. I want to lay stress on that word "progressive". Without that, it would not be possible for us to provide any of these social services that are detailed in this Budget and in the Budgets that have come to us for the last 15 or 20 years.

16.02 hrs.

[SHRIMATI BASAVARAJESWARI *in the Chair*]

How it is possible for us to have a balanced budget? Is there any country anywhere in the world not only among the developing part of it but also in a large number of these other countries which are supposed to be more or less affluent where budget is being balanced? My hon. friend, Mr. Das has already stated it. The richest country in the world, America has got a deficit budget. Therefore, I do not want my hon. friends of the Opposition to go on harping upon it because when they were in power also, we had a deficit budget. Now that our people are in power also, earlier also we had been in power. Long time ago, just in the very beginning of this Plan era, I myself, as a student of economics, hailed the conception of deficit financing. One of the distinguished economists who has later on become a national professor of economics had then appreciated the stand that I had taken boldly and supported Pandit Jawaharlal Nehru at that time. From that time onwards, we have been going on like this. True, the value of the rupee is going down. But the value of the services of workers in the factories, of our servicemen in the industries and also in the Government services, their value, has been going up. Their salaries also being raised; allowances [are being raised.

Now my hon. friend Mr. Kumaramangalam, the champion of the educated, industrial and non-industrial workers—they are supposed to be workers—is obliged to ask for the raising of the exemption limit of income-tax to the tune of Rs. 25,000 because it would help those people whose monthly income is a little

more than Rs. 2,000 and most of these workers are gaining just as much. How is it possible for all these people to gain this much of income if it had not been for this deficit financing and deficit Budgets? One hon. friend Shri Indrajit Gupta found fault with this Budget because it is supposed to have closed the option for raising any more tax on any of these people. The whole of the country is hailing this that no new taxes are being imposed in the manner in which they had been imposed in the past. My hon friend the Finance Minister just now has told us that only this year, for the first time, the trade did not find it necessary to anticipate higher imports and, therefore, to hold up the commodities. After the Budget has been introduced and the taxes have been announced, prices have not gone up. What does this mean? Is it not a sign of progress of this country? Why should we feel so defeatist and why should we spread this atmosphere of defeatism in the country? That is where I sound the caution given by our friend the Finance Minister that we should not upset our people by unnecessarily raising wrong bogies.

Then, I am also in favour of raising this exemption limit to Rs. 25,000.

But, more important point is to counter this kind of a suggestion that has been made by Mr. Indrajit Gupta, that agricultural incomes should be taxed. This demand used to come from the capitalists and capitalist press in Delhi as well as in other metropolitan cities. I never thought that it would come from the Communists. But it has come now. What is our answer? Our answer is let them go to the villages as they have been going also in some of the States but, at the same time, let them see who are getting more than Rs. 25,000 a year among the agriculturists.

Not even 1% of the agriculturists are able to get it. Why? We have abolished zamindari system. We have introduced a tenancy legislation. We have imposed ceiling. An agriculturist in Andhra Pradesh cannot have more than 15 or 17 acres in those areas where only one crop could be raised, in those areas where two crops could be raised, he can have only 10 or 12

acres and nothing more. Let them prove, with the help of economists, that any of those agriculturists is able to get more than Rs. 25,000 for himself, his wife and his minor children. How can they have the temerity to make a suggestion like this? It is because they have always been opposed to peasant proprietorship. They do not want peasants to become owners of their own lands. They do not want even permanent tenancy, the self-employed farmers. They want to convert them into agricultural wage earners so that they could exploit them in the same manner in which they have been exploiting industrial labour also, in many of those countries, all the time hoping that, with the help of all these unemployed and employed in industry and otherwise, with these wage earners, they would be able to establish their own dictatorship, as they have done fortuitously in China and Russia and some other countries. Therefore, with all the force at my command, I oppose this suggestion and I hope Government would never entertain any such idea at all.

Then, coming to the other progressive things that my hon. friend Mr. Das has already suggested, I join him in welcoming these new three suggestions which have been placed before us. One is, additional provisions of Rs. 800 crores for the development of human resources. I think it was Dr. Rajendra Prasad, our first President here in the Rashtrapathi Bhavan at that time and the Congress President who, as Chairman of Education Committee for Bihar, said boldly a long time ago that the investment in education is investment in the all round national development of the country. We have been pursuing that line. Unfortunately, willy-nilly, all these various successive Governments have been neglecting their responsibility in this direction in a woeful manner. Now, today our Prime Minister with the assistance, guidance and encouragement of our progressive Education Minister, has come forward and told the country that unless we have a new education policy and we make sufficient provision for the development of education, educational equipment of our masses as a whole, especially in the rural areas, it would not be possible for this country to ensure permanent development, social and economic development and

development of the personality of the human beings in this country. I congratulate the Government on these aspects. It is easy for the Prime Minister to say that such a policy should be there. But it is very difficult unless the whole of the Government and the Planning Commission and all these people cooperate with him and provide the funds and show the way. And they have shown the way: here is the money. With this money and so much more also to come hereafter, you would be able to go forward and take the people forward in our social progress.

Secondly, about the Agricultural Labour Commission, I welcome it too. Add then, one suggestion was made by my hon. friend who is the ex-Chief Minister of U.P. He wanted a separate Commission to study the economic and social conditions of the farmers themselves and advise the Government whether the present scale of agricultural prices that is being made available; whether the present method of assessing these agricultural prices; present mechanism by which Government is now assuring what is known as basic prices and the present effort of the Government to ensure, as far as it is possible, remunerative prices also—is satisfactory or not. He said it is not satisfactory. Our friend from Punjab also is saying that it is not satisfactory. Almost everyone of the Members here—on my side and on the other side also—and the Opposition Members who have spoken on the President's Address, said that it is not satisfactory. I say it, also. Therefore, there is need for a thorough enquiry on a full scale—by State-level enquiries too as had happened in the past in regard to Banking Enquiry and also on the Commission of Agriculture—whether you would have one Commission for Labour; another Commission for Agricultural producers or whether you would have only one Commission to look after these two sections of the Agricultural personnel, is a matter that Government can make up their own mind. But I welcome these suggestions.

Thirdly, about State-owned and State-managed industries and other industries in the capital of which Government has either major or minor partnership—all these



[Prof. N.G. Ranga]

things have to be properly scrutinised and managed by the Government. I am not able to agree four-square with some of our friends who inveigh against the IAS people, and all the other permanent officials taking part in their management. Tatas, Birlas and all these people have been lapping up our retired Government servants to be the Directors of their industries. Because they know how to value their services. Some of them may be bad people, may be inefficient and may be incompetent. So are we. So is every section of the society too. I don't see any reason why they should be kept out. But certainly a special training has got to be given of them in industrial management. Such people alone should be placed in charge of these industries.

I agree with my Hon. friend Shri Kumaramangalam that workers should also be given partnership in the management of these industries. This is nothing new. From the days of Shri Gulzarilal Nanda when he was only a Minister and later when he became the temporary Prime Minister, as accepted by Jawaharlal Nehru himself when he was alive and later on by Indirajit, this principle has been accepted by the Government by all the premiers including Mr. Morarji Desai. But in the implementation of this, they have not succeeded so far. I would like them to make a sincere effort and serious effort. But the workers' representatives should not be given the majority there as has been suggested by some people.

This is not a Soviet *Raj*. This is a democratic *Raj*. This is a *Raj* where we have accepted mixed economy. It has been accepted as a national policy. True, some of the opposition parties did not agree. But again and again Governments, Ruling Parties and all Parties in fact want to the people and came back. When they came back, people have voted repeatedly in favour of mixed economy. There is no sense now in asking this Government to go away from it.

Certainly the present Prime Minister is very keen on public enterprises. Why should our friends from the opposition go on doubting it? No Government I may tell you in this country of whichever party

it may be—after Jawaharlal Nehru had laid down and had enunciated this particular programme of mixed economy—can possibly go back on this, except of course the Communists. So it does not need any special emphasis from our Prime Minister. But, nevertheless our Prime Minister also has given this assurance. He wants it to be properly managed. In order that it should be properly managed, it is open to all of us, different political parties, to make various suggestions. One of them is that workers alone should have a majority share. Welcome, that is their view. I say no, nevertheless adequate element of their partnership should be provided for. In this manner we can discuss.

Mr. Bhagwat Jha Azad has made a very good suggestion at the end of his speech. I don't want to enter into controversial discussion and debate with my friends on the opposition side. At the end of his speech he said let there be consensus in regard to this matter also, in the sphere of public economy, public management and administration as there is consensus in regard to national security, integrity and anti-religious politics. Certainly there should be.

I have no objection at all, if the Prime Minister were to make up his mind to invite some of our friends here to join the Cabinet and then argue within the Cabinet in the direction in which they want our economy should be turned, should be developed, should be fashioned, so that it would behave much better than it does now.

Lastly there is the question of Defence. Mr. Das has made a very good suggestion. As he said, and it redounds to the credit of the sense of patriotism of our Members of Parliament, no party takes objection to this phenomenal increase in the provision we are making for Defence. But, nevertheless how is this money going to be used?

I was a member of the Public Accounts Committee for a number of years. I was also its Chairman. We had a sub-committee also to go into the Defence expenditure. We have had reason to be unhappy about so much of wastage that was

going on. My fear is, there is still scope for shutting off these loopholes. There is scope to prevent so many of these black-marketeers, profiteers, unscrupulous people and their allies also within the administration to loot the country, the Government and cheat Parliament also. We have got to minimise it. We cannot completely stop it. Whenever there is scope for huge expenditure there is bound to be some leakage but we have to take sufficient care to prevent it. Are we doing it? What special steps are we going to take? We have to go into that. Mr. H M. Patel was the Defence Secretary and the ablest Secretary in our country. He would be able to give us some points. Let us have their advice and cooperation. We are willing to learn. If till now Government has not made up its mind I make this suggestion to the Government from this podium.

Our farmers and agricultural workers have also a great contribution to their credit. It is the greatest. They have made our country self-reliant in regard to food. They have been able to place so much foodgrains at the disposal of the Government that the Government is now groaning under the burden of storing the same. All this is an insurance against the repetition of natural disasters and the resulting loss to production in any one year or any series of two, three or four years in places like Rajasthan, parts of Gujarat, Raylaseema and so on. We should be grateful to them. What is it we are doing for them? We have agreed to assure them minimum prices and help them to gain remunerative prices by auction sales for various commodities. I want these things to be further developed and to be turned into a permanent part of this mechanism of this Government. In the management of the mechanism I want farmers and agricultural workers to have their partnership in fixing agricultural prices. I want the farmers and workers to be placed in the relevant Government commissions so that their advice and experience would be available to the Government and only in the light of their experience and suggestions and with their consent, prices would come to be fixed. But these prices need not be fixed in a manner which is suggested by some of our friends, that is, the capital value of the land should be

taken into consideration and interest their own should be included in the prices that we are going to fix.

Having said all this I wish to congratulate, indeed. I wish to thank the former Finance Minister who in consultation with and in conformity with the present Prime Minister has been able to pave the way for the presentation of this satisfactory budget. I thank him and I congratulate the Prime Minister for having had that Finance Minister behind him. Let me express this hope—if they would agree with the consent of the whole House—that in his administration of the Defence Ministry he would also be given the same advice, same guidance and same cooperation by the Prime Minister in seeing to it that all those loopholes which I have referred to earlier of the corruption etc. going on would be minimised to the maximum possible extent. Our defence forces would be trained and would be provided with machinery, with equipment, all that is necessary for them which would yield...

PROF. MADHU DANDAVATE :  
 Provided that portfolio of Defence is not changed again !

PROF. N.G. RANGA : Yes...sound and satisfactory safety in the defence of our country.

SHRI SATYENDRA NARAYAN SINHA (Aurangabad) : Madam Chairman, the Prime Minister has introduced a budget which, in my opinion, cannot be faulted. The criticism made by the Opposition here has been on the traditional lines that it lacks direction, lacks purpose and has a large deficit. Sir, so far as the direction and purpose is concerned, the Prime Minister has very categorically stated the principal objectives which have to be achieved, namely, the elimination of poverty and building up of strong, self-reliant and independent economy. He has also defined his strategy which he is going to follow to achieve that objective. He has said that in trying to achieve that objective, in trying to take the country along the path, he wants to assault poverty first. But, at the same time, he says that he believed in more production and equal distribution of that wealth and also equal opportunities to the

[Shri Satyendra Narayan Sinha]

people. After all this unequivocal declaration or statement by the Prime Minister about the objectives and about the strategy that he is going to follow, the criticism that the budget lacks direction, appears to be merely a formal ritual.

So far as the question of deficit is concerned, no doubt it is a large deficit. The Prime Minister also admits it and does say that he will see that the deficit does not increase. But, Sir, many Hon. Members have said that there is no escape from resort to deficit financing if we have to raise the resources for financing our development plans. Nobody in this House would like that we should only be balancing our income and expenditure, as the Hon. Minister said. We are all anxious that the tempo of development should be increased. We should create more wealth. We should generate employment opportunities so that there could be equitable distribution. For that purpose, the Prime Minister wants to use increasingly science and technology so that the country's progress can be speeded up.

Many Hon. Members on the Opposition rather derisively talked about the exhortation made by the Prime Minister for preparing ourselves to enter the 21st Century. According to them, the 21st century would come whether we like it or not. They fail to grasp the implications of what the Prime Minister has said. Sir, today we are moving into an information age. There is so much explosion of knowledge. There is so much advance in science and technology. We have to make use of these things so that we can take our country along with other advanced countries and march abreast of them. That is what the Prime Minister wants to do. And with that objective in view, he has been saying that we must prepare for the 21st Century. The entire thrust in the budget is towards that end.

Firstly, he wants to eliminate poverty and you will see all through the budget, all the programmes and policies are intended to remove poverty as far as possible within a foreseeable future. I am not going to take the time of the House by enumerating the various measures that he has stated.

But the very fact that he has increased the allocation under the head 'Rural Development' to Rs. 2060 crores shows his determination and resolve to fight poverty. Then, he has increased the allocation under the head 'Education' also, which is a great weapon to fight poverty and he has emphasised that the new Education Policy has to be implemented with all seriousness. So far, whatever policy was evolved, could not be implemented for want of funds. Therefore, this time he has increased the allocation to Rs. 800 crores from Rs. 350 crores. The only point is whether we will be able to utilise those funds properly or not. He never believed in mere utilisation of funds. He has made it clear that mere spending will not take the country forward. The achievement of physical targets is crucial to the real development of this country. And therefore all through he has shown realism and awareness of the situation that is prevailing in the country and about the problems that are facing him. He is also clear as to how to meet those challenges.

The Opposition talked about deficit financing. But nobody has come out with any alternative suggestion as to how you can have a budget without deficit financing and finance the plan of this size. How are you going to raise the resources? Nobody has said anything about it. According to a reputed economist who is a member of the other House, deficit does not necessarily mean pressure on demand or exertion of inflationary pressure. In support of this he has referred to the slackness in demand for foodgrains, fertilizers, cement, etc. He says that if you are going to raise the excise duties then the impact on prices will be immediate. So the question is, there are two options before the Government—whether to take recourse to deficit financing or raise the excise duties to get more resources. These were the two options before the Government and the Government chose the former.

We are embarking upon a very ambitious venture and we want to increase the tempo of our developmental activities. If we do so, we produce more and more goods and services and generate purchasing power in the hands of our people. Perhaps the demand is not going to outstrip the supply

and there will not be that much of inflationary pressure as we are afraid of. Prof. Madhu Dandavate also at one stage admitted this point. Because in a developmental economy, there is bound to be some inflation. The question as to whether the economy can absorb the inflationary pressure or not depends upon the strength and capacity of the economy. We can impart this strength to our economy by producing more, by increasing our efficiency and by increasing our productivity, on which the Prime Minister has all along been laying stress. Therefore, Madam, with great respect I would say that no alternative suggestion has been and the criticism has been made only as a measure of ritual and there is no substance in it. I welcome the decision of the Prime Minister to appoint National Commission on Rural Labour. The Prime Minister has spoken about the exploitation of labour and said that the Commission will enquire into the working conditions of the labour and also implementation of the social legislations.

Coming as I do from an area, where the atmosphere is surcharged with tension, surcharged with distress, fear, I welcome this decision of the Government to appoint this Commission all the more I know that non-payment of wages—minimum wages—is one of the reasons for this conflict. Why are the people not being able to pay the minimum wages? Some of us have taken interest in this matter and gone into the question and tried to understand the situation and come to the conclusion that in those areas which are still backward, which lack all the irrigation facilities, etc., the agriculturists are not able to raise enough crops. There is a tendency or reluctance on the part of those farmers to pay minimum wages which leads to this conflict. There is a Minimum Wages Act. The non-implementation of it has to be seen from this angle. There are tenancy laws according to which whoever works on your land as *Bataidar* he acquires occupancy rights. So, these are the legislations to protect them. Now, this Commission will go into that question.

The other day, the Labour Minister said that 94 per cent of the total labour force is in the unorganised sector. I hope this National Commission will look into the conditions of those people and suggest

remedial measures and that this Government will act with alacrity and try to implement them, because the situation is so explosive that it does not brook delay. As far as I can see, slowly, steadily, but insidiously, this fire of discontentment is spreading, threatening to engulf the entire countryside. Therefore, it is of the utmost importance that the National Commission should start work and make its report within six months. The time limit must be fixed, *i.e.*, it should be ready within six months. No longer time should be given.

PROF. MADHU DANDAVATE : Not like the Kudal Commission.

SHRI SATYENDRA NARAYAN SINHA : With regard to the non-plan expenditure, the Prime Minister himself has said that he does not like it. He wants that the cost of the delivery of the developmental schemes should be kept at a reasonably low level. He says that. The Minister had tried to strengthen that point. Non-plan expenditure includes, the expenditure on general service which include law and order authorities also. This total is much more than the combined expenditure or provision on social and economic services. You have made a provision of Rs. 421 crores for these general services and you have made a provision of Rs. 2500 crores only for the combined social and economic service. It does require looking into.

As regards most of the projects, the cost of administration is so much that it swallows up a large portion of the provision made for it. So it requires a thorough review of the whole thing, as the Prime Minister himself had said and I am glad that the Prime Minister is going to appoint a Cabinet Committee on this subject to continuously monitor it. But, it will be better in my opinion that you should have some kind of Expenditure Commission to go into this entire question about the overheads, about the proliferation of services, about the policy that has been laid and how much you are going to spend on the administrative services.

In my opinion, it should not exceed in any case more than one-third of the total provision. Therefore, the entire thing has to be gone into and that with speed so that you can cut down the delay. I know that

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you cannot do anything with regard to defence expenditure. Nobody says that we do not want to compromise on this point. We agree with you. But, the Minister has said that there are many items which could not be considered to be strictly non-plan items. True. But, as Prof. Ranga has said, there are many items where you can make some economy and impart a sense of austerity among them: that is necessary today. The Prime Minister has said that we do not want any or tentation. If the government is creating a climate of austerity all around, in that case, I don't think that it will be beyond the scope of the Cabinet Committee to scrutinise the whole thing. Why not have some kind of an internal economy board or some such arrangement consisting of experts because you cannot disclose much information. So, they should continuously monitor and scrutinise the expenditure; they should also go into the cost effectiveness of it. They would also go into how you are going to acquire things and thereby you might increase your effective fire power with much less cost. So, this has to be taken into consideration and I will submit to the hon. Minister to consider this.

Regarding public sector, which is another important sector, there was a lot of whispering campaign that the Prime Minister was going to abandon it, degrading them and all sort of things. Also there was a lurking atmosphere being created by some kind of a campaign that the Prime Minister might opt for privatisation of it. I am glad that by reiterating that the public sector occupies a core position in the industrial economy, this misgiving has been dispelled altogether. Now I am one with the Prime Minister that the public sector also must be made to contribute to the general revenue; that is necessary. As a Member of the Committee on Public Undertakings, I had seen that in many cases there was a very large cost overrun, time over run because so much time is taken for approving a project, going to this side or that side, no urgency is shown, with the result that capital cost goes up and you cannot make up that. Therefore, some kind of distinct lining is also necessary there; and at the same time when you are going to give them autonomy, they must adjust their man power; they must adjust the cost; they must

improve their efficiency, managerial and otherwise so that they will be able to pay for it. It does create a fear in our mind about it.

SAIL Chairman has started asking for increase in administrative prices. You did bring out a White Paper on industrial prices where it appeared that the option was either you increase the prices or allow them to suffer losses. No. You must insist on efficiency all round, productivity all round; you do not resort to raising administrative prices, otherwise, you will not be able to control the prices. The deficit will go up. Therefore, you must be very serious on this point and not allow them to come to you again and pressurise you to allow them to raise the administrative prices.

With regard to agriculture, you have said that you are going to give them remunerative prices. We welcome it. Prof. Ranga has spoken on this point and I think I should not repeat it. I would suggest that the Agricultural Costs and Prices Commission sitting here will not be able to deliver the goods; they should visit various Capitals and take evidence and find out what is the position of the farmers. There are many areas where flood and drought have caused damage. And the farmers are finding it very difficult to make both ends meet. Therefore, the Commission must be able to go there, find out and then some kind of a formula has to be evolved to be able to meet their costs also. No one decision here will serve the purpose. Therefore, my suggestion is this.

Now, with regard to the expenditure tax, you are going to tax the foreign travel and you are going to tax the persons who are going to five-star hotels. It is a very good thing, a welcome thing.

MR. CHAIRMAN : Please conclude now.

SHRI SATYENDRA NARAYAN SINHA : You are going to resort to expenditure tax. I do not know what is in your mind. Professor Kalder has made a suggestion and on that suggestion expenditure tax was introduced by Mr. T. T. Krishnamachari. But it was found un-

workable. It was given up. If you are going to have it as an experiment, I welcome it and say that by this you are going to create a climate of austerity so that whatever proposals you have, made or whatever schemes you have made, they may succeed and our stress should be on honest implementation of this scheme. There is the real rub. There is a lot of leakage everywhere and you have got to plug that and all of us must help Government and extend our cooperation to the Prime Minister to take the country forward to the twenty-first century. Thank you.

**SHRI H.M. PATEL (Sabarkantha) :** Madam Chairman, I was very interested to see the people on the Treasury Benches and others saying that we should not worry about deficit financing. I think it is perfectly correct that for a developing country if it has to develop at a reasonable pace, deficit financing becomes unavoidable.

**PROF. N.G. RANGA :** Good.

**PROF. MADHU DANDAVATE :** Wait, wait. Listen to him completely.

**SHRI H.M. PATEL :** But what is important is to ensure the size of it, the size of the deficit financing, that we can cope with, without encouraging runaway inflation. A certain amount of inflation also is unavoidable. But the whole thing is to watch development carefully, and I was glad, therefore, in this connection, to see that the Prime Minister himself also, was apprehensive of this, mindful of it. When a question was put to him, he had replied in this way :

"I have decided that the deficit in the Budget Estimates for 1987-88 shall not be exceeded. Some supplementary demands are unavoidable. I am instructing the Ministry to ensure that additional demands are offset by equivalent savings or through measures to raise more resources."

Now this is an important point. The Prime Minister was fully aware of the great risks involved in this question of deficit financing and the size of the deficit that he has been unable to reduce. He has realised

also that in the previous year, the deficit finance, when the Budget was presented was estimated at Rs. 3,600 crores and it rose to Rs. 8,200 crores. Therefore current year's deficit can also increase. It is undoubtedly true that many unforeseen demands will come along. There was nothing unforeseen in the various items of increase last year. The Pay Commission was expected to recommend certain increases and so on. The real point has not been seen and that is this : As the Prime Minister has rightly pointed that some supplementary demands may be unavoidable. He also realised that some supplementary demands will be necessary. But he has not referred to the fact that we have, gradually, over the recent years, been having supplementary grants, supplementary demands, made in almost every session after the Budget Session. Supplementary demands, the practice should have been to come forward with only once a year, towards the end of the year. Supplementary demands may be unavoidable and are usually unavoidable, but not in this way repeatedly. What has been happening today leads to the credibility of the Budget estimates being completely lost. They are no longer formulated with the care that is required. If due care is exercised or were exercised, then these supplementary demands would not be necessary session after session. It has one more evil consequence. You tend to become wasteful; you tend to become careless in regard to expenditure. I am glad that some speakers on the other side, have also emphasised this point of importance of watching expenditure. That is a matter of great importance. And I think, enormous care needs to be exercised on that so that this does not happen. The Prime Minister has said that a Cabinet Committee is going to monitor projects there is to be monitoring cell and so on. Mere monitoring is not enough. The point is, how will you see to it that expenditure remains within the estimates that have been formulated? What care are you going to exercise and in what way? Who is to be held responsible? This accountability is something which has not been emphasised enough much less enforced. You consider this. So far as I know, there is hardly any project that has in recent years been completed within the time that is allotted to it and within the

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estimates sanctioned. When delays continue to take place, the cost over-runs are inevitable and sometimes the additional costs become quite phenomenal. There are quite a number of irrigation projects today taken in hand some ten to 15 years ago and they are still continuing. They were supposed to be completed within three to four years or five years at the most. And today their estimated cost has not doubled or trebled, but, I think, the increases may be even of the order of ten to fifteen times. How can a poor country's economy put up with that kind of a thing? That is not efficiency. Therefore, while certainly we may concede that deficit financing is unavoidable; deficit financing even of the size that we have to face now, may be unavoidable, but we have to see that every project, everything for which money is provided, is implemented with the utmost efficiency. If we do not do that, then I am afraid, we have the satisfaction of having spent the money, but there would be nothing to show for it. And this again I am glad to see that the Prime Minister realises it, for, he has said in his budget speech that the physical results have also to be watched. But do we watch them? I would like to suggest that a committee should be appointed to report within a month about the projects that are pending, which have been sanctioned over two years ago or more than two years ago and at what stage of completion. I think, the report would be very enlightening and very beneficial because we would then be at least forced to consider steps to be taken to see that matters are speeded up and at least the projects which need to be get rid of, are got rid of.

SHRI B. K. GADHVI : We are having the Programme Implementation Ministry which monitors every project.

SHRI H.M. PATEL : I am very glad that he has referred to it. I would like to know what exactly has that Ministry achieved? Have we seen its report to say how many plans and projects it has found which have not been completed in time and what has been the extent of cost over-runs and what steps has it suggested and recommended to be taken? Has he come along to this House pointing out the ones

in which the cost over-runs have been extra-ordinary and suggested that what effective or disciplinary steps should be taken? Then there arises the question whether the appointment of such a Ministry was justifiable. This is the point. Why are we creating new functionaries? Do we think that more efficiency can be achieved only by new functionaries? It is the business and it should be the business of every Ministry to see that the projects that it undertakes are carried through efficiently. It is that Ministry's responsibility and it is that Minister's responsibility.

One speaker was very strongly condemnatory of the bureaucracy and the civil service. May be all civil servants may not be as good or as efficient as we desire, but without civil servants a democracy cannot be run. An efficient civil service is necessary and you should try and see to it that your civil service remain efficient, is made efficient...(*Interruptions*).

DR. G.S. RAJHANS (Jhanjharpur) : And honest also. Most of the civil servants are not honest.

SHRI H.M. PATEL : That goes without saying. I am afraid, efficiency includes integrity and honesty, without a doubt.

PROF. MADHU DANDAVATE : It is applicable both to Ministers and democrats, Madam.

SHRI H.M. PATEL : In fact, this is the point. The Ministers are more responsible than even the civil servants. Do the Ministers take care to watch the projects on the success of which they are prepared to take credit and pride? Do they see to it? How often do they enquire in their Ministry as to what is the progress on each project why is it not going forward, if that be the case what are the difficulties, can they come and help to see that those difficulties are overcome? Therefore, when you proceed to condemn the bureaucracy, may I suggest that along with it, you also weigh the responsibility of the Ministers.

About the public sector enterprises it was said that they are today functioning so inefficiently, running so inefficiently only

because of these inefficient and corrupt civil servants. And yet you are saying repeatedly that there is a commanding height which they have achieved. If they have achieved a commanding height, how was it done? That could not have been done by failure of all the public sector enterprises or by success of only a few? Many Public sector enterprises have been successful. There have been many Chairmen, Managing Directors drawn from the civil service who have managed these, and manned them most efficiently. May be all of them were not efficient. But must you, therefore, throw the whole lot of them out, throw as it were the baby with the bath-water? This would not be the right thing. I think you cannot also ensure that you have an efficient civil service if you do not treat them fairly, if you do not pat them on the back for a good job or work done, and along with that also sack them if they do unsatisfactory. But you neither punish them...*(Interruptions)*

SHRI VIR SEN (Khurja) : He is playing to the IAS gallery and they are running the country.

PROF. MADHU DANDAVATE : The highest gallery in the country are Ministers. Why should he play to the gallery of the bureaucrats?

DR. G.S. RAJHANS : Quite a few of them are corrupt. It goes without saying. In my constituency, Rs. 55 lakhs were recovered...*(Interruptions)*.

MR. CHAIRMAN : Mr. Rajhans, he is not yielding.

PROF. MADHU DANDAVATE : If they say that, for corruption some Minister has to go.

MR. CHAIRMAN : He is not yielding. Please address the Chair.

SHRI H.M. PATEL : Madam Chairman, I entirely agree. I have never suggested that all civil servants are perfect.

17.00 hrs:

On the contrary what I am trying to say is that they are an instrument which is

essential if a good and efficient democracy is to be run. That being so, it is our duty also to see that we run the civil service in a manner which will ensure that the civil service function efficiently and are encouraged to run efficiently and run in a devoted and dedicated way. As I said, pat them on the back when they are successful, when they do good job. But certainly punish them as heavily as you like when they do not do their job properly. This is precisely what I am saying.

PROF. MADHU DANDAVATE :  
What can be more balanced?

SHRI H.M. PATEL : Nothing. No question.

SHRI GIRDHARI LAL VYAS (Bhilwara) : Shri Patel is balanced but you are not.

SHRI H.M. PATEL : I would further refer to some of the very good steps that the Prime Minister has announced *i.e.* the appointment of Agricultural Labour Commission, the importance that has been attached to housing. Housing again is as an illustration. In the last year's Budget there was a reference that one million houses will be built. Where are they. We must say that the policy is sound. It would be sounder if the implementation were quickly carried out with determination and dedication to see that what has been decided upon is accomplished. If that is not done, then I am afraid, merely saying that it is decided to do this, is not enough. These comes the criticism.

Shri Das was quite right. What he would have expanded in the whole of the speech, he has summarised in the last paragraph, where he referred to all these points which I am making. Some of them I have not referred to. But he certainly insisted that there is lot of wasteful expenditure and wasteful expenditure is a great bane in our Government.

If you remember, the Public Accounts Committee time and again has been submitting reports to say that you must see to it that money allotted is spent for the purpose for which it is allotted and also to



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see that the purpose for which it is allotted is also achieved in the way in which it was intended to be achieved. But who cares for these reports? May I ask this? The Public Accounts Committee Reports are prepared with great care and after great study. But when the recommendations are made, they are more or less pigeon holed. Now and again the Press takes up a report when some recommendations appear to be somewhat salty. But that is all. I consider that it would be a very good thing if this House could find time to discuss at least one report of the Public Accounts Committee one, report of the Estimates Committee and one report of the Public Undertakings Committee.

PROF. N.G. RANGA : But that is supposed to be the report on behalf of the whole House. There is no need for any discussion. Action taken thereon...

SHRI H.M. PATEL : Prof. Ranga, you are right—action taken thereon—if it is discussed in this House then importance would be attached to it. It is my observation that of late ministries appear virtually to ignore these reports. In the Action Taken Reports of these Committee you will find that so many of the recommendations are avoided. The civil service and bureaucracy is also very skilful. It does it in a manner in which it is not put in the wrong but at the same time it certainly does not do what it should.

PROF. MADHU DANDAVATE : He knows the trick of the trade from inside.

SHRI H.M. PATEL : There is no question of knowing tricks of the trade. I am trying to present a fair picture of the situation.

SHRI SATYENDRA NARAYAN SINHA : I just wanted to know from Mr. Patel whose responsibility is it for the implementation of these programmes? Is it the Minister or the bureaucrats?

SHRI H.M. PATEL : Certainly the responsibility for implementing it is not necessarily always of the Ministry. I think there are organisations outside the Ministry in some cases depending upon the situation. But about the responsibility, it is always the responsibility of the Minister.

SHRI SATYENDRA NARAYAN SINHA : Notionally it is.

SHRI H.M. PATEL : Unless you make it clear that the Minister is responsible... Let me assure you that it is only if he is interested in successful implementation of each project and is directly responsible. If that is the case, the civil servants will function and carry them out. Therefore, it is in that sense the Minister is responsible, not in the sense of failure of the implementation. In our country particularly or in any country, certain standards are always laid down at the top. It is the top which lays down the standards and the others follow and then everything will proceed in the manner that you desire.

17.05 hrs.

[SHRI ZAINUL BASHER *in the Chair*]

Madam Chairman, I suggest that all these are desirable. I am sorry, Sir, I have not noticed you taking over the Chair.

PROF. MADHU DANDAVATE : He did not know when the transformation took place.

SHRI H.M. PATEL : Although it is not relevant at this moment, I would refer to the remunerative prices for farmers. That is a point which is very often misunderstood and it is felt as if the farmers are profiteering or they want to make a large money. But that is not the fact. But the manner in which the costing is done is not as satisfactory as it should be. So many essential items are left out. It is not realised that India is a huge country. The price which is fixed, which is reasonable for one State or one portion of a State, if it is a large State, may not be at all fair to many other States. Such points need to be taken care of and noted and unless we do that, we cannot fix fair and satisfactory price.

Prof. Ranga referred to the agricultural income-tax and various other things. Some seem to think that unless agricultural income-tax is levied, the finances of this country will never improve. All I can say is that if you are keen on trying it out you may try it out, but apart from the harassment you would cause to a few who

would be eligible for paying income-tax. The vast majority of agricultural community will certainly never qualify for paying income-tax. So, why this exercise, why this feeling that agricultural farmers are getting away with it? May I tell you that the burden of indirect taxes falls heavily on farming community, the rural people living in the rural areas and is much greater than on the people living anywhere else. This is the fact and the indirect taxes constitute today a very big chunk of our revenues in this country. So, I suggest that this is something which may well be considered. I do not wish to take more time of the House.

SHRIMATI JAYANTI PATNAIK (Cuttack) : Mr. Chairman, Sir, I congratulate our Prime Minister who, in spite of his multifarious busy schedule, has taken the onerous responsibility of a Finance Minister and has presented an imaginative, socialistic and growth-oriented budget. Sir, the task of a Finance Minister is not an easy one. In the present context of the national and the international scene, our Prime Minister has come out with various exercises of the budget keeping in view the objective of nation's commitment to socialism, removal of disparities, and providing fair opportunities for all. Side by side, he brought in his budget a new thrust in selected areas which will strengthen the economy as well as further our Seventh Plan objectives.

Sir, the most significant aspect of the budget is the focus on the poor. There is substantially greater allocation for anti-poverty programmes and education. While the total expenditure in the Sixth Plan for rural development is Rs. 3600 crores, the proposed expenditure for the year 1987-88 exceeds Rs. 2000 crores. The allocation for foodgrains under NREP and RLEGP will be more. So our Prime Minister could have cut down the budget deficit by reduction of the subsidy for food and fertilizers, but rightly he has not done so in the interest of the poor and the farming community. Sir, here I must say that among the rural poor there are three categories of income level groups. I must say that the poorest of the poor should be touched first and if required, more than one dose of financial assistance should be given to them. Sir, among the beneficiaries

are women beneficiaries neglected even though there is a guideline for it, i.e., 30 per cent should be the women beneficiaries. At the same time it is the subsidy area where more corruption comes in. So, I would suggest that giving of interest-free loans also may be thought of. Besides, the poverty alleviation programme in the budget is also another welcome feature. Doubling of outlay on Education is a step in the right direction if modernisation and the quality of manpower of human resource are to be achieved.

Sir, a special emphasis in the budget has been on housing. The establishment of a National Housing Bank would be the beginning for large-scale house building activity, and the 'Indira Awas Yojana' for Scheduled Castes and Scheduled Tribes will benefit the poorest of the poor. The proposed legislation for utilising surplus land for housing is also most welcome and a number of policy decisions have been taken to encourage house building activities.

Sir, in the wake of the present situation, I must say that during the United Nations International Year of Shelter for Homeless, our Prime Minister has taken a right step and given importance to the provision of shelter. This is bound to set an example to other developing countries where shelter planning has so far not received importance it deserves.

Sir, the Budget has also taken care of the interest of the common man. The tax relief on mass consumption goods also has been taken care of the interests of various sections of the society including that of the women, students community and commonmen. This Budget is definitely growth-oriented. It is not at all anti-growth because there is agricultural growth of 5%. Our food production will be 151.5 million tonnes and also we have 23.5 million tonnes of food stuff in our stock. There is a green revolution. We have entered into the new fields of oilseed and pulse production and we have gone in for dry land farming which should also receive more importance.

With the agricultural development, the Government has also not left the manpower

[Shrimati Jayanti Patnaik]

in the agricultural field. That is why, the Government is going to take steps to set up a National Commission for Agricultural Labour and it is a welcome step. Besides this, the Labour Minister has also announced that this year, 1987 is the year to be devoted to ameliorating the conditions of the rural labour. When we are saying rural labour, definitely the Commission will think of the minimum wage to be paid, equal pay for equal work. Of course, this legislation does not touch one section of the society, *i.e.* women. Specially in agricultural field, mostly women are engaged and it is the women who produce and preserve things. According to the FAO report, it is the women who mostly contribute to this sector and therefore the conditions of the women labour should be taken into consideration by the Commission, we believe, and, if necessary, necessary legislation may also be recommended. When we come to industrial sector, our growth rate is 8%. In pursuit of our policy, industry will definitely reduce unproductivity, diminish obsolescence and increase capacity utilisation. Much needed protection has been given to Indian capital goods industry which is the basis of our economy. These measures that have been taken in the Budget, in the long run, will definitely improve our economy tremendously. Reduction in customs duty on petro-chemical intermediates will help upcoming of plastic and polymer industry. Measures to support healthy development of the capital market and curb malpractices and to protect investors' interests were also announced in this Budget. It has also been announced that a separate Board will be set up to regulate and ensure orderly functioning of the stock market and security industry. Expansion of MODVAT scheme also nearly to all products will be most welcome for industry and trade. Rationalisation of depreciation allowance for companies also is a welcome feature.

What I want to say is, the Budget is to bring about a most comprehensive industrialisation by giving boost to housing, cement, capital-goods and textile industry which will surely have an impact on the industry and the capital market. Various sectors of industry have been given the benefit to the tune of Rs. 500 crores to Rs. 600 crores.

Is it not growth-oriented? It is also felt that the comprehensive rationalisation brought about in the tax structure...

MR. CHAIRMAN : Hon. Member's time is up.

SHRIMATI JAYANTI PATNAIK : I will take only 5 minutes more. We have been waiting for 4 days. And I am the only lady Member speaking today.

I may say that a comprehensive rationalisation is brought about in the tax structure in this Budget in order to improve the competitiveness of the industry and accelerate its growth. The competitiveness of the Indian capital goods in the international markets will also increase by reducing the general import duty from 101% to 85% and by increasing the duty on project imports by 55% to 85%.

We have agricultural growth and industrial growth. This Government has not left the agro-based industry. That is why, the Budget also introduced fiscal measures to promote food processing industry and modernised jute industry by providing another modernisation fund for it.

These are all the steps for industrial growth.

Another very welcome feature in the Budget is the introduction of the tax relief on savings and imposition of tax for withdrawal on savings. This will give a great incentive for savings as well as help the resource mobilisation for development.

The Prime Minister has given firm assurance to keep the deficit within the estimated levels.

It is worth noting that while running a deficit in its revenue account and in the face of runaway non-Plan expenditure, the Government has been able to maintain the plan outlay at 63%.

We have had a high deficit because of various reasons like replacement of bank credit for buffer stock by Government loans and implementation of Pay Commission recommendations and increasing the defence expenditure, and higher allocations for natural calamities.

In the worsening security environment and contingent nuclear threat, a large proportion of our nation's resources has to go to Defence. It is not that no efforts are being made by Government to take care of inflation. Of course, strict vigilance is required and our Prime Minister is very much aware of this and he has proposed to take steps to increase the internal resources.

MR. CHAIRMAN: You have taken much time. Please conclude.

SHRIMATI JAYANTI PATNAIK: When international comparisons are made, one should not forget that growth-rates both in developed and developing countries sometimes become negative. But India has shown perceptible improvement. While many industrialised countries have been caught in debt trap, India's international credit rating, through continues to be high. Our debt service ratio on external borrowings of current receipts is well within the internationally accepted limits of prudent borrowing. However, there is a confident statement that India would not go to IMF for long. Government is not going to World Bank for a loan for structural adjustment. I must say that it is well emphasised that never before such comprehensive anti-inflationary package has been undertaken in the Budget to contain the price level. The Prime Minister has already firmly declared that the deficit level, as mentioned in the Budget, would not be allowed to rise. There are five elements in the package.

No fresh taxes have been imposed on intermediate goods; relief on mass consumption of goods, extending MODVAT to new areas, leading to possible reduction in price, boost to savings and tax on expenditure are the five elements in the Budget. I must only say that we must place emphasis on taxes on non-productive expenditure. Government should take steps to curb unproductive expenditure. If we can control the unproductive expenditure and inflation, the results would be excellent. This budget as a whole is extremely pragmatic, growth-oriented and oriented towards the welfare of the poor people.

With these words, I conclude. I support the budget for the year 1987-88.

[Translation]

SHRI GIRDHARI LAL VYAS (Bhilwara): Mr. Chairman, Sir, I thank you for giving me time.

I sincerely welcome the Budget that has been presented by the Hon. Finance Minister and I would also like to draw the attention of our Minister of State for Finance, who is present here, that so far as the Public Sector is concerned, it is most welcome that the Hon. Prime Minister has termed it as the core of our economy and extended his full support to it. But one thing I want to bring to your kind notice is that there are no two opinions about this that if the functioning of the Public Sector Undertakings, which have been working in this country and which have stimulated the economy of this country, is improved and if these are established at places where these should be established then I am of the view that this Public Sector could contribute a lot in stimulating the country's economy further.

As an example, I would like to submit the facts of my area. Earlier also I had drawn your attention towards this. The biggest deposits of zinc, not only in India but also in Asia, were found in my area and its biggest smelter plant is being set up. It has already been sanctioned in the Seventh Plan. Now raw material was found in Rampura Agucha and the biggest zinc smelter plant has been set up at Changeria which is 150 kilometers away from that place. You can very well imagine that how big is the deposit and what would be the expenses for supplying them there? Have you made any assessment of the economics of the operation. The Department of Mines also does not think in this regard.

I had also submitted to you that you sanctioned Rs. 27 crores but did not make any enquiry in this regard. You did try but did not take it up in a systematic way.

You will see that this project is running into losses in the same manner in which those projects are running for which raw material is available at places which are located at hundreds of kilometers away. Similarly, it will also run into loss and will give a big set-back to our economy in future.

[Shri Girdhari Lal Vyas]

Therefore, you should pay attention towards it well in time.

Hon. Finance Minister, mine is a very important point. Please listen it attentively. I would like that you may conduct a detailed enquiry in this regard and make suitable arrangements to set up this Rs. 320 crore Project in Rampura Agucha. Otherwise it will cause a big set-back to our economy.

I am submitting this thing for the reason that if the project is set up at Changeria then water will have to be brought from a distance of 30 kms. by laying a pipe-line after building a dam there on which crores of rupees will be spent. In addition, a 65 kilowatt thermal power plant will also have to be set up. The position is exactly the same here also. Water can be brought from the dam by laying a 30 kms. long pipe-line and here also a power house of 65 KW capacity can be set up. Then why are you trying to put the burden of the expenditure likely to be made on ground work for years on our Public Sector? It is my submission that you may please consider over it seriously and take such a decision that may benefit the Indian economy, bring money for you and this concern may earn profit and not run into losses. You may please enquire into it in a definite way.

I would also like to submit that not only this, the other public sector projects that you are going to set up, should also be set up at places where raw material is available. Then only these will prove to be profitable ventures. If you are carried away by political influences or other things and set these up at other places, that will have wider repercussions on the country's economy. To-day the reasons for which the public sector suffers losses are that you have not taken any standing decision about fixing up of any formula regarding suitability of the place at which these should be set up. You have been taking wrong decisions due to political influence and that is why you are incurring losses. I request you to pay attention towards it in a proper way.

Now I would specially submit to my Marxist brethren who believe in socialism,

that it is they who criticise the public sector, arrange strikes in it and cause losses to the public sector. Thereafter, they severely criticise the public sector here. It is a matter of regret. People belonging to this type of thinking should help the public sector so that it may earn profit and take the country's economy forward. But these very people are causing losses to the public sector. Therefore, I would like to make a special request to them that if they have any political differences they should solve them in a different way but why are they causing losses to this country's economy? It is necessary for them that they should help in such a manner that the economy of this country may progress and crores of poor people of this country, for whom our Hon. Prime Minister is working with full strength so as to raise them up, are benefited, the revenue of the country is increased, the poor are extended full help, they are raised above the poverty line and more facilities are extended to them. At the same time it should be ensured that arrangements are made to provide food, clothing and shelter for each individual, education to each child and medical treatment to every patient. To do all these things, the Indian economy has to be strengthened. It is, therefore, very essential that the hon. Finance Minister should pay attention towards it. The people who are trying to raise the standard of the poor by improving the social system through socialism and also by removing the gap between the rich and the poor, should take care that the public sector of our country is extended help so that the income of this country increases and the poor are given more and more relief.

I want to thank the Hon. Prime Minister on several issues. He has taken many courageous decisions by which it would be possible to uplift crores of the poor, the workers, farmers and the low caste people of this country and for which he deserves congratulations. The Hon. Prime Minister has made many such provisions in this Budget which would enable the workers, the farmers and low caste people to improve their lot. Some provisions had been made earlier also to uplift them above the poverty line but not on such a large scale as have been provided in this Budget. I thank the Hon. Prime Minister for having taken some very courageous steps.

In regard to the workers, I would submit that the number of steps which have been taken for them in this Budget have never been taken before. I have been speaking for the past seven years against the misuse of provident funds and that crores of rupees have been pocketed by mill owners in this way but the Department has not taken any action because the capitalists control them. Now a very, courageous step has been taken in the Budget by which if a capitalist does not deposit the provident fund amount, then he would have to pay income tax on that sum also. The crores of rupees which have been misused till now and which the capitalists have been investing somewhere else would no longer be able to do so because in this Budget, provisions have been made to levy income-tax on such income and thus the more they misuse the provident fund, the more tax they would have to pay. Hence, I think that it is a very welcome step and would prove to be very beneficial for the workers.

Similarly, you would notice that the earnings of our workers have increased substantially. The manner in which the earnings of our organised labour has increased and the tax-exemptions which have been granted are measures which are most welcome. The tax exemptions in their gratuity, compensation and bonus will contribute in increasing their income in a big way. By this provision the Indian workers would contribute substantially in increasing productivity. By this measure you cannot imagine as to what difference it would make to the economy in the coming years. Such incentives have encouraged the workers. The workers of this country are certainly grateful to the Hon. Prime Minister for having taken such courageous steps which would provide great relief to them. It is indeed a welcome step.

Mr. Chairman, Sir, similarly I want to submit to the Hon. Finance Minister through you to take one more charitable step as you have been so generous to them. At present the income tax limit is Rs. 18,000. With the Fourth Pay Commission recommendations, the salaries of the C and D grade employees and workers etc. have gone above Rs. 2,000. On the one hand you have provided relief by changing the pay-structure and on the other hand you have kept the income-

tax limit at Rs. 18,000. As this limit has not been raised, the new pay-structure will not benefit them much. Hence, modifications are required to be made in a definite way in this regard. The Hon. Prime Minister has been very courageous in not enhancing the corporate tax and personal income-tax. Although capitalists used to exert pressure on the Finance Minister and take some concessions all the time. But the Hon. Prime Minister has acted with great courage and conviction and it is to be certainly welcomed. I am submitting this point because it concerns crores of our people and I am hopeful that it would be seriously considered and the tax-limit will be raised from Rs. 18,000 to Rs. 25,000 as people would be able to enjoy the benefits of the enhanced pay-scales and other concessions granted by the Pay Commission only when the income-tax limit is raised to Rs. 25,000. Then alone the poor, the weaker-sections and the lower middle income groups would reap its benefits. Such groups exist in large numbers in our country. They build up the environment of our country and contribute to its prosperity and are the axis of all our politics. These people would certainly bless the Government if they get an opportunity to take proper care of their families in case the income-tax limit is enhanced.

Similarly, another welcome step taken by our Hon. Prime Minister is in regard to the pensioners. The enhancement in pensions would benefit 6 lakh old people. The minimum pension has been fixed at Rs. 370 and it is a laudable step. Many old people residing in different parts of India are getting only Rs. 100 or Rs. 150 as pension. In these days of high prices as you know, it is not possible to maintain a family with Rs. 100 or Rs. 150. Hence, you have taken a welcome step. All the old people of this country would bless you for this would wish that the Hon. Prime Minister may become brave and strong to the extent that he is able to contribute maximum for the economic well-being of the crores of people of this country. I, therefore, thank him for this provision.

Mr. Chairman, Sir, now I would draw the attention of the hon. Minister through you to the functioning of the banks. If the poverty alleviation programmes which

[Shri Girdhari Lal Vyas]

have been initiated by the Hon. Prime Minister are to be successful, then absolute control has to be exercised on the banks. If absolute control is not exercised then the programmes will not be implemented properly. You can see that in the case of the I.R.D.P. programme, the self-employment programme and other programmes, the banks sanction loans to whomsoever they want. I would, therefore, request the Hon. Finance Minister to exercise control on the banks so that they may work properly.

I want to submit one more point and it is in regard to the coordination committees which have been set up at the district level. There are no representatives of people in these committees. There are neither any M.L.As nor any M.Ps in them. The representatives of the people should be included in them so that misdoings may be curbed and we may monitor them.

I want to submit one point regarding rates of interest. Poor farmers are given loan amounting to Rs. 2000. If they are not able to return for four, five or seven years due to some calamity befalling them, the amount is recovered from them along with compound interest. In this manner upto Rs. 15000 are recovered from them in place of Rs. 2000 and land and house of the beneficiary are often auctioned for the recovery of the loan. Thus, instead of removing poverty, this process has started creating more poverty. Therefore, a proper rate of interest should be taken. On the other hand in the case of the big capitalists who take loans upto Rs. 200 crores, no such action is taken for recovery. Neither are their properties attached nor any other kind of action taken against them though in case of poor farmers their land and houses are sold for recovery of only Rs. 2000. This is not proper. Only simple, and not compound interest, interest should be charged and if certain calamities like famine etc. befall them, then the interest should be waived. However, the allocations made for the poverty alleviation programmes are welcome. A huge sum has been allotted for the upliftment of the poor people. We would welcome it as well.

One more point which I want to submit is regarding a cement factory at Swai

Madhopur which is the largest of its kind in Rajasthan as well as in the whole of India. As it was suffering from mismanagement, its management was taken over. It is now jointly managed by some financial institutions, Rajasthan Government and the Central Government. The financial institutions do not release the required amount of money and on account of shortage of funds it is not functioning properly. Hence the financial institutions should release the required amount and the Government should take more interest in its functioning. If it works properly then it would meet the cement requirements of the whole country and give employment to 10,000 people.

I want to submit two or three points about my own constituency also. Lakhs of rupees were collected by selling shares for the setting up of a spinning mill in the cooperative sector at Shahpura and Aaseen but the Government is not issuing a license for it. Hence, this work is not getting completed. License should be issued at the earliest so that thousands of workers may get employment and its functioning is improved. The hon. Minister should take personal interest in this matter and should pay considerable attention to it. Similarly, a mica paper mill should be set up at Bhilwara. Mica is found only in three States, namely, Bihar, Andhra Pradesh and Rajasthan. In Rajasthan it is found in Bhilwara. Paper mills have been set up in Bihar and Andhra Pradesh but not in Bhilwara. In Bhilwara also a similar mill should be established. It would help in the economic prosperity of the people of Rajasthan.

With these words I support the Budget wholeheartedly.

**SHRI SHYAM LAL YADAV** (Varanasi): Mr. Chairman, Sir, there has been mixed reaction on the Budget in the country as well as in this House. I think it is indicative of the fact that our economic system has been streamlined, a fact which has been accepted by all. After the Hon. Prime Minister had presented the Budget, the people said that this Budget was for growth and would benefit the poor.

It is clear from the various provisions of this budget that it is a budget of progress,

development and growth. I do not want to take your time by going into these aspects. But one thing has become very clear and this has also been admitted by Shri H.M. Patel, an hon. Member of the Opposition that it is not necessary that presentation of deficit budget would lead to inflation or price-rise. At the same time, if production continues, the deficit can also contribute to more development. In this context a number of instances have been cited which I do not want to repeat. But U.S.A. is an example of this type of budgeting. There the deficit runs into billions, but prices and inflation keep on going down continuously. Therefore, the deficit financing has proved quite helpful for our country and our 8 per cent growth rate proves it. We are gradually proceeding towards socialism.

While presenting this budget, the Prime Minister has made this thing clear that he is in favour of socialistic planning. According to socialism, the disparity among people has to be removed and equal opportunity has to be provided to all. These things have become clear by providing more funds for rural development, housing and other welfare programmes like health and education. An increase of 7 per cent has been effected in it. It proves that the views expressed by the Prime Minister about social parity are not only theoretical but arrangements have been made to translate them into action also. He has made it clear that removing poverty and building a strong, self-reliant and free economy is our main objective. There is no doubt about it that he went to villages situated in far flung areas and saw for himself the difficulties of these people and has tried that the Government may in future follow the foot prints of Shri Nehru and Shrimati Indira Gandhi.

Sir, that is why we say that this budget is meant for the general public and not for any particular section. Every section of the society has been very happy with it. The simplification made in the tax system through 'MODVAT' has created a larger impact. It is a fact that some business men do not want to pass on their benefits to the consumers. But in many fields, the prices especially the prices of vanaspati, oil and other things have gone down after this budget. Therefore, it is indicative of the fact that there will be no price-rise due to this

budget. Otherwise, earlier, the prices used to rise every time the budget was presented. The businessmen used to hoard the articles. Therefore, I feel that this budget provides relief to the poor instead of the rich. It supports and boosts the public enterprises instead of the private enterprises. It encourages self-reliance in comparison to import of the capital. In this budget efforts have been made to provide more facilities to workers and labourers in comparison to the corporate sector and management.

Sir, I would also like to say this thing which you as well as several members have also said. Efforts have been made in this budget to impose more taxes on that section of the society which spends more, leads a luxurious life and has more means. Those people have been taxed who spend in the hotels, who purchase colour T.Vs, who smoke cigarettes and undertake foreign travel. But, Sir, I would like to say in this connection that exemption has been given to those who visit foreign countries for the purpose of treatment or for education and take foreign exchange. Similarly, exemption should also be given to those people who visit foreign countries on pilgrimage and take foreign exchange. For example, lakhs of our brethren go on Haj pilgrimage, poor people go on Haj pilgrimage. They do not get more foreign exchange; they get very less foreign exchange. They go on Haj pilgrimage after spending their savings of entire life. If 15 per cent tax is imposed on it, then it will create problems. It will increase the amount of taxes. Our sikh brethren undertake pilgrimage. Our Catholic brethren go to Rome. Therefore, I would request the hon. Prime Minister to consider this thing that those who go on pilgrimage to a foreign country, they should be given exemption from the foreign exchange as is given to persons going for education and treatment.

Sir, I want to say few more things. The first thing is that the provision of Rs. 800 crore made for education in this budget is very commendable and efforts have been made to adopt new approach to our education policy that has been accepted by the House. Such a large provision has been made to implement the new Education Policy. The State Governments will also make separate provisions for this but in this connection I would like to submit this much



[Shri Shyam Lal Yadav]

that to-day the primary education, junior education and high school education has totally been taken over by the Government. How money is being spent in the districts, should be overseen. The Central Government spends huge amounts on education and purchase of equipment. Efforts should also be made to ensure that the people's representatives have the right to give guidance and to look into the manner in which the money is spent in the districts. This thing should not be there that the peoples' representatives make their recommendations but the officers do not pay any heed to them. There is a big scheme to establish Navodaya Vidyalayas. These will be established in each district. But the place at which and the area in which it would be established is decided by the officers. The advice of the people's representative is not sought for it. In this connection I would like to say that a lot of work is carried out under various schemes in these districts. By providing an amount of Rs. 2000 crores in this budget you have made a great contribution in the removal of poverty. This amount is to be spent on various programmes. There is a D.R.D.A. Committee, formed for deciding the manner in which this amount is to be allocated to the districts. The District Magistrate is its Chairman and M.Ps. and M.L.As. its members. This is not justified. In a committee, where money is to be allocated in this way, the District Magistrate is appointed as its Chairman. He allocates the funds, he supervises and he only implements it. In this way your purpose is not fulfilled and the people's representatives cannot associate themselves with the responsibility they ought to have. The political responsibility vests with the people's representatives but they have neither a hand in distribution nor in allocation. Therefore, I would forcefully request that this system may be changed. In Karnataka, the Government of Karnataka has declared that it would engage a District Chief Secretary for development works in the districts but whatever way you name it, either district Chief Secretary or something else, it is only the District Magistrate who is all in all in it; the people's representatives are reduced to sub-ordinates under him. Therefore, the Chairman of the Committee, where funds are allocated for development work should

be a non-official member, a people's representative who would look into it properly and whatever money is to be spent anywhere should be spent under his supervision.

Sir, provision for the poor has been made in the budget, especially a National Housing Bank has been set up for the common man. Provisions have also been made for farmers in it. The most important thing is that 33 per cent of the entire allocation at the Centre, States and Union Territories is being spent on agriculture, rural development, irrigation, flood control etc. and a subsidy of Rs. 1910 crore is being given on fertilisers. You are giving a subsidy of Rs. 62.55 on a bag of 50 kg. fertiliser and an amount of Rs. 36.8 crore is being spent on irrigation, flood control etc. It has also been provided in this year's budget that 23.3 lakh hectares of additional land will be irrigated. Similarly, special stress has been laid on increasing the production of paddy, pulses and oil-seeds but the main obstacle that comes in its way is that these schemes, especially the irrigation schemes and flood control schemes are not completed in time. I want to reiterate that even after the provisions are made by you, the schemes are not completed in time with the result that the cost of the projects escalates and the farmers are in no way benefited. In our district the Gyanpur Pump Canal has been under construction for several years. Nobody knows when it would be completed. The work on the Sharda Sahayak Canal also has not yet been completed. In this way if some work is not completed within stipulated time, that causes huge losses. We fail in achieving the target. I would like to submit that the Programme Implementation Ministry has been set up. The Prime Minister had stated that enquiry is being made into the implementation of the programmes being undertaken by the voluntary organisations in each district in every Block for the anti-poverty and developmental works. But for how long would it be undertaken in each and every block and district? Therefore, I would like to suggest that there should be a committee consisting of people's representatives who will inspect the work on the site and will find out the amount allotted for it and upto what extent work has been completed. Those who are found responsible for incompleteness of the work might be

punished. We agree that the State Government employees and the bureaucracy are getting the work completed. There is no doubt that there are a number of good people among them. It is the result of their work that the country has made so much of progress. If somebody raises his fingers towards the public sector and criticises it, he does so because it is not yielding results in consonance with the money spent on it. What is the condition of electricity boards in the States to-day? What is the condition of corporations to-day? What pitiable condition the tubewells have reached to-day? This subject has direct concern with the farmers. If we would have got sufficient electricity, the farm and industrial production would have increased. Billions of rupees are being spent, salaries of the employees are going on increasing. But there is neither proper generation of electricity nor it is being distributed properly and at the same time it is being rationed. In no State the farmer get electricity regularly. For this reason he is put to difficulty. Agitation take place for the same reason and then the question of law and order arises. Therefore, I feel that the employees of the State Governments should be paid more on the advice of the Pay Commission. To-day, a Secretary to the Government of India gets a salary of Rs. 9 thousand per month. He is being provided the best facilities. Does the country not expect from him that he should work sincerely and with dedication for its welfare? If the expectations from him are not fulfilled, it is but natural that the people of this country and also their representatives should complain against him. We appreciate your responsibilities. The people hold us responsible. If there is some failure somewhere, it is not the employee who pays for it. He will be merely transferred from one place to another but the price for it is paid by the political leadership. It creates discontentment in the country. You are spending Rs. 2000 crores on developmental works. Several Members say that this facility does not reach the poor. The banks give loans. In my district also loans have been given. We can only recommend. The hon. Minister also recommends but the banking authorities do not pay heed to that and do whatever they like. We know that the loans which are being given are not likely to be recovered as the people who take loan, are not in a position to return it. And not much can be

expected in the existing moral and social norms of our country. These are the inherent defects in the system and they will remain so. In spite of it, the country is marching forward, there can be no doubt about it.

SHRI BHAGWAT JHA AZAD : You should say that both the hon. Minister and his Secretary should resign.

SHRI SHYAM LAL YADAV : The hon. Minister may resign and leave the Government but nothing happens to the Secretary.

SHRI BHAGWAT JHA AZAD : If both the hon. Minister and his Secretary resign, then the country would be governed properly.

SHRI SHYAM LAL YADAV : The Constitution would give protection. Government service is bound by certain rules. Then tribunals are there, eminent lawyers are there to protect them. The Minister can leave at once but it will not affect his employee. That is why the Ministers gave in several matters. If the Minister tries to be strict, he knows as to what may be the consequences. I may submit through you that the Budget presented by the Hon. Prime Minister and the feelings expressed by him and the proposed strictness which is to be exercised, I am convinced that all the Ministers would at least keep these feelings in mind and get cooperation from us and would also extend their help to us in implementing the programmes successfully so that we may be able to win the confidence of the people.

THE MINISTER OF STATE IN THE  
MINISTRY OF PARLIAMENTARY  
AFFAIRS (SHRIMATI SHEILA  
DIKSHIT) : I want to submit that the sitting should be extended upto 9 00 p.m. so that every hon. Member may get an opportunity to speak. The hon. Members are invited for dinner. I also want to submit that the hon. Members should be brief so that everyone gets a chance.

SHRI BALWANT SINGH RAMOO-  
WALIA (Sangrur) : I promise that I will not take more than 6 to 7 minutes. While expressing my opinion on the Budget I want only to say that in my view, there are

[Shri Balwant Singh Ramoowalia]

some shortcomings in it. The Hon. Prime Minister's efforts are welcome but there are certain shortcomings as well. The first one is that the recommendations of the Fourth Pay Commission do not apply to the employees of the Public Sector Undertakings. This sort of discrimination should not be there. Secondly, almost all Members including Shri Jha, Prof. Ranga and Shri Yadav, who are senior Members of the Congress Party, have said that the income tax limit should be raised to Rs. 25,000. I think you have already made up your mind in this regard. Only you have to formally allow it.

**SHRI BHAGWAT JHA AZAD :** Are you an astrologer ?

**SHRI BALWANT SINGH RAMOO-WALIA :** I want to submit one more point, which is very serious. The project reports are sent to the Ministry but clearance or approval is not given for one and a half year to two years. In the meantime, the prices rise one and half times, with the result that we have to pay higher taxes on the import of the machinery and demurrage has to be paid. The hon. Finance Minister should be instructed that a single window process should be evolved so that the projects are cleared within 3 to 4 months. I am not saying as to what the civil employees are doing. They are an essential component of the system and I think the delay is largely due to them. They try to show their importance and I am not blaming them but we must consider them as well.

It is important to pay a little more attention to the Punjab issue. I want to submit to the Hon. Prime Minister and the House on behalf of my hon. friends and myself that a special economic survey of Punjab should be conducted. 84 per cent of land in Punjab is under cultivation and the rest has been utilised in constructing canals, roads, military cantonments, airports and in resettling people in the border areas. Hence, some long term policy should be formulated so that something could be done about Punjab which is an essential part of the country and where the situation is abnormal at present. The water of the Thein dam has been

flowing to Pakistan since long and it ought to have been checked in 1970. We have paid Rs. 100 crores but even after 17 years, Pakistan is getting water free of cost whereas Punjab is involved in bitter quarrels. A committee should be set up which should furnish its report within a month in which responsibility should be fixed for the delay in construction of the dam. And whoever is found responsible for it, must bear the burden of the enhanced cost of the dam.

I want to submit something in regard to the paramilitary forces. There has been disturbances in Punjab for the last 8 to 9 years and during this time, substantial number of para-military forces were deployed there. I want to submit with great regret that it has swallowed the entire revenue of Punjab in the manner in which the locusts eat away the crops. It is due to the para-military forces that the exchequer of Punjab has been emptied. Hence, the Centre should provide a special assistance of at least Rs. 100 crores to Punjab.

I had promised to take only 6 minutes and I am not breaking my promise; I would take only one minute more.

**MR. CHAIRMAN :** Please conclude.

**SHRI BALWANT SINGH RAMOO-WALIA :** There is no need to ring the bell, please.

**MR. CHAIRMAN :** If you conclude early, then there would be no need to ring the bell.

**SHRI BALWANT SINGH RAMOO-WALIA :** Hence, I would request in the end that as it has been decided to celebrate the current year as 'Labour-Year', the Government should decide to celebrate 1988-89 as 'Kisan Year' in which efforts should be made to improve the lot of the children of farmers, to give employment to them, to ensure remunerative prices of their produce and to improve the lot of farmers. I am absolutely against any imposition of tax on farmers. It would not benefit you at all. Along with it, I want to submit that Agricultural Prices Commission should not take its decisions sitting inside the rooms but its members

should go to the fields, talk to the farmers, study their problems and then give its recommendations.

[English]

DR. DATTA SAMANT (Bombay South Central): Mr. Chairman, I am very much thankful to you for giving me some time. I will only take about ten minutes, five minutes of his and five of mine!

For the last four years from 1983 to 1987 our total food production is 1500 million tonnes. May be some one or two million tonnes here or there, more or less.

Sir, the Trésury Benches are saying that because of drought we have overcome them, there is no rain. Any how, it is stagnant, it may be one per cent or two per cent more. Industrial production for this year has gone down. Our Government is so wise—I think. Mr. Azad has left from here. The Government has changed the measure used to watch the industrial production. Some items like textiles have been dropped from it and new industrial units and some new garment industries or electronic units all are left out, as if the whole industry, textile, employing one crore or more people can be left out. You must ensure that textile industries are included in the measure employed to compute industrial production. The industrial production has gone up only by 5.2 per cent. I am putting a categorical question to my friend. That is in spite of these industries and other measures, due to agriculture whatever it is, the income of every individual has gone down in the whole year. If the total income is divided by 70 crores the average income of an individual in the country is, per day, Rs. 7 only, as the total income is 2500 crores as per the Economic Survey. I will not take much of your time.

The average income is Rs. 7 per day and if there are five people in a family it is Rs. 35 per day or Rs. 1050 per month. I may ask, my friend with an average income of Rs. 1000 in this country, as per the Seventh Plan what can be done? I think 90 per cent of the families of these people are not getting that much salary, even. Forget about the average. There-

fore, I am coming out with a categorical question. It is known that there is general growth in the country, it may be 5 per cent, 2 per cent, or 1 per cent, but who are getting the benefits of this growth? Only the top 10 per cent of affluent people are benefited. The economy is showing this amount as growth. The whole issue is discussed here. The average expenditure as per the Seventh Plan is Rs. 7,300 crores in the cities and Rs. 6,300 crores in the villages. Most of the people, agricultural labourers are not benefited, though lot of things are talked.

Now, the Prime Minister is going to appoint some Commission. What is the need? Seven to eight crore labourers who are connected with agriculture, construction, powerloom and handloom, are the poorest people of the country because their earnings are less than the poverty line earning which is Rs. 6400 per year. The minimum wage fixed either by the Central Government or the State Governments in the last forty years for these industries, is less than the poverty line wage of this country. They are getting Rs. 12 to Rs. 15 per day. Yearly it works out to Rs. 3000 to Rs. 4000. Why not give the guaranteed wage which is more than the poverty line wage at least to the labour employed in sugarcane industry, tea industry, coffee industry\*? Even there, the Government is not doing anything. If the minimum wage is properly implemented, 50 per cent of the poverty of the country can be reduced. But the Government is not concerned to implement such things. That is why, there is the whole chaos. We may discuss anything here, but the poverty line is increasing. What is happening in Kalabandi in Orissa? There are starvation deaths taking place there. There is flesh trade going on in Bombay. People are bringing young girls and selling them. I have got a number of cases. People are selling their children in Behrampur. The total national income divided by the total number of people, it works out to be Rs. 7 per individual per day. In that, income of Tata and Birla and that of the average and poor people is included. The economic condition of the poor people is not improving. Even in Bombay 50,000 people are begging and sleeping on the road. In such an economy, the poorest people are not benefited.

[Dr. Datta Samant]

A study conducted by the Reserve Bank in 1985 shows that the private sector of this country having more than Rs. 1 crore share capital—in which Tata, Birla, Damani and J and K have come—their turnover has gone up by 18 per cent, their profit by 12 per cent, their sales by 20 per cent and their assets by 10 per cent. But in spite of that the employment potential has gone less by 1 per cent. This shows where we are failing, because for the last two years you are moving towards privatisation. In spite of getting all help from the Government, the sick industries in the private sector have gone up. Our imports have increased by 26 per cent. Our borrowing has gone up to 68 per cent. The private sector has taken money from banks, financial institutions, through debentures and all that. Their borrowing has gone up to 66 per cent. But they are not useful for the national economy. Their profits have gone up. But the employment potential is reduced by 1 to 2 per cent. Our exports have gone down by 26 per cent. Here the national economy is failing. The private sector is exploiting the Government. They are taking loans from the Government and they are exploiting the situation. You are giving them money. They are starting the factories and making money. Is there no machinery to have control over them?

Black money to the tune of Rs. 5000 crores is generated. You have not mentioned about it in the Budget. This private sector is taking your money as well as people's money and it is exploiting the situation. Is the Government going to consider anything in this matter?

I will not take time to talk about the public sector. I am a strong supporter of public sector. It is good that the Prime Minister has realised this after two years. It is the media which is controlled by the private sector, which is criticising the public sector. Do not blame the workers of the public sector. Blame the machinery and the administrative set up. All the suggestions of the Sen Gupta Committee and Jha Committee are not implemented. There are five departments to which they have to reply—to Parliament, PUC, C and AG, BPE and the concerned Ministry. One

of the executives of the public sector told me that he is answerable to 27 bosses. Of course, the executives are not honest. But such type of administration is not fair. If an IAS officer is not doing well, you just transfer him to the public sector. So, it is the failure of the management. They should be accountable; they should be answerable. But they should not be used as the tools of the Government. And have Government is failing. There is no use. For all the failures this Government is going to meet, they are going to blame the workers. That is not fair. See the wages which the workers are getting in other countries. In Korea, the workers are getting Rs. 1,300 per day. In America, they are getting about Rs. 2,000 per day. We are not paying that much. I have no grudge for that. The public sector employees are definitely little better paid than the private sector employees but we cannot compete with them.

The other day our Labour Minister had given the figure that at the end of the Seventh Plan, the number of unemployed in the country will be 5,90,00,000. The number is going to increase further. In the Seventh Plan the target is—in the budget you have not mentioned it—to give employment to 40 million people. But what has happened in the last two years? In the private sector it has gone down. In the public sector also there is no improvement.

MR. CHAIRMAN: Now you please conclude. Your plane is waiting.

DR. DATTA SAMANT: In this country the Government has failed to raise the people above the poverty line though Rs. 2,000 crores have been spent. How it is being paid, nobody knows. The beneficiaries are not properly studied. One man is given Rs. 4,000 but subsequently again he falls back on the poverty line. So, the Government has failed to curb poverty, unemployment and inflation which is going up and for which we are changing the index. It is a new thing that the Government is including some new items in the Index, the prices of which are not rising. By doing this, the labour is going to suffer. In spite of the growth, I think that to a certain extent the poor of this country is suffering, unemployment is increasing and

inflation is rising, and therefore, I urge upon the Government that unless these are controlled and unless the economic offences are curbed, there will not be any change in the economy of this country.

**SHRIMATI BASAVARAJESWARI (Bellary)**: Mr. Chairman, Sir, the budget for 1987-88 is excellent and growth-oriented in all perspectives. The tax policy has been carefully worked out and expenditure has been controlled widely. The Government have rightly expanded the coverage of tax policies. It is now compulsory for organisations to deduct tax at source, on payments above a stipulated amount on professional services, fees, rents royalties, etc. Thus, lawyers, doctors, builders, engineers, architects, etc. who are all well-off but most of whom are not paying their taxes honestly, will now pay the taxes due as the charges paid to them by firms will be recorded and tax deducted at source.

The budget proposals are also based on seven-point fiscal objective of our beloved Prime Minister, Shri Rajiv Gandhi, which are conducive to development and for the welfare of the people. The aim of the budget is to ensure that fruits of development reach the general masses. There are reasonably low rates of taxation. There is no unnecessary secrecy about budget provisions; there is stability in rates and fiscal structure; there is simplification and rationalisation; there is encouraging participatory democracy by inviting debts from the public; there is idealism involving trust in the tax-payer instead of suspicion and educating tax gatherers in human awareness.

Now I come to the deficit financing. In a developing country, deficit financing is a must. Care should be taken, as stressed by our Prime Minister, to see that under no circumstances the deficit is further going to be increased. He has already stated that he is not going to spend a rupee more than what has been provided already. So also he has taken care to say that unnecessary expenditure on non-productive items will be curbed hereafter. If such is the case, then I think we are going to lead this country to a right path.

The expenditure which has caused deficit is due to subsidies and on defence production which all the Members have already appreciated.

There are so many scientists in this country. About 2,60,000 scientists are working in this country and already we have consumed Rs. 4000 crores towards the expenditure. There are 900 Research Development institutions throughout the country which are working for all round progress of this great nation but to me it is not a progress which we have achieved, it is not appreciable. Therefore, time has come to evaluate our scientific activity in the field of agriculture, dairy, fishery, defence and telecommunication etc. If such activities are taken promptly, I hope the fruits will reach at the grass root level.

Our Prime Minister when he assumed office, at the first Press Conference he stated that his Government will be known as the "Government that works faster." Accordingly he has created the Ministry of Programme implementation. The Programme Implementation Ministry has taken care of to see why there is lot of delay in implementation of these huge projects. It appears that there are 40 major public sector projects which incurred additional delay of two years. They have also stated that there are a number of projects with huge capital investment of Rs. 65 crores and 264 Government projects amounting to Rs. 64 crores, these have been held up for various reasons. I do stress upon the Government that Project Implementation Ministry should take necessary care to see that the projects are implemented in time and extra expenditure which has been involved is not incurred hereafter.

I refer to para 40 which deals with industry linked to agriculture. It has made a special road for our development. This has been stated by our Prime Minister that the farmers would get higher income. Highest priority has been given to agro-based industry viz., jute and textiles and proposals are that some more food processing industries will be encouraged, as also wool and cotton industries. I welcome the measure. I would request the Government to implement these

[Shrimati Basavarajawari]

proposals early. Care should be taken to see that the industry is started where the raw materials are available. These industries should be located as far as possible at the block level so as to see that the benefit goes to the farmers, and they get indirect benefit of the raw material grown by them.

I refer to para 135 (9) regarding excise duty on steel ingots made by the industrial plants—from Rs. 315 per tonne to Rs. 365 per tonne. I would like to inform this House, hon. Minister for Steel and Mines Shri K.C. Pant has stated in the other House that already 10 steel plants have been closed. Some plants are on the verge of closing because of shortage of power, high rate of power tariff, steep rise in the cost of inputs. This has resulted in the very high cost of production. This has affected the entire industry which has led to its collapse. The scrap is not at all available and as it stands the scrap is imported to the tune of 2.5 lakh tonnes every year. On this scrap, there is 20% custom duty. It has resulted in a lot of inconvenience to the entrepreneur also. Last year, under the MODVAT taxes on local purchase of scrap were included in the list. But after three months this was withdrawn and this has further resulted in inconvenience in steel industry. Therefore, once again, I would request the Ministry to look into this matter and see that necessary steps are taken to save this industry as a whole because those mini-steel plants cater to the needs of the indigenous demand and also the requirements of the most interior parts of this country. I would urge upon the Government to call the details from the Ministry of Steel and Mines and favourable decisions may be conveyed so that the industry can be saved.

Now, I come to the most important point, that is, the import of silk. You know, Sir, silk is being imported from China and from other parts of the country also. In this connection, I may point out that Karnataka is the State where a good quantity of silk is produced. But sometimes raw silk is being imported to meet the demand under the requirement scheme or the advance licensing scheme. Sir, import

of raw silk should, as far as possible, be stopped because this is not going to benefit either the producer or the dealer. But this would benefit the private trader. If at all Government wants to import raw silk, I would request the Ministry to see that the import of silk is done only through the channelised agency, through the Central Silk Board and not otherwise. The practice of *ad hoc* import of silk should be stopped. Otherwise, the entire silk industry including the weaver and purchaser will be affected greatly after some time. Karnataka Silk Marketing Federation has been writing every time that they are in a position to supply raw silk whatever is the requirement of the U.P. and Tamil Nadu. Hence I would urge upon the Centre once again that this aspect should be looked into and do the needful in the matter.

Sir, regarding Mangalore refinery, I read in the newspapers that the hon. Minister, Shri Janardhana Poojary has categorically stated that the clearance has been given to go ahead with this project, by the Central Government. But I understand that the clearance has not yet been communicated to the concerned and I hope the Ministry will soon communicate the clearance. Already the infrastructure for the setting up of this refinery has been agreed by the State Government and I would therefore request the Government to issue the clearance immediately.

Regarding the steel plant at Vijayanagar, I have been stressing on this matter since long so that the project at Vijayanagar can be set up soon. Shrimati Indira Gandhi laid the foundation stone for this project at Hospet in 1971. Sir, there is plenty of ore available at this place. I understand that the additional capacity of production of steel is so much that this project at Hospet will be able to meet the steel demand in the country both for indigenous consumption as well as export will be met by the end of 20th Century. I would therefore request the Government that immediate action should be taken in setting up this plant at Vijayanagar.

Sir, all of us should feel happy to know that the hon. Prime Minister has allocated more funds for the elevation of poor and weaker sections of the society.

He has provided sufficient funds to take up schemes under IRDP, NREP, RLEGP, etc. Here, I would like to make one point. The previous hon. Finance Minister had categorically stated on the floor of this House that to avoid procedural delays he would consider appointment of an M.P. as the Chairman of such Committees who would look into these schemes. It was pointed that the heading of an M.P. of such Committees would avoid delay in the implementation of the programmes and he or she will also see that the benefit reaches the common people and the poor. I think that such a proposal will be announced during this budget Session. I hope at the time of the reply the hon. Minister may perhaps mention about this proposal and this will certainly help the poor and the weaker sections of the society.

Then, Sir, regarding farm forestry, our hon. Prime Minister is very much interested in setting up a farm forestry. Every year we have been witnessing that the rainfall is declining due to which bore-wells and other open wells are getting dried up. The underground water also is very very insufficient and I do not know what is going to happen after some years. We must give a lot of importance to this farm forestry. I have got a suggestion that in every block one school should be selected for growing trees with the assistance of the Forest Department and financial and technical assistance should be given to it and the children should be taught to grow nursery whereby we will be inculcating love and affection in them towards trees. Not only that. The resources of such schools should be increased and also the schools will be in a position to supply seedlings to the most interior parts of our villages. So, I request that if such proposals come before the Government, they should immediately clear them.

Regarding the development of oilseeds, we are importing a huge amount of oil from foreign countries. There are proposals from various State Governments that financial assistance, if given by the Central Government on a priority basis, oilseeds will be supplied by the respective State Governments. Therefore, financial assistance

should be given to the States which have already made such proposals.

The Karnataka Government has made a proposal that they are going to grow oilseeds in Mallaprabha and Ghataprabha projects, provided the Central Government gives equal amount of finances for construction of irrigation projects. This proposal should be considered on a priority basis.

With these words, I thank the Chair for having given so much of time.

[Translation]

SHRI SANTOSH KUMAR SINGH (Azamgarh) : Mr. Chairman, Sir, I thank you for giving me an opportunity to speak. I do not want to take much of your time and would say it only in a few words. Hon. Shri Rajiv Gandhi after having extensively toured the country, and having met the poor and the common people and the down-trodden who look upon the Hon. Prime Minister for their uplift has presented a Budget which is very realistic. This Budget makes efforts to uplift the poor and the backward sections of the society. It has attempted at making India self-reliant in the industrial sector and also protecting its ancient culture and civilisation. Again, on the one hand provision has been made to provide technology for the modernisation of agriculture and industry and for defence requirements and on the other hand, it takes care of the present as well as future needs of our young and the old. Today efforts are being made on the one hand to uplift the poor and the working class so as to bring them at the level of those who are already well off and on the other hand, those who are rich are also being monitored who are indulging in wasteful expenditure by luxurious living. By imposing taxes on colour televisions, cars, cigarettes etc. used by the rich class attempts have been made to exploit a source of revenue. At the same time, provisions have been made to spend for the upliftment of the poor with whose hard earned money the future of India will be built. Hence, it presents a true picture of India. Today Rs. 125 crores have been allocated for R.L.E.G.P. and Indira Housing Scheme. This would solve the housing problem of the poor sections of



[Shri Santosh Kumar Singh]

the society in the coming years. These poor people are faced with the problem of food and clothing as well. This would solve their housing problem and they would be getting shelter from heat, rain and cold.

There is an acute problem of drinking water and irrigation in our villages today. Our Hon. Prime Minister in his Budget has drawn attention to it. Rs. 370 crores have been allocated to solve the drinking water problem. The Hon. Prime Minister has also mentioned the setting up of a National Rural Labour Commission and granting social protection within the framework of the Constitution and it proves that this Budget truly attempts at providing relief to the weaker sections for which the Hon. Prime Minister should be congratulated. There are people in this country today who are dependent on their daily wages and their families have to starve in case they are not able to earn their wages any day. The Hon. Prime Minister has paid great attention to such people. In this Budget emphasis has been placed on the strengthening of the country.

India is predominantly an agricultural country. The progress of the country is dependent on the progress of agriculturists. Hence, if full attention is given to agriculturists then it could certainly be said that attention is being paid to the real India. The farmers are being encouraged. Concession has been granted on fertiliser and attention is being paid to irrigation. Sometimes there are floods and sometimes there is drought which affect agricultural production and maximum attention has been paid to solving this problem in the Budget. Concessions have been granted in the case of fertilisers, tube-wells and on other minor things. Therefore, the Hon. Prime Minister deserves to be congratulated and I would like to congratulate him especially. The eastern part of my State and the Western Bihar are major rice-growing areas. If these areas had not received encouragement then they would not have developed. The Hon. Prime Minister has suggested new projects in order to combat such problems. I would especially congratulate him for that as well. Along with it, I would like to submit one

point more. Although we talk in terms of equal development and the hon. Prime Minister has also envisaged the equal development of all parts of the country, there are some areas like Eastern Uttar Pradesh where industrial development has not taken place and on account of which people are not able to earn living from industries. Their only support is agriculture and in case of natural calamities this source of income also vanishes. To give shape to the concept of equal development of all areas which the Hon. Prime Minister has announced, I would suggest that in order to fulfill it, a commission should be set up for the upliftment of Eastern Uttar Pradesh and projects should be prepared accordingly so that the people of those areas could also be uplifted and they may enter the 21st century as developed people. Hence, I would request the Hon. Prime Minister who is also incharge of the Finance Ministry that if this is done then the people of that area could be greatly benefited. The allocations of funds for the benefit of the employees and the common people are welcome. The Hon. Prime Minister has announced for a cut in the Government expenditure and for encouragement of industries and computerisation which are all welcome steps. Allocations for education has been enhanced from Rs. 325 crores to Rs. 800 crores. The Hon. Prime Minister deserves to be congratulated for that. Education has remained limited to bookish knowledge in colleges till today but it does not build up a proper future for the children. It is true that education gives shape to the feelings of unity of society and nation and it is considered as the foundation for the nation building. The Navodaya schools are being opened for the promotion of education. The Hon. Prime Minister has made efforts to give a right direction to the country's future by his new Education policy. It will help in strengthening the future of our young country and will help in our fight with poverty and in the upliftment of the poor. Rs. 173 crores have been allocated for the modernisation and simplification of our technical education workshops. It will provide encouragement to the technical people. More allocations have been made for health and family welfare as well as for child and women development programmes.

It is very important to defend frontiers

in order to maintain the integrity of the country. Many young men have bereaved their mothers, wives, etc. and have experienced arrests to protect the frontiers of their country. What Mahatma Gandhi envisaged was given shape by Pt. Jawahar Lal Nehru and Shrimati Indira Gandhi who sacrificed her life for maintaining the unity and integrity of this country and whatever work has been left incomplete is being completed by Hon. Shri Rajiv Gandhi. Today, the country is well protected in his hands and there is a feeling of complete security under his stewardship. In this Budget, efforts have been made to follow a path by which India could be made stronger. The Defence Forces have been given encouragement and the cooperation expended by them deserves to be congratulated. I especially congratulate him for all these things.

In the end, I want to submit that in order to make the country strong, to uplift the poor, to encourage the farmers and to make the country self-reliant, a timely Budget has been presented but if the programmes are not implemented properly, then whatever has been envisaged would not take a concrete shape. It would remain unfulfilled. It is essential to implement it. It is not that the people who are responsible for its implementation are all incapable. But it is true that unless the plans are properly implemented they will not benefit our people and till then we will not achieve our goal and it will remain a dream, mere sound and fury signifying nothing. If the plan has to be given a real and a concrete shape then it must be implemented.

In regard to the officials, I have already said that not all are bad, good officers are there as well. However, it is important to punish the wrong doers and provide incentives to the good workers. Only then we would be able to complete our work properly. Unless the lower category of officials involved in the implementation work are treated in the above-mentioned manner, our programmes will not be successful. I want to especially urge that it is important to pay attention to it.

I thank you with these feelings and congratulate the Hon. Prime Minister for presenting a timely Budget which would strengthen the country and take it forward.

**SHRI TAPESHWAR SINGH**  
(Bikramganj) : Mr. Chairman, Sir, I am grateful to you for giving me a little time though belatedly.

I rise to support the Budget presented by our Hon. Prime Minister in his capacity as the Finance Minister for the year 1987-88. First, I think it is my duty to thank our youthful popular leader, the Hon. Prime Minister, who after having toured the entire country, having seen and met the poor people and having visited the villages of Harijans and the forest areas of the Adivasis, has presented such a good Budget.

The great architect of this country was Pt. Jawahar Lal Nehru. What he envisaged for our country has been the basis of the Budget presented by our Hon. Prime Minister. In this Budget, highest priority has been given to the elimination of poverty and imparting education to our poor people. We have achieved enough success in our programmes for elimination of poverty.

18.46 hrs.

[SHRIMATI BASAVARAJESWARI  
*in the Chair*]

When we go to our constituencies, we like visiting our villages. If we look at the Harijans' dwellings, their hostels and schools or even the roads in the rural areas, we find that there have been substantial changes during the last two years. I would praise his understanding and imagination very much. It suddenly assures and convinces us that we would enter the 21st century in the manner envisaged by the Hon. Prime Minister.

The builder of this nation, the late Pt. Jawaharlal Nehru always had a feeling and an aspiration to see India prosperous and to make the country as affluent as America and England. His dream was first given a concrete shape by late Shrimati Indira Gandhi, who made efforts to complete the work left incomplete by him. The dynamic policy of Hon. Shri Rajiv Gandhi is also an attempt at fulfilling that dream. On behalf of the people of my constituency and on my own behalf, I want to express my gratefulness to Shri Rajiv Gandhi for

[Shri Tapeswar Singh]

the fact that such a massive programme is being implemented so well. Among the officials responsible for the implementation of the programme, some are very capable. Wherever the District Magistrates are efficient the development is taking place at a rapid pace and wherever District Magistrate or the Development Commissioner is slow and inefficient, we keep on receiving complaints from time to time. Madam Chairman, the hon. Members of Parliaments and the hon. Members of the State Assemblies are not as much involved as they should be in accelerating the speed of our development. Hon. Shri Rajiv Gandhi should decide to make the elected representatives of the people, the Members of Parliament and the Members of State Assemblies responsible for the implementation of these programmes because they come into direct contact with the people who come to them with their problems regarding irrigation, roads, schools, hospitals and wherever the problems are removed the people are very happy and wherever these persist the people come to the representatives to get them removed. Hence, special attention should be paid in this regard.

Madam Chairman, I would also like to submit that on the one hand you have raised the salaries of the Government employees by accepting the recommendations of the Fourth Pay Commission and on the other hand you have not raised the Rs. 18000 ceiling for income tax; it has remained the same. I would like to urge upon the hon. Prime Minister, who is also the Finance Minister and has presented the budget before us, that this ceiling may kindly be raised from Rs. 18000 to Rs. 25,000.

I want to draw your attention towards one more thing. Pandit Jawaharlal Nehru was the architect of our country and he had a dream that the country should have a better economy. It is he who had set right the economy of this country, had talked of the mixed economy, had decided the economic policy of this country and according to the above policy, the private and public sectors are working in the country at present. Pandit Nehru used to say that the co-operative movement has failed in this country but we will have to strengthen it. He framed national policy for this, set up

co-operative institutions from the village level to national level and he had been saying that a time would come in this country when there would also be a co-operative sector alongwith the public sector and the private sector. Madam, presently the co-operative Movement has reached such a height in this country that it is high time that co-operative movement is given special facilities. To-day 14 crore persons have become members of co-operative movement. 3 lakh 15 thousand co-operative societies are working in the entire country and lakhs of people are engaged in them. Now loans are being made available to farmers in the villages through them and arrangements are made for seeds and fertilisers or agricultural implements. There are 2 lakh consumer co-operative societies and Housing societies... (*Interruptions*)

SHRI MOHD. MAHFOOZ ALI KHAN  
(Etah) : There are frauds in the co-operative housing societies...

(*Interruptions*)

SHRI TAPESHWAR SINGH : You might be seeing fraud in them I do not feel so... (*Interruptions*). To-day there are three lakh fifteen thousand co-operative societies in the entire country. Out of them about one lakh are functioning in the villages and the remaining are consumers' societies, Marketing societies or Housing Societies which are spread all over the country. To-day I want to say to you that Rs. 25 thousand crores of 14 crore people have been invested as share money. One more big thing that is being done in the co-operative sector is that they serve people by forming small societies in the rural areas. Big companies like IFFCO are also there because there is the problem of production of fertilisers. To-day sugar factories have been set up in the country. To-day we produce 60 per cent of the sugar in the co-operative sector. We are getting 42 per cent of the total production of fertilisers through the co-operative sector. I, therefore, strongly demand that co-operative sector on the lines of public and private sectors may also be set up. Government should release huge amounts. Just look at the efficiency of the IFFCO, 'Kribhco' and sugar factories' and the societies functioning in the villages. They are producing much more than their installed capacity.

18.57 hrs.

[MR DEPUTY SPEAKER *in the Chair*]

Our young and popular leader, the Prime Minister is implementing the policies of Pandit Jawaharlal Nehru, the architect of our country. Pandit Jawahar Lal Nehru had also dreamt that a time would come when there would be a co-operative sector, just like the public sector and the private sector, in the country's economic system.

I want to place one more thing before you. In our area there exists the Sone Canal Irrigation system since British period ...(*Interruptions*) It is a very old system. To-day its condition has become very bad. The canals have breached and there has been much silting in them. The Government of Bihar and the Government of India got a very big plan approved by the World Bank to undertake their repair. But it involves an expenditure of Rs. 1200 crores and the work has been stopped since many years, the re-modelling work is also not being carried out. Through you, I would request the Prime Minister that efforts may be made to implement this scheme without delay so that the farmers of that area, who are considered the cream of Bihar, may get some relief. With these words I strongly support this budget and thank the Prime Minister for this.

19.00 hrs.

[*English*]

SHRI HUSSAIN DALWAI (Ratnagiri) : Mr. Deputy Speaker, Sir, I rise to support the budget. Many expected that there will be few surprises in this budget. The most common expectation was that the taxable limit of individual tax-payer will be enhanced from Rs. 18,000 to Rs 25,000. Since the budget was to be presented by our Prime Minister, many were expecting some bold steps to control inflation, to boost up production and also to give some relief to tax-payers of lower category and to protect the interests of the weaker sections. But they say that they were disillusioned. That is why they say that this budget is lacking lustre; it is directionless. They have passed such comments. But I would like to request and draw their attention to the fact that if they had properly seen the provisions which

are made in the pre-budget Economic Survey which was presented to this House on 24th February, 87 they would not have been disillusioned; on the contrary, they would have got answers to all of their queries. The most important thing in this economic survey is that they have given us very good statistics. In all earlier plans, the GNP was hardly 3.5 per cent on an average. But this is the first time that the GNP has risen to 5 per cent. In addition to this, there is a happy thing about which we can be proud of; there is a definite direction. As a matter of fact, the most eminent jurist and economist of Bombay, Mr. Palkhiwala, while commenting on the 1985 budget, had said that this is the most epoch-making budget which is pro-poor and which has given a positive direction for the first time in the history of fiscal jurisprudence of this country.

Earlier the policy was based on imposing higher rates of taxes to collect more revenues. Now the stress is on stability and low rate of taxation. Now you can see that there is no secrecy about the budget provisions. It is only because in 1985 we had decided sound and responsive Macro-Economic policy which gave new direction to our fiscal thinking. We should have a dialogue with the assesses and the entire effort is to develop better relations with the assesses and also to have the discussion and dialogue with industry and trading community. Because of this, we have innovated certain new things. That is why I can better call this budget as a very innovative one. New system of commitment budgeting has been started. We call it Zero-Base budgeting system. This system has taken away the lust of speculation in budgetary system.

In my area, I had my own experience. In the Third Five-Year Plan, in my area, to which Lokmanya Tilak and even Baba Saheb Ambedkar belong and which is a very backward area—known as Ratnagiri district—a decision was taken to start an aluminium plant. All those who were then here—the representatives of the people thought that the development of backward area of Ratnagiri could be boosted by starting in that area some public sector industry. They sanctioned one aluminium plant in Ratnagiri and Bharat Aluminium Corporation was asked to implement it. This project was included in three successive Plans. But till

[Shri Hussain Dalwai]

today, it has not seen the light of the day. The fact is that the Bharat Aluminium Corporation has wound up the whole project after spending about Rs. 5 crores from the Central treasury and the Maharashtra State Government has spent about Rs. 2 crores. The project has not been implemented, so far. Here arises the question of accountability. A project duly sanctioned, if not implemented, who is answerable for such gross failures? I am very much hopeful that, because of such failure in implementation of sanctioned schemes, it has been taken up in this budget for the first time to examine the working of the public sector undertakings and to streamline and control the same. There will be some ray of hope. This House will have now a white paper on that. The Prime Minister has promised us that he will have second thought on the working of the public sector projects. I was very much stunned and disturbed the other day when the discussion on the Presidential Address was going on, as our Hon. Minister of Commerce said, "Why do you expect the public sector undertakings to make a profit?" We do differ honestly with him, because we feel that the future of the whole country depends on the revenue savings of the public sector and the public sector must give better results and performance. Unless they make better profits, we can not reduce the gap between the income and the expenditure.

I am very proud to say that in India's 1st Five Year Plan, when Maulana Azad was our Education Minister, eight per cent from the total Budget allocations was earmarked for education; but afterwards, expenditure on education was always thought by the Finance Ministry as unproductive one, and the allocations were reduced to two per cent of the total budget. I am very happy that our Prime Minister has given due consideration to this subject as it is very important one, and this year he has provided Rs. 800 crores for Human Resource Development. We hope that the Human Resource Development Ministry will definitely make better use of the resources.

The future generation, which would lead us to the 21st century, has to come through the process of education and, unless we can have sufficient resources for education, we cannot have better quality of education,

My learned friend, Shri Indrajit Gupta is not present in the House. Every time, when I hear him speaking on budget, he always harps on the subject of taxation on agriculture. As we all know, the farmers are the backbone of this country. When I was an M.L.A. in Maharashtra in 1965, I was gheraoed by people of the Communist Party to which Shri Indrajit Gupta belongs. I was gheraoed for six hours. What was their demand? They said that the milo, which was being supplied to the people through the ration shops, was so inferior in quality that even the cattle in America were not eating the same. Shri Lal Bahadur Shastri, the then Prime Minister gave a call to the farmers of our country to produce more. He gave the slogan—'Jai Jawan Jai Kisan'. The kisans really did wonderful job. We are proud of them. We are today self-sufficient in food and our economy is on very sound footing only because of the revolution in agricultural production. I would request Shri Indrajit Gupta to come with me to my area and see the way the farmers are working. I am ready to offer him some land; let him cultivate that land. Then only he will come to know the pangs of cultivation the odds and difficulties the farmers have to face are very and many. Agricultural labour is not easily available and the tillers of the land have to give their sweat. Had he known this, he would not have insisted every time to levy tax on agriculture. He should not be only an armchair politician; but he should also experience the woes and worries of the farmers. If he sees the hard way the farmers are working, he will realize the difficulties that they are facing and he will appreciate the positive contribution the farmers have made to the Indian economy.

The foreign travel has been taxed in this budget. It is a welcome feature. Those, who go for enjoyment and have surplus money, have been rightly taxed. The Government has, however, rightly exempted foreign travel for education and medical treatment. As we know, Muslim pilgrims go to Mecca for Haj. That should not be treated on par with foreign travel and should be exempted from taxation. I would request our Prime Minister to consider this and exempt Haj pilgrims from taxation,

Finally, I would request the Prime Minister that, in the larger interest of

controlling inflation and increasing financial resources, he should streamline the whole working of the public sector. After the White Paper on public sector undertakings is presented to the House we will have better opportunity to elaborate on this subject at length. Today the most important question before us is to keep under control the inflation and the large deficits. Every effort should be made to keep both inflation and deficits in good control.

With these words, I support the budget and conclude my speech.

**SHRI RAM DHAN (Lalganj)** : On a point of order. There is no quorum in the House.

**MR. DEPUTY SPEAKER** : The bell is being rung. Now there is quorum.

*(Interruptions)*

**MR. DEPUTY SPEAKER** : He is not understanding it. Independents are given a certain time. Small Groups are given 15 minutes and Independents 20 minutes because they are larger in number. Small Groups have already exhausted their time. He is not understanding it and he is going on shouting. What can I do?

*(Interruptions)*

**MR. DEPUTY SPEAKER** : When the quorum bell is being rung, nothing goes on record.

Yes, Shrimati Bhandari.

**SHRIMATI D K. BHANDARI (Sikkim)** : I rise to support this Budget because in this Budget a definite attempt has been made for the upliftment of the poor. The increased allocation of funds for rural development and poverty alleviation programme will be beneficial for the poor people. I hope this will certainly minimise the gap between the rich and the poor.

The massive increase of funds to the tune of Rs 800 crores for education will fulfil the crying needs in our primary Schools through Operation Blackboard. Education as the hon. Prime Minister had said is a strong and powerful weapon to

fight poverty. In this context, I would like to say that more funds should be allotted for eradication of illiteracy among women population of the country. This will go a long way to bring about an educational transformation in the country. Adult education programme must reach the interior and backward areas if we want to improve the living conditions of the poor in order to lift them above the poverty line, by giving necessary facilities. Otherwise they will always remain exploited. So the facilities which the Government gives should reach them. These poor people even do not know whether the facility, which is given by the Government really exists.

Regarding health and family welfare, I welcome the decision of the Government to undertake leprosy and goitre control programme. In the hilly Himalayan region of the country, a large chunk of population suffers from iodine deficiency, which not only cause goitre, but also brain tumour. Brain tumour is increasing in these areas.

I earnestly request the Government to identify such areas, and only iodised salt may be supplied; the sale of ordinary salt in this region must be banned.

Sir, our Prime Minister had said that our industrial base has widened. New industries have developed. But I am sorry to say, this is not correct, if we talk in the context of the smaller States, like in North-Eastern Region, including Sikkim. Nothing has been done to develop the State like Sikkim and other States in the North-East.

Sir, I would request the Centre to send a team of experts to these areas to explore the potential of these States in the field of small scale industries as also in heavy industries. This is highly necessary, if at all we are to bring about an all round development in the States, by removing the regional imbalance in the country.

With these words, I thank you

*[Translation]*

**SHRI BAPULAL MĀLVIYA (Shajapur)** : Mr. Deputy Speaker, Sir, I am very much grateful to you for giving me time.

[Shri Bapulal Malviya]

Our Opposition Members have said one thing. Shri Madhu Dandavate has said that the budget which the Prime Minister has presented is for building his own image. I do not agree to this because the image of the Prime Minister is already bright. It is not only in India but also all over the world. Therefore, the words Shri Madhu Dandavate have used, in fact, do not behove him.

An hon. Member said that the budget is without any substance and direction. I feel that substance is there and it is a budget that shows a direction and it is a budget which will create goodwill. In fact, the hon. Prime Minister has showed a great courage by presenting this budget because a Finance Minister presenting a deficit budget is considered to be a very courageous person. After presenting a deficit budget, he has plans to make good the deficit. It is also a great thing. Our Prime Minister took a very daring step in presenting a deficit budget.

From economy point of view also the deficit budget has always been considered a good budget because no tax is imposed on public in it. Had it been a surplus budget, taxation on public would have increased. The budget that the Prime Minister has placed is, in fact, in the public interest and in the interest of the country.

Our Prime Minister has touched grass root level in the budget by making provision of a national rural scheme. Through this the Government will study the working conditions of the weaker sections and will also take care of the implementation of social schemes. It is a very great thing. So far as I understand, it is a very useful for the poor and the above commission will enquire about the poor. Along with it, it will look into their factual conditions and solve their problems. This is a very important thing that our Prime Minister has incorporated in the budget. I give him a lot of thanks for this.

The children of scheduled castes and tribals studying in B.A., M.A., are getting just Rs. 80 towards scholarship. This amount of Rs. 80 is quite less now-a-days

when prices are so high. Therefore, I suggest that this amount may be raised at least to Rs 150 per student so that the children of scheduled castes and scheduled tribes may get good education.

Our Prime Minister is making a lot of efforts to remove poverty. He has also made provisions of huge sums of money to implement the programmes like the I.R.D.P. etc. He wants that those people who are below the poverty line should come up. I think that with such programmes poverty will be removed to a great extent and poor people will come above the poverty line. For your information, I would like to say in this connection that those poor people did not get the second dose after getting the first dose. 50% people have not been able to repay their loans and have been considered defaulters. This is also the reason that they did not get the second dose. Therefore, I would like to suggest that either they may be given money for the second dose or if money cannot be given to them, then the money should be given to other poor people so that other people may also be benefited from it.

So far as I understand a lot of money has been provided in the Budget for irrigation and fertilisers etc. to increase agricultural production. We had, in this connection, passed a Bill regarding Crop Insurance Scheme. At that time, it was thought that it would be in the interest of the farmers but when it was translated into action, it proved harmful to the farmers. In this connection, you took a tehsil as a unit which was not beneficial to any of the farmers. Recently there were hailstorms in my area. It has also been observed that now a days, it does not rain at a time, it rains in parts. If it causes damage to more than 50 per cent of the crops of the farmers, then they become entitled for insurance scheme. The farmers are in no way benefited by this. For this, I would like to suggest that instead of taking a tehsil as a unit, you consider it on the panchayat level. If this is not possible, then insurance should be done on individual basis. In our area, we have come across certain instances where some persons had taken loans from the co-operative banks and the banks enhanced their loans by Rs. 300. The farmers did not know about that increase and they

deposited the insurance money. This is a great injustice done to the farmers because the banks on their own raised the loan amount and deposited their instalment of the insurance money. Therefore, I would like to suggest that insurance should be done on individual basis.

The tube-well scheme for big villages is a very good scheme of the administration. But it has come to the notice that if tubes have been fitted at some places, tanks have not yet been constructed and at some places this scheme has not at all been introduced. I have firm faith that the Central Government would definitely complete the K.F.W. scheme because it has taken a long time 6 years have passed since it was started. Therefore this K.F.W. scheme may be completed.

It gives me much pain that my area, Shajapur in Madhya Pradesh has no T.V. transmission whereas in the surrounding districts the Doordarshan facility is available. My district is the only district where Doordarshan programmes are not telecast I have been trying for this for the last 2 years. I also wrote to the hon. Minister, but no arrangement has been made so far. Therefore, I suggest that a low or high power T.V. transmitter should be set up in my district, Shajapur.

I think that this budget is beneficial to all and I sincerely support this budget.

[English]

SHRI S. B. SIDNAL (Belgaum) : I congratulate the hon. Prime Minister for having presented the budget. He has tried to create a just society in this country on the pattern of Jawaharlal Nehru and Indira Gandhi. In a way, he has supported agriculture, industry, its modernisation, helped in the child welfare programme, women welfare programme and small scale industry; in fact, he has given concessions and incentives in all sectors.

It is being criticised that there is a deficit budget. Yes, we agree that there is a deficit budget. Unless there is a deficit budget, we cannot develop our country; unless we invest, we cannot create assets. If out of inflation or deficit budget,

we grow assets, that is a wonderful thing of the budget.

I would only stress on education of agriculture. There are 125 universities in this country for general education; but there are hardly 22 agricultural universities where 80 per cent of the population has got the minimum quota. Only for city dwellers, urbanised people, there are 120 universities or so. Therefore, I would stress the government to allocate more money for agricultural education.

Recently, we know that dry farming production is not coping with the cost of expenses. In one acre of a dry farm if the rain fall is O.K., then 2-3 bags of jowar or bajra or wheat will grow; that will be nothing in terms of money value in Delhi. You will not be able to purchase a pair of Bata shoes in Delhi in the whole year's production in one acre of dry farm. This disparity has been created so far. Therefore, I earnestly request the government through you to give more money to the agriculture and increase irrigation facilities. We have not trained technical people who can implement the plan and understand the agricultural technology. Now-a-days, to work on a farm requires a scientist and a laboratory. On this principle, we have to go ahead. The Prime Minister has said that agriculture is the backbone of the industry, textile, jute, sugar and cotton; these are the main products for export also. Therefore, the education which is lacking in agriculture has to be developed. Secondly, in the Horticulture University, there is a lot of scope in this country to develop horticulture where it could be a substitute for food. For example, there are 5 lakh villages and in each house in a village there is a backyard where if we can plant five trees per backyard, you can imagine the amount of fruits we will get every day; every man can get one fruit which will be a nutritious substitute for ordinary food. In this way, if you gear up the economy in the rural area and to revolutionise it, we have to find out vacant place where even in a dry farm we can grow good fruit bearing trees with little water or rain-fed water. Thirdly, the allied professions like poultry farming, pig farming, fishery and sericulture have to be encouraged through education. For helping agriculture we have thought of lot of irrigation projects



[Shri S.B. Sidnal]

and the management of water is very shabby. Mostly, the majority of the water is wasted, because generally the farmers do not know the techniques.

MR. DEPUTY SPEAKER : Please wind up now.

SHRI S.B. SIDNAL : Just only three minutes ? Is it our fault that we come at the tail end ?

We should revolutionise agriculture and then we can improve the economy. The allied professions of agriculture, one is horticulture poultry farming, fisheries, all these things are to be developed. I am telling these things since the agriculturists have only three months work at the sowing time and three months at the harvest time. The rest of the period they are not productive. To make them productive we have to introduce these things in a vigorous manner. In effect we have seen that we get more milk than water ! In sandy places they have started some techniques like drop irrigation which we have to improve. We have to educate our people because there is a lot of water which is wasted. They do not know how to manage them. It is a brutal system where the erosion of soil goes on, and waste water is accumulated.

Lastly, if we take care of it by technical education in each district, or in each taluk, by providing technical institutions, and agricultural institutions the farmers will be benefited.

In my State there are many projects pending. The Irrigation Minister is also here and money has to be given for them. They are Mallaprabha and Ghataprabha which have been pending for the last 20 years. Upper Krishna Project is also there. These are the projects which will produce more per capita income for the country, if agriculture is properly managed and encouraged.

[Translation]

SHRIMATI USHA RANI TOMAR (Aligarh) : Mr. Deputy Speaker, Sir, I support the budget that has been presented

here by the Hon. Prime Minister. In fact, this budget is a commendable one and it will prove beneficial to the poor and the working class. Our Prime Minister has presented such a budget for the ordinary man which will remove the gap between the rich and the poor. Emphasis has been given on urban and rural development in the budget which will help in raising the standard of living of the general public.

The decision to constitute a Housing Bank proves that the Government, desires to provide relief to the low and middle income groups. I am sure that the steps taken in this direction would also provide relief to women. Shri Rajiv Gandhi has fulfilled his social responsibility by providing relief in income tax to the physically handicapped and the blind. For this I congratulate him. Every individual is facing three problems. First is maintenance of family and providing education. Second is social reputation and thirdly, security at old age. Savings is a must to fulfill all these three responsibilities. We must save something for tomorrow. Incentives have also been given in this budget for savings. Here some items of expenditure in connection with construction of residential houses have been exempted from taxation—I congratulate the Prime Minister for this.

I will conclude after suggesting only two things. First suggestion is that though emphasis has been given to housing and urban development but its other aspect has been left untouched. Unless our urban ceiling Act is amended, development of cities is not possible. If you go through the figures of Ceiling Act, its result will be zero. How many persons belonging to poorer and weaker sections have so far constructed houses on the ceiling land. Figures from none of the states are satisfactory. I suggest that the urban land may be allowed to be purchased. The Government agency or the cooperative society by mutual agreement. The land holders as well as the institutions engaged in this work will be benefited and the development of the city will be expedited.

My second suggestion is about the farmers. All Members of Parliament have given their own suggestion in respect of the farmers and the Prime Minister also wants

to give and has given also reliefs to the farmers. But the farmers are very innocent. At the time of selling grains, at least one per cent of the amount must be deducted and the same money deposited in the Provident Fund. Its payment may be made to the farmer at the time of marriage of his children, for the education of his children or during his old age. If this arrangement is translated into action, then it is certain that the farmers' families would be secured.

With these words, I congratulate the hon. Prime Minister for presenting a good budget—and while supporting the budget, I also thank you for giving me time to speak.

\*SHRI U.H. PATEL (Bulsar) : Mr. Deputy Speaker, Sir, the father of the nation, Mahatma Gandhi used to say, "Service to the poor is service to God." This budget has been prepared aiming at the poor people to remove their poverty. I support it.

Sir, it is a matter of great pleasure that our Prime Minister once said :

"I have visited the most backward and remote villages of the country, and have seen how work is being done there and after talking to people direct, I have come to know that how much work we are yet to do."

As a direct consequence of such tours of the hon. Prime Minister, the people of this country have been called upon through this budget to wage war against poverty. We should treat it as the incantation of life. It is a good opportunity to do some thing for economic freedom. O intellectuals, rich people, labourers, youth, sisters of the country arise and awake, march ahead and accept this challenge in front of you as a warrior in the war, that has been waged against poverty.

At the time of war of independence, Shri Rabindra Nath Tagore had said in one of his poems, if nobody accompanied you despite your call, you march alone. In this way; if time so demands and you are required to march alone, then do not lose courage.

At the time of leaving Sabarmati Ashram for Dandi march, the Father of the Nation had said, "I may face the death of a crow or a dog but I will not return without achieving independence." This statement should be given shape to. All shall have to make a promise that until and unless there is success in the war that has been waged against poverty, we will not sit in peace.

Mr. Speaker, there are a large number of such areas even today in the country where festivals and other ceremonies are observed, you will find a large number of poor people trying to snatch the leaf plates thrown as wastes and trying to satiate their hunger by licking them. We should think it as our stigma. We should be prepared to wash out this stigma at any cost.

Sir, therefore, our Prime Minister accorded an important place to the task of removing poverty in his programme.

If you look at the past, you will find that those poor people who deserved it, did not get the benefits of such programmes. Keeping this fact in view, the administration should be got prepared to make all the programmes concerning removal of poverty, whether it is twenty point programme or any other programme, a success. Patriots, faithful and sincere workers and officers should be selected and posted at important places. Sir, in this connection, I would like to say my own experience. Some time back, there was a Police Commissioner in Gujarat, whose name I do not want to disclose. Once he was about to visit Surat-Bulsar area. Before 3 to 4 days of his visit, all liquor and gambling spots vanished. For this the officer had to do nothing. Only the news of his visit had created such an atmosphere. He had so much of influence. There might be many more officers like him. We have to select them and bring them forward and post them to important places.

Sir, now time has come, whether he is a Minister, a Member of Parliament or an ordinary worker, all should forget their self interests and come together to make the developmental and poverty eradication programmes of the country a success. We

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\*The speech was originally delivered in Gujarati.

[Shri U.H. Patel]

should also come to the fore for on this altar of sacrifice, for building the future of India. We have to do every thing to make the administration prompt and efficient.

Sir, as at the time of war, the soldier dies without caring for his life, likewise will the workers and officials sitting in different parts of the country not show the feeling of this sacrifice, patriotism and courage? And we also, may we belong to any part of the country, shall have to be ready to sacrifice any thing for the sake of the country. Sir, at the end, I would like to draw the attention of the hon. Minister towards some of the questions of my area, Bulsar, to which I belong.

A survey has already been conducted for railway line between Nasik and Bulsar. Thereafter no work has been done on it. It is a backward area. Therefore, it is necessary to develop it. I request the hon. Finance Minister to provide some funds for this work.

It is the demand of the people of our area that a T.V. station should be opened in Bulsar. I hope that the Government would fulfil this demand.

Sir, a mill lies closed in our area Gaekwad as a result of which thousands of workers have become jobless. It is very necessary to revive it so that these workers get their livelihood.

Sir, I conclude my speech by reading a line.

*"Shabash Rajiv bhalya,  
Tumne kamal kar diya  
Atse hi age badho,  
Hum tunhare sath hain."*

SHRIMATI PATEL RAMABEN RAMJI.  
BHAJI MAVANI (Rajkot) : Mr. Deputy Speaker, Sir, I congratulate the Hon. Prime Minister for the Budget which he has presented this year and I support it.

In India there has been remarkable progress in every field. In the agricultural sector and in the Defence sector we enjoy the foremost position in the world and it is no mean an achievement. The farmers have made us self-reliant and the soldiers have

maintained our national integrity. They deserve to be congratulated but mere congratulations will not suffice. It is important to make adequate provisions to boost their morale. The provisions made by our Hon. Prime Minister are the result of his far-sightedness. Every Indian would support the steps which have been taken to protect the country. Similarly, the subsidy fixed by the Government for foodgrains and fertilisers would also contribute in increasing the morale of the farmers. Again, the housing scheme for the homeless people is also laudable. This would not only provide shelter to the shelterless but would also provide a new direction to the economy.

The second point is regarding subsidy in fertilisers and foodgrains. In this matter, particularly in regard to fertiliser production, there is a great scope for reducing the cost of production. If this is given priority, it would help considerably in reducing the deficit in the Budget.

Under Section 115 J, 30 per cent of the profits of the companies would be taxable. I would humbly suggest that the donations given to the Prime Minister's relief fund, famine relief fund and charitable trusts should be excluded from it and necessary amendments made in this regard.

Enough has been said about the problems which would increase by section 194 E. I would not say much on the subject except that it would encourage the people to indulge in unauthorised activities and create more difficulties for the law abiding ones. This provision must not be enforced,

If the concessions which were provided by Notification no. 130/82 in 1982 are taken away by Notification no. 54/87, it would be calamitous. The non-mechanised dyeing units which do not make use of either electricity or steam and which are labour intensive should get those concessions back.

My constituency is reeling under drought today. Nearly two and a half lakhs of illiterate labourers are employed in the printing units in the area and they would become unemployed in case the factories are closed down. I humbly request that concessions referred in the notification should be restored immediately.

In order to enhance the production of food-grains, fruits and also to grow more trees in the country, the Narmada Project should be sanctioned immediately and more funds should be allocated in this regard. It would not only help in rectifying the imbalance in the environment but would also help in supplying drinking water to crores of people in Gujarat and Rajasthan where there is an acute shortage of drinking water. Drinking water would be supplied to one crore people of Gujarat by the Narmada Project. Besides, 1400 megawatts of power would also be generated by it.

Our Finance Minister, hon. Shri Gadhi also belongs to Saurashtra. Is he aware of the acute problem of water in that area? We hope that he would render immediate help to overcome this crisis.

In the end, I want to submit that I thank the hon. Railway Minister for having provided for 8 new trains in this Budget. But no long-distance train has been provided for Saurashtra. The 14 crore Vankaner-Naulakhi broad gauge line project has been pending for many years. It should kindly be implemented. We are hoping that this will be done.

Again, in regard to the income-tax limit, I would suggest that it should be enhanced to Rs 25,000 from the existing limit of Rs. 18,000. It would benefit the people greatly.

I express my thanks for giving me an opportunity to speak.

**SHRI RAMASHRAY PRASAD SINGH (Jahanabad)** : Mr. Deputy Speaker, Sir, during the discussion on this Budget, some hon. Members have termed it as progressive whereas others as directionless. I do not want to say so. I want to submit that the results of this Budget would be known later. In regard to last year's Budget, every one knows as to what effect that Budget had on our country. The people also say that prices have increased. After all, it is through the Budget that we can control the prices. The prices go out of control, they can be increased arbitrarily but the Budget alone can check the rising prices. For example, the year 1986 was a year of failure for us. We were not

successful. You can also say that we were not able to deal with the problems properly which faced us. Many new problems have cropped up through which we are passing today.

Now I want to submit something about my constituency. My constituency is a very sensitive area. Terrorism is increasing rapidly over there. A parallel Government has been formed there which has even hanged certain persons and has also collected taxes. The Government has not yet paid any attention to this aspect. The number of killings in this area is no less than those in Punjab.

But what are the reasons underlying it? We will have to find out the reason. The young man belonging to backward classes and the Harijans' Communities are tilting towards extremism. The only reason of their becoming extremists is that they do not have any work to do. The different on-going programmes are not giving any benefits to them. I am not saying this. It was said by our Hon. President on 26th January in his Address to the Nation. He said that millions of rupees were being spent on the various schemes and many schemes for rural development and for lifting people above the poverty line were in progress, employment programmes had also been launched but the results were not been encouraging and the number of unemployed persons were increasing. This is what the Hon. President has said. According to him, there are shortcomings in the formulation of the schemes, in their implementation and that the machinery is influenced by foreign colonialistic thinking. The system which was evolved in 1861 is being followed till today. There are so many shortcomings in the system that it is impossible to remove them. Many schemes are under implementation but those would not benefit anybody. I have written to the Hon. President, the Hon. Prime Minister and the Hon. Chief Ministers in this regard and requested them to conduct an enquiry as to how much have these benefited the poor? Whether unemployment has been removed and whether the farmers and the workers have been benefited? I have written a number of letters requesting for inquiry in this regard but no action has been taken as yet.

[Shri Ramashray Prasad Singh]

If we are not successful even after spending so much then the matter needs to be looked into. Today these schemes are creating a new rich class but it will not be possible for you to protect this class. The poor, the landless, the Harijan cannot remain mute for ever. If their growing daughters are not able to get more than a yard of cloth to cover themselves and have to spend their lives tending pigs and goats, would they not become violent? Can any feelings of nationalism grow under such circumstances? Would not they take up arms against the rich class? This would certainly lead to terrorism and there cannot be any escape from it. Women will become violent because since the time of the Moghuls there has not been any improvement in their conditions. Is this the justice? Is this the honesty?

The Punpun-Dargha Scheme in my area has been pending for 8 years with the C.W.C. Everyone is applauding the fact that we have a young Prime Minister but do we have an old Prime Minister for this scheme? Could not he have got our project cleared? Why is he not able to give clearance to our scheme till today? This scheme could have proved a boon for 8 Blocks but it is not being given clearance. The hon. Minister must reply to my question and the reasons for not giving sanction to it must also be furnished. How will these shortcomings be removed? Unless these are removed your schemes will not be successful.

\*SHRIMATI KESHARBAI KSHIR-SAGAR (Bhir) : Ms. Deputy Speaker, Sir, I rise to welcome and support the General Budget for 1987-88 presented by hon. Prime Minister who also happens to be Finance Minister. The main objective of this Budget is poverty alleviation and giving relief to the poor and backward sections of our society. Hon. Prime Minister is very keen to achieve these objectives. Therefore, he has formulated this budget keeping in view the above objects. I have no doubt that this Budget is going to be historical. I therefore, welcome this budget and thank our Prime Minister for presenting a very good budget.

The present budget has several special features. Prominent among them are the provision made for the construction of 10 lakh houses for the poor people, availability of 20 lakh tonnes of foodgrains for labourers, enhanced allocation on education and defence, increase in duty on TV sets and additional revenue to the tune of Rs. 200 crores to be realised on account of increased duty on variety of cigarettes. The additional resource generation by enhanced taxes and duties will be channelised for implementing the programmes of the welfare of weaker and backward classes of our society. I welcome these proposals in the budget.

There are several measures proposed in the budget for giving relief to the common man. The rate of family pension has been raised to Rs. 375. Wool, footwear and plastic articles and also computer and TV components will become cheaper because of duty concessions offered in this budget. Luxury items used by the rich are going to be costly. Five Star hotel expenditure, foreign tours, superior quality of cloth, valuable goods have been further taxed. But as the amount of the enhanced tax is going to be utilised for the upliftment of the poor people and developmental programmes. The common man must be thankful to the Prime Minister for taking these steps. This budget has in fact given a befitting reply to the Opposition parties who criticise the Government. The pro-poor budget will make their criticism futile.

Employment guarantee scheme is being implemented in the rural areas. This is a very good scheme on which crores of rupees are spent by the Government. But this scheme has failed to give full benefit to the needy people. Half of the allocation on this programme is wasted as it does not go to the intended beneficiaries. For checking the wastage of funds, putting an end to the exploitation of labourers and for insuring timely payment of their wages to them, they should have their accounts in their banks and their wages should be deposited in their bank accounts. Only then they would get their wages and we would be able to check wastage of funds allocated for this programme.

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\*The speech was originally delivered in Marathi.

I would like to suggest another scheme under employment guarantee programme. Plantation of trees should be taken up under this programme for a period of five years. Plantation of fruit bearing trees can also be taken up where the labourers in a village should plant the trees and nurture them till they bear fruits. This scheme will give work to farmers, generate employment for labourers in rural areas. We should take care to pay suitable wages to labourers. This will improve the financial position of farmers and agricultural labourers and increase our agricultural production.

Women in rural areas, I am sorry to point out, do not get maternity leave. Women in cities do get all the amenities including maternity leave but the same is being denied to women in rural areas. Women in the villages have to bear greater burdens. Though they become weak due strain, they are deprived of this facility. Therefore I request that at least one month's full pay maternity leave should be granted to working women in villages. During this month we are celebrating international women's day. I request the hon. Minister to grant the concession of one month's maternity leave as gift to rural working women on the occasion of international women's day.

Water should be treated as national resource. Lot of water is wasted when some rivers are flooded. We must take up a scheme to store water and supply it to the States who are facing acute shortage of it due to drought and scanty rain fall. We must also supply water for drinking and irrigation purposes to the States which are facing severe crisis. Only then it will contribute to our national production.

The Government is spending huge amount for giving loans to farmers. No doubt, it helps the farmers in their occupation. But it must be given in time. The interest charged on agricultural loans is many times more than the amount of loan. That is why the farmers never get out of the clutches of loan. That is why I would like to request that the farmers should be provided interest free loan. Even if you want to charge interest, it should not exceed 6%.

Now I would like to speak a word about my constituency Beed which is an

industrially backward district. As there are no railway lines, no big industry has come up there. I request that Ahmednagar—Beed—Parali railway line should be constructed and a big industry which can employ at least 10,000 persons should be set up in that district.

Like a famous Marathi couplet, our Prime Minister's benign presence takes care of the entire country and its unity. Our aim is the upliftment of down trodden and progress of our nation. Common masses of our country support our Prime Minister in this great endeavour. May God bless him with long life while we march towards progress.

With these words, I thank you Sir, for giving me an opportunity to speak on General budget.

20.00 hrs.

SHRI RAMDEO RAI (Samastipur) : Mr. Deputy Speaker, Sir, we appreciate the Hon. Prime Minister for having presented such a Budget in the House. In this Budget, he has looked into the problems of poverty, unemployment and productivity with understanding and seriousness. The proverb 'only the wearer knows where the shoe pinches' applies perfectly to him. The Hon. Prime Minister knows where the shoe pinches him and that is why he is reaching out the poor visiting the rural areas, looking at the unemployment situation and at our economic and social problems and for tackling them he has allocated Rs. 2000 crores for which we are certainly proud. It is a proof of the fact that the percentage of people living below the poverty line has decreased from 48 per cent to 35 per cent. There cannot be any other matter for which we can be more proud. Today the entire population of this country must get together to strengthen the hands of our Hon. Prime Minister and we have to usher in socialism and take our country into the 21st century. Unless we all get together, rise above party politics and strengthen the hands of the Hon. Prime Minister, we may lag behind. As he has a large vision, Gandhian perspective and wants the country to reach great heights, we should cooperate with him. The movement which he has launched, the

[Shri Ramdeo Rai].

plans which he has envisaged, the clarion call which he has given and has understood the feelings of the crores of people of this country and the empathy which he has with the people makes it urgent for us to strengthen his hands and I would urge upon you all to do the same with all promptness as only then we would be able to give shape to the following lines of Shri Dinkar :

*“Vasudha ka neta kaun hua,  
Bhukhand vijeyta kaun hua/  
Atullit yash kreta kaun hua,  
nava-dharma praneta kaun hua/  
Jisne na kabhi araam kiya,  
kanto me rahkar naam kiya”.*

Against all odds, Hon. Shri Rajiv Gandhi has achieved new heights and horizons for the country. What could make the people of our country more proud? Hence, I am convinced that poverty and unemployment will be eliminated, productivity would increase, the self-reliance achieved in the field of agriculture would be maintained. Along with it, we would all get together to solve our internal problems. The future history of India will never allow us to be disgraced. The leadership will be provided by the youthful Shri Rajiv Gandhi in this regard. The young may be quarrelsome but Hon. Shri Rajiv Gandhi is combating the ills of our society, its evil customs, its corruption, its atrocities, its misdeeds and we appreciate his efforts and renew our pledge to strengthen his hands. With these words, I express my gratitude to you.

[Translation]

SHRIMATI USHA THAKKAR (Kutch): Mr. Deputy Speaker, Sir, I welcome the Budget presented by the Hon. Prime Minister for the year 1987-88. The Hon. Prime Minister has taken care of the 'Saubha-gyavati' saree. Now all the poor women would be able to buy sarees. It has been very noble of him. When Mahatma Gandhi went to Bihar he saw a poor woman in a torn saree trying to cover herself. Our Hon. Prime Minister also saw the plight of the poor women and expressed his sympathy and respect for them. I want

to request that women working in the border areas in the Central Social Board should be care of and the Budget allocations for them should be enhanced. The Hon. Prime Minister has framed a very good education policy with the assistance of his colleagues and crores of rupees are being spent on education. The teachers in primary schools in Gujarat are paid only Rs. 325 and they are appointed for two years only. Later on they are paid a regular salary of Rs. 325 but how can a person live on so little? People come from far off places, they stay for short time and then leave. Consequently, the children in these areas remain deprived of education. When I go on tours they come to me and complain that the strength of the teachers should be full and to do this, Gujarat Government should be instructed to pay Rs. 600 to 700 instead of Rs. 325 which it is paying at present. In this Budget, provision has been made for a Housing Bank Scheme which reveals that the Hon. Prime Minister is concerned about the housing problems and wants the people to get their houses built without any difficulty and that every family should have a house of its own. The late Shrimati Indira Gandhi built pucca houses in villages under her 20 Point Programme. When Hon. Prime Minister toured the area of Kutch, I also accompanied him on his jeep to the villages in far-flung areas. On seeing pucca houses in those areas he asked as to how they were there and I replied that those houses had been built under the 20-Point Programme. I appreciate the scheme which he has formulated for the construction of pucca houses. He has made appropriate provisions for the agricultural labourers and for rural development so that the living conditions of small farmers and of those who are dependent on agriculture are improved.

In regard to income-tax I would only submit that I agree with the demand of many senior Members who want the income-tax limit to be raised to Rs. 25,000. In 1962, when the value of gold was Rs. 100 per 'tola', the income-tax limit was fixed at Rs. 4,000 which implies that no tax was imposed upto an income of Rs. 4,000. Now, when the market value of gold is Rs. 2700 per 'tola', the income-tax limit according to that norm should be more

than Rs. 25,000. Still, I am in favour of its being enhanced to Rs. 25,000.

The Kandla Port is situated in my constituency. It is a free-trade zone and a plant of the IFFCO has also been installed there. That area is hit repeatedly by drought and there is shortage of water. I request that Central Government should give special grants for supplying water to Kandla from Machhu dam. When the Hon. Prime Minister toured the areas of Kutch, he had given considerable assistance to Kutch. I request him here once again that in view of the critical situation in that area, special provisions should be made for it in the Budget. Appropriate funds should be allocated for the scheme relating to converting brackish water into drinking water and it should be completed at the earliest.

The drought situation in Kutch is partly natural and partly man-made. Some years back the river Indus flowed by the area of Kutch and at that time there were dense forests in that area but due to the change in the course of this river, the situation has changed. Where there were forests

earlier, now there are deserts. Now the situation has reached a point when the affected people have started cutting forests as a result of which forests are vanishing. I would request the Hon. Prime Minister to take some concrete action in this direction and constitute a Board which may prepare a project to bring the waters of the river Narmada to Kutch and take steps for afforestation in the Kutch area. I am convinced that this would help in overcoming the environmental problems in the future years.

[*English*]

MR. DEPUTY SPEAKER: The House stands adjourned to reassemble tomorrow at 11.00 A.M.

20.08 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Friday, March 13, 1987/Phalguna 22, 1908 (Saka).*