

gapuram, Ranipet and Arcot areas are greatly hit by non-supply of drinking water since water is supplied once in four days by the Municipal Authorities. The ground water table has gone below 400 ft. to 500 ft. Therefore, any individual who comes forward to sink bore pump for domestic purpose should be encouraged and given a subsidy of Rs. 10,000/- through the State Government.

I, would, therefore, request the hon. Irrigation Minister to grant necessary funds to Tamil Nadu Government for sinking giant borewells in the affected area on a war footing to enable people to get drinking water. I would also request the Minister to take up the matter with the Karnataka Government to release water to Palar river from Pedamangalam reservoir at least for a month to tide over the present water crisis.

- (ix) **Need to establish centrally sponsored Medical College, Regional Engineering College or IIT either at Goalpara or Dhubri in Assam**

SHRI NURUL ISLAM (Dhubri): Sir, The lower Assam zone is highly backward in all respects, It is urged upon the Government to include proposals in the 8th Plan for establishment of a centrally sponsored Medical College, a Regional Engineering College or a Complex of the proposed IITs in Assam either at Goalpara or at Dhubri at the earliest.

14.59 hrs.

FINANCE (NO.2) BILL-Contd.

MR. CHAIRMAN: We now take up further discussion on the Finance Bill moved by Shri Manmohan Singh on 11 September, 1991. Shri Girdhari Lal Bhargava was on his feet. He has already taken five minutes. He may continue his submission.

SHRI RAM NAIK (Bombay North): Sir, I am on a point of order. Yesterday evening when the Finance Minister read his state-

ment - which was a very lengthy statement - I raised a point of order saying that this is a very lengthy statement. We must get a full text of his speech and also the amendments in time so that we can study and we can give further amendments about the amendments which he is suggesting. The Speaker appreciated what I said and the Speaker ruled that arrangements would be made to supply the text.

MR. CHAIRMAN: The Speaker was in the chair.

15.00 hrs.

(Interruptions)

SHRI RAM NAIK: Yes, Sir. The Speaker said that arrangement will be made to provide the text of the speech so that we can understand the amendments. I had also requested that the amendments also should come to us because seventy-eighty amendments are suggested and if we get them at 8.30 to 9 o'clock in the night, we are already tired. In spite of all that, we did not get copy of Finance Minister's speech. Now, the Press has got it — and I have no objection that the Press got it because through that the information was passed on to all the readers - but we are the Members and we have to ask the Speaker direct. In the morning when I came here, I went again to the Speaker and got the copy at 11.47 a.m. Is it the way the Government should work, Sir?

MR. CHAIRMAN (Rao Ram Singh): When Mr. Speaker has given the ruling, then I hereby direct that the Government will please provide copies of the speech of the Finance Minister.

SHRI RAM NAIK: At least the Government should express its regret, Sir.

[Translation]

SHRI MURLI DEORA (Bombay South): Why did you not say earlier?

(Interruptions)

SHRI RAM NAIK: Should we discuss the matter in the air?

SHRI MURLI DEORA: Had you asked for it two hours before you would have got it.

SHRI RAM NAIK: I asked for it yesterday at 6 O'Clock in the evening (*Interruptions*)

[*English*]

MR. CHAIRMAN (Rao Ram Singh): Mr. Nalk, one minute.

SHRI RAM NAIK: I will complete my sub-mission, Sir. So, this has not been supplied. Should the Speaker's direction or ruling be taken so lightly? Then how does the Government expect us to react? (*Interruptions*)

MR. CHAIRMAN: I have understood your point. The copies are on the Table. They should have been collected from there... (*Interruptions*)

SHRI RAM NAIK: We should have got them. Are we not expected to read and then react to the Finance Minister's speech?

MR. CHAIRMAN: I am told that they could not be circulated last evening. They are ready. But they are on the Table and anybody who wishes to take them can take them from the Table.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): Sir, let me make it very clear that it is not the responsibility of the Government to necessarily circulate these copies. Factually, the speech made on the floor of the House is not supposed to be circulated by the Government at all. It is put out in the Bulletin in a form which communicates all that has been said in the normal course. As a special case, copies of the speech were requested and we have given

it to the Lok Sabha Secretariat. If the Lok Sabha Secretariat could have circulated it, they would have done it.

MR. CHAIRMAN (Rao Ram Singh): Is it not the responsibility of the Lok Sabha Secretariat to distribute these? When the Government is supposed to give that thing to the Lok Sabha Secretariat, the Lok Sabha Secretariat is supposed to distribute it.

SHRI RANGARAJAN KUMARAMANGALAM: It is not our responsibility, Sir.. (*Interruptions*)

MR. CHAIRMAN: Kindly do not interrupt, Mr. Nalk. Let me cover my point first. Did the Government submit a copy of the Finance Minister's Speech to the Lok Sabha Secretariat?

SHRI RANGARAJAN KUMARAMANGALAM: Yes, it was given. It is actually placed on the Table.

MR. CHAIRMAN: Then after that it was the Lok Sabha Secretariat's responsibility.

SHRI RANGARAJAN KUMARAMANGALAM: If I may clarify, Mr. Chairman, Sir, normally, the speech which is made on the floor of the House, goes out every other day in a bulletin form. When the Bulletin is issued, the speeches are put out to show as to what are the proceedings of the House and from that the Members take it, or if they want to particularly look into the speech in detail, they take it from the library and look into it and speak there upon. That is the usual procedure. As a special case, I understand that copies of the speech were requested. Copies of the speech are automatically available with the Lok Sabha Secretariat and the Lok Sabha Secretariat has gone to a further extent by keeping copies on the Table. If the Members expect that every speech that is made on the floor of the House is going to be circulated to them individually, then they need not attend the House at all. That is not the manner.

MR. CHAIRMAN (Rao Ram Singh): I

entirely agree with you that every speech made on the floor of the House cannot be circulated. But, as Mr. Ram Naik has pointed out, if the Speaker had given a ruling that this particular speech of the Finance Minister will be circulated, then I think the speech should have been circulated ... *(Interruptions)*

SHRI RANGARAJAN KUMARAMAN-GALAM: Circulation is not our problem, Sir.

MR. CHAIRMAN: Then either the speech should have been submitted to the Lok Sabha Secretariat - then it was the responsibility of the Lok Sabha Secretariat to have circulated it - or at least it should have been placed on the Table of the House and the Members should have been told that it was ready and they should collect it from the Table. *(Interruptions)*

SHRI RANGARAJAN KUMARAMAN-GALAM: Sir, let me make one thing clear. The job of circulating the copies to the Member is of the Lok Sabha Secretariat and not of the Government. The Government's duty was to provide a copy. We not only provided a copy, but - it is on record - copies were made ready for being kept on the table of the House. for Paucity of time... *(Interruptions)*

MR. CHAIRMAN (Rao Ram Singh): The Government had given a copy of the Finance Minister's speech to the Lok Sabha Secretariat and the Lok Sabha Secretariat...

(Interruptions)

SHRI RAM NAIK: It is your internal arrangement. *(Interruptions)*

MR. CHAIRMAN: There is no internal arrangement between the Government and the Lok Sabha. *(Interruptions)*

SHRI RAM NAIK: Mr. Chairman, I object *(Interruptions)*

MR. CHAIRMAN: Please sit down.

(Interruptions)

SHRI RAM NAIK: You must know the procedure. *(Interruptions)*

MR. CHAIRMAN: Please sit down. There is no question. If an hon. Member is insinuating that there is some sort of a conspiracy between the Government and the Lok Sabha, then it is highly deplorable and those remarks will be expunged.

SHRI RAM NAIK: I did not say it.

MR. CHAIRMAN: Yes, you said. You said that it is our responsibility, whether it is internal matter or not. There is no internal matter.

(Interruptions)

SHRI RAM NAIK: Mr. Chairman, Sir, Let me now complete my point. This issue came up at about 6.30 p.m. yesterday. Normally, we get the parliamentary debate of whatever happens in the House upto 6 O'clock. We get the bulletin. But this was after 6 p.m. So, as a special request, I appealed to the hon. Speaker that since it was after 6 p.m. we may not get it in the synopsis and that is why it should be provided. That is why it was agreed. But still, the position is that I got the copy at 11.47 this morning and other Members have not got it. It is something unusual. It is not everyday that we demand copy of the speech.

MR. CHAIRMAN: I have understood your point. Thank you very much.

SHRI E. AHAMED (Manjara): Sir, I am on a point of order.

MR. CHAIRMAN: What are you speaking on, Mr. Ahmed? Is it a point of order on a point of order or a fresh point of order?

(Interruptions)

SHRI E. AHAMED: I want to make a submission.

MR. CHAIRMAN: No submission.

(Interruptions)

MR. CHAIRMAN: Hon. Members, I am informed by the Lok Sabha Secretariat that whatever amendments were suggested by the Finance Minister have already been circulated. I am now further informed that the hon. Speaker made no commitment whatsoever that the copy of the speech of the Finance Minister will be circulated. We will continue with the debate. Shri Giridharilal Bhargava, you may continue.

SHRI E. AHAMED: I withdraw my point of order on the point of order.

SHRI MURLIDEORA (Bombay South): Please do not make any disorder now.

MR. CHAIRMAN: Yes, Shri Giridharilal Bhargava may continue.

[Translation]

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Mr. Chairman, Sir, it is true that I should not say anything after you gave your Ruling. We have not received the copy of the speech that was delivered by the hon. Minister of Finance Yesterday announcing some concessions.

MR. CHAIRMAN: Brother, you continue your speech. The point is over.

SHRI GIRDHARI LAL BHARGAVA: As you like sir, I always obey you. Yesterday being Ganesh Chaturthi, the birthday of Ganeshji, the God of wisdom, I made a submission to the hon. Minister of Finance.

I consider this Bill as a black bill. The Government mortgaged gold and devalued rupee twice. I consider this Bill to be anti-people. But at the same time I had submitted that the gap between the poor and the rich was widening and thus the Government should at least fulfil its promises made in its election manifesto—that the exemption of income tax limit of Central Government employees would be increased from Rs. 22000/- to Rs. 48000/-. I made this submission to you on the Ganesh Chaturthi day.

Hon. Minister of Finance, I am your well wisher. That is why I said that the Government should fulfil its promises made in its election manifesto. Today the Government employees are looking to you. So far as I know, you are yet to contest Lok Sabha elections, you should not get confused; you should, rather, immediately make an announcement to this effect. Because if you lose the elections you would no more remain the Minister of Finance. After all these employees will cast their votes in your favour.

[English]

MR. CHAIRMAN: Please speak on the Bill. You are going much outside the Bill.

[Translation]

SHRI GIRDHARI LAL BHARGAVA: Let him make an announcement that the exemption limit of income tax would be increased to Rs. 48000/-. I plead this case ... (Interruptions)...

AN HON. MEMBER: He will contest the Rajya Sabha elections. (Interruptions)

MR. CHAIRMAN: Everybody will think of his own interest in regard to elections. Why do you bother for him? (Interruptions)

SHRI GIRDHARI LAL BHARGAVA: Mr. Chairman, Sir, I am quite impressed by the hon. Minister of Finance. After all, till the Budget is passed he would provide meals upto 1st or second instant.... (Interruptions)

MR. CHAIRMAN: If you are so much concerned for his election, for must go for campaigning in his favour. (Interruptions)

SHRI GIRDHARI LAL BHARGAVA: My submission is that exemption of income tax limit should be raised from Rs. 22000/- to Rs. 48000/-. In the second place the amount of standard deduction from the salary of the employees should be increased from Rs. 12000 to Rs. 20,000 or at least upto 1/3 of their total emoluments, because **

**Expunged as ordered by the Chair.

today is 12th and I*

Therefore I would like to submit to the Government

[*English*]

MR. CHAIRMAN: Please, Mr. Bhargava, that is not fair.

[*Translation*]

SHRI GIRDHARI LAL BHARGAVA: My submission is that the exemption limit should be increased to Rs. 20,000/- or 1/3 or the total emoluments. My third demand is..

MR. CHAIRMAN: * It should be expunged from the proceedings. *

(*Interruptions*)

SHRI GIRDHARI LAL BHARGAVA: It is not I who said so. I had no such intention at all. Neither I have ever spoken such unparliamentary words in the House nor would I speak so in future as long as I am a Member of the House. My submission is that items like jewellery, handicrafts carpets etc. which fetch foreign exchange when exported to foreign countries should be allowed to avail tax exemption. The Government implemented section 80 HHC of the Income Tax Act, 1961 for the first time in 1986 in order to boost export. Under this section the Government gave exemption in export tax and income tax provided the items earned foreign exchange. Changes were made in the export policy from time to time and more and more facilities were provided in order to earn foreign exchange. By making the provision more comprehensive, its benefit has been given to those hoteliers, travel agents and tour operators under section 80 HHC who earn foreign exchange by providing tour facilities to the foreign tourists. As a result, there has been sufficient increase in the sale of the shops which earn foreign exchange by selling their products to the foreign tourists. I would like to submit that the Finance Minister has given some exemption under section

80 HHC in the new proposed Budget through the Finance Bill. Due to that the exemption has been withdrawn from those persons who earn the convertible foreign exchange from the foreign tourists by selling their goods in India. This provision has been enforced with retrospective date of 1 April 1986. As the Government has made it effective from retrospective date, it is clear that it has no intention of losing the foreign exchange by amending the section HHC but due to this amendment, knowingly or unknowingly, the Government will have to bear a loss of foreign exchange, in turn of giving encouragement to trade. I would like to submit that if this proposal is adopted, the business establishment will be closed due to the provision that the businessmen have to pay the tax with retrospective effect from 1986. As a result, the workers and craftsmen engaged in this business will lose their employment on large scale. Therefore, I would like to request when they countersale the goods and an undertaking is already taken from the businessmen that they will export the goods and remit the foreign exchange here, the Government should review the amendments which are going to take place. It should not be applicable from 1 April 1986. As you are encouraging the other trades with a view to earn foreign exchange, the persons who are engaged in jewellery, ivory and carpet business, should also be encouraged. There are a lot of such craftsmen in Jaipur as well as in the entire country... Therefore, I would submit that instead of the tax being recovered on foreign exchange, if they are allowed to deposit it in banks, that would become white money. But when they do not deposit the amount in Banks, and adjust it against the cash-memo, it becomes taxable. Therefore, I would request the hon. Finance Minister to make a provision to withdraw this clause, which will benefit the traders. The Government proposes to levy this tax with retrospective effect that is w.e.f. 1.4.86. It is something ridiculous. I would like to request the Government that it should take a lenient view and exempt such businessmen who are earning foreign exchange for the country. The proposed expenditure tax on restau-

[Sh. Girdharilal Bhargava]

rants will adversely affect the foreign tourists. Every year the restaurants are supposed to have an approval from the tourism department. For that they have to fulfil four conditions. They should have telephone connection, air-condition, refrigerator and two latrine bathrooms. They can get the approval even if they fulfil three conditions out of these four. After approval, these restaurants become taxable. On the sale of Rs. 100, they have to pay 12 percent sales tax and 20 percent expenditure tax. In this way, on the sale of Rs. 200, they have to pay Rs. 64 to the Government. It will ruin the business of small restaurants.

Therefore, I would request that the Centre should not impose this tax on small restaurants. The State Governments already impose sales tax, then why the Central Government should interfere in it today. This tax should be made applicable only in case of five star hotels and the others should be exempted. I hope that the hon. Minister of Finance will accept both these suggestions regarding businessmen and restaurants in his concluding speech.

Mr. Chairman, Sir, I would also like to say about the provision which you have made that in case of the illness of an employee who wants to go abroad for treatment, he will be given an advance of Rs. 1 lakh, if his annual income is more than Rs. 75,000. In this regard, I would say that the Government should have its own discretion, instead of restricting itself by the annual income.

I would like to submit about the wealth tax also. Now-a-days, one cannot get even a small house in Rs. 5 lakh. The present exemption is admissible only upto the cost price of Rs. 5 lakh in case of a residential accommodation. In view of the increasing prices which will further increase due to this budget, the Government should increase this exemption limit upto Rs. 10 lakhs. I think my demand is not unreasonable and I hope, you will pay attention in this regard.

The prices of sugar, LPG and petrol have also increased after the current Budget. Earlier, the prices of ration sugar was Rs. 5.50 per kg, which has now increased to Rs. 6.15 per kg. In your manifesto you have promised to reduce the prices within 100 days, but you could not do so. There is a lot of difference in what you preach and what you practise. The subsidy on sugar was not included among the subsidies announced yesterday. It appears that some subsidies have been held back, so that they can be given at the time of passing the Finance Bill, so that your party members can clap for you. You may not accept it now, but if you accept it at that time, I will also clap for you. The price of LPG has been increased by Rs. 12/- per cylinder. Earlier, petrol used to be sold for Rs. 10.50 per litre. Due to the Gulf-crisis, the petrol prices were increased twice. Now the Gulf-crisis is over. Should we accept this fact that once a tax is imposed in the name of any crisis, it will be continued and will never be withdrawn. You are a very able Finance Minister, you have prepared many budgets and you are known to the entire world. But at least, I cannot tolerate when the petrol consumers abuse you openly. At the petrol pumps, I told them that I would tell the Finance Minister in the Lok Sabha and he would withdraw the increased prices. Before the Gulf crisis, the price of petrol was Rs. 10.50 per litre. Later, it was increased. Now, inspite of the Gulf-crisis having been over, those prices have not been reduced. Instead, there was an increase of 25 percent more and now the present price of petrol is Rs. 16.26 per litre. You are continuously increasing the prices of petrol. Similarly, during the Bangladesh war, the cost of revenue stamp was increased to 20 paise, instead of reducing it to the previous level. What is the policy of the Government. Once a tax is imposed, it will continue to increase.

Mr. Chairman, Sir, therefore, I would request that the price of petrol should be reduced. I would request the hon. Minister to withdraw the hike in Petrol prices which was done twice in the name of Gulf Crisis. The price of petrol should be restored to Rs. 10.50 per litre. If this is done, I can assure you

that you would get a rousing welcome from the people wherever you go. I hope everybody in this House would support me in this (Interruptions)

What is the use of supporting this because we are not sure as to how long the Government would last. Earlier also the Government was ousted in 11 months and again one does not know when this Government would fall. Even the Members have not been allotted houses so far and when people come to contact us they say that they are not sure when we will have to go. Nobody knows whether tomorrow we would have a new Finance Minister (Interruptions)

Similarly, some concessions have been given to organisers of lotteries. Giving exemption upto Rs. 2500 to brokers is welcome but it should be for more than Rs. 10,000.

I would like to point out that the interest on income tax refund has been reduced from 18 percent to 12 percent. Why has this been done. When you take 24 percent interest why do you give only 18 percent and now why has it been reduced to 12 percent. Why this injustice? The interest rate should be some. If interest is charged at 24 percent why should not they be given 24 percent interest. It is very logical. Therefore, I demand that the rate of interest for refund should be 24 percent.

Similarly, earlier there was tax exemption upto Rs. 7500 on the interest of FDR but now it has been reduced upto Rs. 2500. What is the result? People are withdrawing their FD prematurely because they have been told that tax on the interest would be deducted by the banks itself. The way there is mad rush of withdrawal a time may come when these Banks would not even be able to pay the rent of the premises they are housed in. The bank employees would become idle and they would start agitation. I am submitting a solution for it that a yearly statement should be asked from the banks and ensure whether the amount is taxable. The method of deducting tax and source has been adopted

and it would bring the banking business to a grinding halt. A statement should be made of the account holders and in case the amount is taxable necessary deduction must be made. If the banks start deducting tax at source the banking business would definitely come to a grinding halt.

Similarly, it would not be proper to judge the price of the share according to the market rate. The price of the share should be according to the balance sheet. This would encourage industries. I think you would consider the suggestions that I have put forward.

While concluding, I would like to submit that you would certainly seriously deliberate upon my suggestions and exempt the businessmen from imposing tax from retrospective effect. You would, I hope also exempt Restaurant Owners, Organisers of lotteries and brokers.

I have extended constructive, positive and logical suggestions for sugar, petrol and gas. I hope you would agree to them. Being a well wisher of the Government, I would like to appeal that the income tax exemption limit be raised from the existing Rs. 22,000 because any employee whose monthly income is Rs. 2000 even he has come in the ambit of income-tax. Nobody is spared now. I would urge the hon. Finance Minister to take a bold step and announce Rs. 48,000 as the exemption limit of income tax. Besides, concessions should be given in the price of sugar, petrol and gas.

Mr. Chairman, Sir, I thank you for giving me an opportunity to speak. With these words, I conclude.

[English]

SHRI MURLI DEORA (Bombay South):
Sir, I rise to support the Finance Bill presented by Dr. Manmohan Singh. The Budget is an audit of economy and income and expenditure statement for the coming year.

For the first time in so many years, we

[Sh. Murlī Deora]

have seen that Dr. Manmohan Singh has presented a very lucid, analytically cohesive and sound account of the state of economy of our country.

Within a short span of three months now, a new direction is given to the Indian economy. Within a short span of three months, the international institutions are ready to come to India. They have again realised that there is something called India which exists which they have forgotten.

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): What is the latest position?

SHRI MURLI DEORA: I am glad about the new Budget proposals and I thank the Government which has framed the new industrial policy. The Government has shown that India is again finding itself among the world economy.

I am very happy that today morning only I could see a small article in the Indian Express-for the kind information of Shri Somath Chatterjee - an interview of Shri Jyoti Basu. I would like to quote that interview only in one line. We may not believe that the interview can be of such a short duration. (*Interruptions*) You have not heard my speech last time. I said communism is not practised in the China and Moscow but only these Marxist people want it to practise in India, but not in West Bengal. As you know very well, those industrial houses, large houses and multi-national companies who go the West Bengal are very happy. They are received well and they are given a good treatment. You are only opposing them when they are coming to India and to other parts of the State. (*Interruptions*)

SHRI SOMNATH CHATTERJEE (Bolpur): How much you give to Bombay? You represent the richest constituency in India.

SHRI MURLI DEORA: I am happy. I am proud of that. That is why, I am not inviting

you there. With your permission, I am quoting Shri Jyoti Basu.

"The world has become small."

This is today Indian Express (*Interruptions*) You are so far away from the world things. How can you read today morning papers? I must congratulate you. You cannot keep your people away from the world. He said that:

"For two generations, the Communist Party in the Soviet Union had failed to produce a programme to ideologically mould the people of their country."

This is what has happened in our country for some years. We are ready to take the blame on us. I am not blaming you, The Industrial Policy, the Economic Policies of our country have kept the country aloof, have kept the entrepreneurs, industrialists - Indian and foreign, small and the big, industrialists coming under FERA, the multinationals, whoever you want me to say, I can say-alooof from exploiting and harnessing what is good in our country. I must say that in the short span of three months the new Government of Shri P.V. Narasimha Rao and also of the dynamic Finance Minister, Shri Manmohan Singh, has done well, to help (*entrepreneurs*)

SHRI AMAL DATTA (Diamond Harbour): What were you saying five years back?

SHRI MURLI DEORA: What I said five years back is now implemented. If you see my speech five years back, when you were sitting there, Shri Amal Datta, I spoke the same thing on the Industrial Policy which the new Industrial policy is aiming at. This new Industrial Policy is implemented today on those lines. I would give you an example which I cited because Shri Somnath Chatterjee was not there. I will give you the example of cement later on.

SHRI SOMNATH CHATTERJEE: You

disagree with your own party policies.

SHRI MURLI DEORA: I know you very well. You will not disagree with Shri Jyoti Basu.

SHRI SOMNATH CHATTERJEE: Please speak something of West Bengal.

SHRI MURLI DEORA: Sir, yesterday, the hon. Finance Minister announced several concessions specially under Section 80 HHC, 80 HHD and some incentives were given on the money received by the tourist industry etc. This shows that the Finance Minister is flexible. If there is something wrong that was proposed in the Budget, if there are some amendments needed in the Budget, the Government must not make it a prestige issue. The Government must repair it, amend it in respect of several issues like the Wealth-Tax, deduction of tax at source etc. These were the important points which I wanted to make. I must congratulate the Finance Minister for his bold decision. Several people around the country - you may not like the name of ASSOCHAM, FICCI or whatever institutions are there - have brought to the attention of the hon. Finance Minister most of their problems. The hon. Finance Minister has satisfied them. I am not saying that he has reduced the taxes. He has convinced them that what is good in the Budget is good for them, it is good for the economy, it is good for the entire country.

Sir, the hon. Finance Minister has not agreed to one point. That was relating to the controversial issue of withdrawal of subsidy on fertilizers. I can tell you something about the fertilizer subsidy. The dual policy on fertilizers giving benefit to some and not giving benefit to others, will not work. I want to draw the attention of the Finance Minister. He was very much a part of that Government. During 1978-79 there was an IDA loan given for the agricultural sector. This was an agricultural credit. The was given only to small and marginal farmers at that time at a lesser rate of interest of four per cent. I read about it somewhere. Some people went to the villages and asked a farmer that during

the previous year he was a big farmer and how he became a small farmer the next year. he said: "Thanks to the IDA credit system, I have to become a small farmer." The point is previously he was not entitled to the concessional loan. But because of the dual interest rate policy he was entitled only if he was a small farmer. The, dual rate of interest charge was there, one given at a lower rate to the small and marginal farmers and at a higher rate to the bigger farmers. I am sure, the hon. Finance Minister must have read scores of articles, editorials etc. You talk to several people who have tremendous knowledge of the rural India and they all say that this system of dual pricing in fertilizers will not work. They say the system of giving concession to one section of the farmers and not giving it to another section of the farmers will not work. Whenever our Government has tried any such policy it has not worked.

SHRI SOMNATH CHATTERJEE: This is the problem. Now, the big fertilizer lobby is working.

SHRI MURLI DEORA: I am not talking of the big fertilizer lobby. I am supporting the small farmers. I am requesting the hon. Finance Minister to restore the subsidy fully.

SHRI SOMNATH CHATTERJEE: Very good!

SHRI MURLI DEORA: I am saying that the Government should not differentiate the small and big farmer. I am trying to say that it will not be implemented.

SHRI CHITTA BASU (Barasat): Now he is talking of his constituency.

SHRI MURLI DEORA: Mine is an urban constituency. I am only requesting the hon. Finance Minister that just like he is flexible in other things, he should see that this should not disturb the rural credit system of our country which was disturbed during the time of Shri V.P. Singh's Government when they had this loan melas (*Interruptions*)

SOME HON. MEMBERS: Loan Mela?

SHRIMURLIDEORA: Yes. It was worst than the Loan Mela. That Loan Mela was hundred times better than this one when the loans given to the farmers were written off. They have totally disturbed the credit system prevailing in the country. There was nothing wrong in the Loan Mela. I would request the hon. Finance Minister to please reconsider it and take expert opinion on this new proposal. If it is good, implement it and if it is not good, be flexible and like the other measures where you have withdrawn, please withdraw it here also.

The biggest problem which is presented by the Finance Minister is the problem of Balance of Trade (BOT). There was a time when the country's credit rating in the international market — there is Moody's International Rating in New York — was the AAA rating. It was the best rating which India was enjoying. We were getting loans in the international market quarter per cent over the Liborrate. And now six to six and a half per cent above liborrate. In one year of non-Congress Government supported by you, the credit rating of India went down to the lowest in the history of free India (*Interruptions*)

SHRI AMAL DATTA (Diamond Harbour): It is just the effect of what you have done. I think, it does not happen just like that. It happened because of what you had done. How much money did you borrow in the last five years? (*Interruptions*)

SHRI MURLI DEORA: Amal Dattaji, I used to enjoy your speech when you were there and not now. (*Interruptions*)

SHRI AMAL DATTA: How much money was borrowed between 1985-90 and how much was borrowed in 1991? (*Interruptions*)

SHRI SOMNATH CHATTERJEE (Bolpur): You go on eulogising the Finance Minister for West Bengal also.

SHRI MURLI DEORA: All right. I am saying that today the India's credit rating is

the lowest whatever may be the reason. We are borrowing at the highest possible rate of interest. I would request the hon. Finance Minister that till the IMF, World Bank loans are over, please see that no large public or private sector — IDBI, ICICI or any other institution — should borrow for the next two to three months till the finalisation of these loans take place because otherwise we will lose lot of interest in foreign exchange. This is my suggestion and I am sure he will agree to it. After the IMF loans are finalised our credit Rating will improve and we will pay less interest (*Interruptions*)

SHRI NIRMAL KANTI CHATTERJEE: Would you oppose the floating interest rate that he has prescribed?

(*Interruptions*)

SHRI SOMNATH CHATTERJEE: About that, FCCI has not given him the notes.

SHRI MURLI DEORA: You are the person who is supplying all the notes. I have got one suggestion to help the Balance of Trade problem. The finance Minister has made a statement that anybody who has money abroad, he can bring it without paying any tax. Over two million Indians are there in the Gulf countries. They are today sending remittances of about Rs. 5000 crores. It is a little less now after the Gulf war. And partly through *Hawalas* because they got 20 to 25 per cent extra money. When the Government is ready to give incentives to those who are keeping their money abroad without paying any tax, when the Government is going to pay so much of tax incentives 30 per cent REP over the EXIM licence on the export of incentives of ten per cent or fifteen per cent to these people who are transferring foreign exchange officially and through legal sources.

After the Gulf war, the six OPEC countries, Saudi, Arabia, Kuwait, Baharin, Qatar, UAE and Oman has sent three million Yemenese, Palestinians, Jordanians, Sudanese and Iraqis from these countries because they had supported the Iraq at the time of war. Who will go there? It is the

person from Pakistan, Bangle Desh, Sri Lanka, Nepal, China and India. And expect India every country has started special effort in these six countries to promote the interest of their labour force.

I want to draw your attention that as far as we are concerned, we are still sleeping. I would like to inform the hon. Minister, that our missions or embassies there, to tell you the truth, they are not doing any productive work, to bring the foreign exchange for the country. They are not even serving properly, the Indians, who are working there. So, there should be a separate department under the Finance Ministry and not under the Labour Ministry, for protecting and promoting the immigrants. This Department must be created under the Finance Ministry and they should have representative in these six countries atleast. Through this Department, you can export nearly two million Indian hands. Sometime back, in Bombay, the representatives from the Recruiting Agents Association of India, had met me and also I have got a letter. I am very confident that we can get almost Rs. 20,000 to Rs. 21,000 crores of foreign exchange without any input. This will, to a great extent, solve our employment problem; this will, to a great extent, solve foreign exchange problem. The Department of Emigration in the Ministry of Labour, is creating so much problem that even if somebody has to be interviewed, Shri Chatterjee, he has to come to Delhi. A majority of the people come from Cochin and they prefer to come to Bombay. Even the Department of Labour is not ready to open a small office, to felicitate them and to get themselves interviewed in Bombay itself. Therefore, I request the hon. Finance Minister, that something should be done to tap the potentialities of these people, so that these people can go abroad; these people can go to these Gulf countries and get us the foreign exchange.

The new industrial policy has one major tenet on foreign investment. In India today, we have nearly 72 billion dollars of foreign debt but, if we see the foreign investment in our country, it is less than 1.6 billion dollars.

The ratio being 1:37 or 1:38.

What is the difference between investment and borrowing? If we borrow the money, we have to pay back with interest and the lender has no interest in our country. If there is investment in the equities of our country, whether it is 40 or 50 or 80 per cent, so that the overseas shareholder of the company, first of all will pay tax on what he is earning here on the dividends. Second of all, he has a stake in the company and he will see that the company has got modern technology; he will see that the company is able to export he will see that the company has the access to what is new and what is good for the company.

I would like to draw the attention of the hon. Finance Minister to one product. There was a time when a multi-national Pharmaceutical Company in Bombay wanted to manufacture one antibiotic, which was being manufactured by their overseas company, that is an American company. We were totally socialist and we did not allow them to manufacture the same. Whom did we allow? We had allowed the IDPL, which has almost become now a sick unit today. Where from the IDPL got that technology? It has got it from the Russian company. Where from that Russian company had got it? It had got it from the very pharmaceutical company, which was the parent company of an Indian company. Tell me how can it be called socialism? Had we allowed the American company to increase their investment, to give their manufacturing licence to the Indian company, today that life saving antibiotic would have been manufactured in India. Instead of that, we had wasted six years, we had wasted so much money and we are still lagging seven or eight years behind the technology that is available in America and in other countries. The Russian company had already been closed. The IDPL is as good or as bad as closed. What I am trying to say is that in the garb of socialism, we did not allow (Interruptions)

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): That is not capitalism (Interruptions)

SHRI MURLI DEORA: We have a saying in Hindi and Shri Vajpayee will know about it:

"Jo Sawan Mein Janamta Hai, Usko Harahi Hare Dikhlahi" It means those who are born in the month of 'Sawan' they will see Green only everywhere. (*interruption*) We are talking about the capitalism and not anything else. Now, I come to another point, about the rate of interest. (*Interruptions*).

[*Translation*]

SHRI ATAL BIHARI VAJPAYEE (*Lucknow*): It is not those who are born in the month of 'Sawan' (Rainy season) but those who get blind in that month always see greenery everywhere.

But they did not get blind during 'Sawan' and are blind for all practical purposes.

SHRI MURLI DEORA: These Communists have not got blind during 'Sawan' but are blind for all purposes. You might be afraid of saying this but I am not ... (*Interruptions*) ...

[*English*]

Sir, the major item where the outgo of foreign exchange is the highest is petroleum and petroleum products. Against the budgeted amount in 1990-1991 which was Rs.6400 crores, the country is going to spend Rs.10,800 crores. You have mentioned so in the Economic Survey of India. As far as ONGC is concerned, this is the first time that the production of ONGC is 2.4 million tonnes less than what it had produced. We can see the working of the ONGC and we can see what is happening to it in the Press. I am not supporting it. Something should be done to it in this regard ... (*Interruptions*)... I am trying to say that the working of the ONGC must be improved so that more oil and gas is produced. We are talking about utilizing our resources. Mr. Somnath Chatterjee, I am telling you that 14 years back, I was the Mayor of Bombay. We were talking about using the Bombay High flared gas which is

today 14 million cubic metres daily 4 million cubic metres of gas is flared up in Bombay High today. You see outside the Gateway of India as to what is happening there. It is polluting our city. It is creating a hot climate in the Bombay city. People are not realising it today. Uptill now, they have not been able to utilize the gas. Why is it not utilized? It is because they have no resources and there is no money allocated by the Planning Commission for another Urban Terminal to bifurcate to the associated gas. As per the new policy, if we do not have the money, it is better to allow the foreign Gas. Now the Government has allowed 79 oil and natural gas blocks for the multinational and Indian private enterprises. Mr. Chatterjee, if they would have allowed them seven to eight years back, we would not be importing 20 to 21 million tonnes of oil today. In that matter, we would not have been paying Rs.10800 crores today as foreign exchange for oil import.

There is a problem as far as allocation of gas is concerned. Some people are advocating in the Ministry about the use of gas for feedstock, raw materials for fertilizers, etc. and then the second priority for fuel. If you are not able to use it for feedstock, you can at least use it for fuel rather than wasting it. Forget about Tata Power Supply. Even the Maharashtra State Electricity Boards' gas demand is not allocated by them and on the other side, so many million cubic metres of gas is flared up in Bombay High every time. I would request you, Sir, to find out some way whereby the flaring up of gas is stopped and wastage of reserves which are there in our earth is avoided before even exploring oil and gas wells. Whatever comes out of earth must be utilised properly. If you see countries like Algeria, Mr. Chatterjee, you can find that gas is better than oil itself. Gas can be used as a major raw material for petroleum products like polyethylene, Polypropylene, polycarbonate, plastic materials, etc. which we are importing today. Gas is an ideal raw material for them. I hope the Government will do something about it.

Foreign and multinationals are allowed

today. It is so shocking that when the Government is allowing them as per the new liberal policy, the ONGC is coming in their way today. I just quote from an editorial of the Economic Times.

"In previous round the ONGC was not very keen to share the seismic data culled by it with the exploring companies".

Earlier they said that the ONGC was not ready to share with them the available data. Why are they so jealous about it? When the Government or the Ministry or the Cabinet decide that they are allowing the foreign or private or joint participation in the oil exploration in Bombay High and other places, why should the ONGC come in their way? Once you take a policy decision, the ONGC and Oil India must cooperate with you. They must not sabotage it.

SHRI NIRMAL KANTI CHATTERJEE: In fact, the truth is exactly the opposite. *(Interruptions)*

SHRI MURLI DEORA: I do not want to waste time, Sir, I quote again:-

"The Government has stipulated that the companies would have to meet the preliminary exploration costs and in the event of a strike develop the field along with ONGC and OIL, which would take up 30 per cent of the participating interest?

It is in league with them. There is nothing wrong in it.

I am supporting it.

What I am saying is that when the Government has allowed it, the ONGC must cooperate rather than create problems.

Everyday we are seeing article in papers regarding inflation. Yesterday also there was a front page article which was referred to in the Consultative Committee meeting as well. The rate of inflation is about 20 per cent. One thing which the Government is trying to

do is to control the money supply M3. This is good. But in the garb of controlling money supply, the way the Government has raised the rate of interest is phenomenal. The rate of interest should be high enough to encourage saving but it should not be so high as to discourage investment. But today what is happening? Today it is better for me to put my money in the banks at the rate of 17 or 18 per cent interest. The big public limited companies are giving 26 per cent interest.

SHRI SOMNATH CHATTERJEE: It is official rate or non-official rate?

SHRI MURLI DEORA: This is official. I do not share non-official rates openly with you. I will talk to you privately.

What I am trying to say is that the rate of interest has gone up very high.

SHRI SOMNATH CHATTERJEE: Please tell the Finance Minister that that is why the small savings schemes are affected in every State.

SHRI MURLI DEORA: You are right. Let me tell you the reason. They are getting some money because it is tax free. Otherwise nobody will give them money. Even with regard to India Bonds, NTPC Bonds, etc. also, nobody would touch them if they are not tax free. Later on the UTI etc. have come to help them. The Finance Minister knows it. One reason for inflation in the cost of products is the increase in the cost of money itself. Cost of money has gone up so much. You must see to it that the money borrowed for priority sectors, for producing goods must be at a lower rate of interest. Today the rate of interest is so high. I do not want to talk on banks again because one can go on and on while talking about banks. I would only say that there has to be some priority sector lending at lower rate of interest. The statutory liquidity ratio SLR of the banks, in order to control money supply, is 38 per cent. That is why they are not making any money. Banks charges high rate of 24 per cent when they are giving money even to other banking institutions. There is a case for reduction in interest rates for production

[Sh. Murli Deora]

purposes. That is all I want to say.

SHRI NIRMAL KANTI CHATTERJEE: You must control liquidity also.

SHRI MURLI DEORA: Controlling liquidity should be for some sectors only and not for all.

At present we have NRI deposits of about Rs.20,000 crores under the FCNR and NRRRA Schemes. I would draw your attention to the Economic Survey. Under the NRRRA - Non-resident Rupee Account, money deposited in Indian rupees cannot be converted back into dollar, DM etc. In FCNR - Foreign Currency Non-Resident Accounts Reserve you can take money in foreign exchange. I am trying to show just one figure.

MR. CHAIRMAN (RAO RAM SINGH): Please conclude. You have taken 25 minutes.

SHRI SOMNATH CHATTERJEE: He is speaking for the most powerful lobby in the country. We must hear their views also.

MR. CHAIRMAN: If you have no objection, I can always give him extra time.

SHRI MURLI DEORA: Sir, I would only request the hon. Finance Minister that the rate of interest on FCNR must be much more.

Earlier there was a difference. But now there is not much difference. In 1985, out of Rs.3,819 crores, Rs.2864 crores was NRRRA and FCNR was only Rs. 955 crores. Now in 1991, the NRRRA is Rs.7137 crores and FCNR is Rs.13,400 crores. This is because they know that after three years maturity, they can take their money back. The Dollar rate which was Rs. 17 became Rs. 22 by the time you take it back. So, there is a natural devaluation even without the official devaluation because of the parity rate. Therefore, the rate of interest must be higher in FCNR.

Today, there is a little difference. There is a need; there is a scope and there is a case for bigger difference in this and my suggestion is that the rate of interest for those who are sinking money in NRRRA, should be as high as you are giving to a local depositor. We should encourage NRIs to put money in this scheme, rather than putting it in FCNR because you are rest assured that the moment there is a little shaking of their confidence they will take away all their money from here.

There would not be even a rupee left here.

THE FINANCE MINISTER (SHRI MANMOHAN SINGH): That is also convertible.

SHRI MURLI DEORA: They will be scared to take the money deposited under NRRRA because that is convertible at the new Parity Rate. Money put in FCNR can be converted and they will take back their money immediately if such a thing happens.

SHRI MANMOHAN SINGH: That is also convertible.

SHRI MURLI DEORA: They are convertible with a new price. They will lose 20 percent of their money. I don't want to go into the details of it. I am sure you have it. Because those who had invested their money in 1985 today they are losing because the value of dollar in 1985 was Rs.14 or Rs.15 and today the official price is Rs.25.52. So, there is a case for revival and that is what I would like to suggest.

MR. CHAIRMAN: Mr. Deora, please wind up.

SHRI NIRMAL KANTI CHATTERJEE: He is winding up the country, Sir.

SHRI MURLI DEORA: Sir, though devaluation has taken place in the import and export rates, the STC and MMTCA are still playing havoc with the importers and exporters of our country. All of us have raised a

point about it. Advanji spoke three times on the Newsprint imports. Do you know why this Newsprint crisis came up? Of this was not canalised through STC., this problem would not have come. Government lost so much money. There are several other things like the Film Rolls. The other day Mr. Sunil Dutt was telling that the jumbo role of films is canalised through STC. The real solution of this is to decanalise it. You cannot expect STC and MMTC to know which is the best newsprint available in the world; what is the price of it; what is the length of roll which is used by our newspapers in the country and so on. It is just not possible for them to know. So, please decanalise more and more items.

When Mr. V.P. Singh was in power I am told, MMTC make a contract of 6 million tonnes of iron ore, the Kudramukh iron ore which has the highest iron content without any escalation clause. I may tell you that I myself buy products from Japan or any other country and every product has an escalation clause specially for product of long delivery period. No country can enter into a contract to supply the mine products in such a huge quantity at a fixed price for so many years. Our own steel mills are starving of the good from ore. I only want to say that the matter should be enquired into.

If a party had exported 6 million tonnes of iron ore, whose price is very high, they would have known how to get out of it.

Now, we are importing steel from Japan and they are charging high price. Could the MMTC not say that they will pay the conversion price. This contract should have been a conversion of iron ore into steel.

SHRI SHRIKANT JENA(Cuttak): I think his agreement was in continuation of the agreement entered into when Congress was in power.

SHRI MURLI DEORA: No, it is not. I have found it out today.

SHRI E. AHAMED: Even then the Government has every right to revive it.

MR. CHAIRMAN: Mr. Deora, there are a number of speakers and I am sorry to say that you have exceeded your time. Kindly wind up, otherwise two or three Members of your party will not get a chance to speak.

SHRI SHRIKANT JENA: Why do not you bring the people who can be given the contract?

SHRI MURLI DEORA: I do not have any contract. I read it in some papers.

MR. CHAIRMAN: Mr. Jena, let him finish. Do not interrupt him.

SHRI MURLI DEORA: So, my plea is that the role of the MMTC and the STC should be reduced. The export of million tonnes of iron-ore must be investigated. The prices are very very low.

Yesterday you announced so many measures. You have forgotten to announce one measure and that is regarding rate of depreciation. When an industry puts any capital equipment, there has to be some preference for the indigenous equipment suppliers. You are thinking that you have already taxed them very heavily.

MR. CHAIRMAN: Mr. Deora, you address the House, through the Chairman. If you want to speak to the Finance Minister, you can always go to his Chamber and speak.

SHRI MURLI DEORA: Sir, I am speaking through, you. (*Interruptions*)

I am requesting the hon. Finance Minister, through you, that the rate of depreciation for indigenous equipment should be higher. There should be an incentive for the industry to buy them from the indigenous equipment manufacturer. This will give boost to them. Otherwise, the high profit-earning companies like Colgate, etc. won't mind paying high prices for importing the equipment rather than encouraging the local manufacturer for manufacturing the equipment.

Of late, there have been so many articles regarding the events that are happening in Russia. Take the example of Rouble-Rupee parity. The people of Russia, the

[Sh. Murlī Deora]

Government of USSR have stood by us for so many years ever since our independence. Now, we must stand by them. But there is a case for reviewing the Rupee-Rouble rate. The official Rupee-Rouble rate is 30:1. I do not want to give the market rate. (Interruptions)

SHRI SOMNATH CHATTERJEE: Please speak one word for the common people and please speak one word for India also.

SHRI MURLI DEORA: This will help the common people and also the country. Sixty per cent of the defence equipment are imported from the U.S.S.R. I would request the hon. Finance Minister, through you, to see that we do not lose much money.

Some decision should be taken on the Rupee-Rouble rate. It is because, the new Russian Government would like to see that their exports are made on the hard currencies like the dollars, Deutschmark and so on. What is happening in Export Processing Zones? They are importing from Germany, England and America. They are adding 35 per cent to 40 per cent of the value and are exporting them to Rouble areas. I would request the hon. Finance Minister to look into it so that the country does not lose any money.

I really welcome the de-regulatory measures that have been announced in the New Industrial Policy. But they are only applied to four specific systems of our economy—the Export-Import Policy, Licensing, MRTP and Foreign investment. But, there are several other economic activities that are still left behind. I am sure the hon. Finance Minister will give his attention to them also.

One sector which has not been yet touched for liberalisation by the hon. Finance Minister is the housing sector. He has given some incentives. I agree with him. You must give a massive boost to the hous-

ing sector in the rural and urban areas. The real thing which is coming in the way is the U.L.C., the Laws regarding rent and other local problems. I would request the Finance Minister, through you, Sir, that urban land ceiling which has not even achieved half percent of its target in the urban areas, either, it should be scrapped or if you do not want to scrap it, then at least, you amend it so that the land is made available in the urban conglomerates of Bombay, Calcutta Delhi and Madras for development.

On that land, 600 sq. metres, 400 sq. metres flat can be constructed. Today, a large chunk of land is available in the big cities, but it cannot be utilised for want of clearance from the Urban Land Development Authority.

We have so much of iron ores, but we import steel; we have so much of oil and gas available in our fields, but, we are still spending Rs. 10,800 crores on importing 20 million tonnes of oil today. Why? We have to take a decision. This country has the biggest problem of resource crunch; we do not have money. Whether we allow foreigners; whether we allow big companies; whether we allow multinationals, large houses, FERA or non FERA or ex-Fera or rather import it, this is the choice before us.

Shri Atal Bihari Vajpayee is here. In 1980-81, we were manufacturing 22 million tonnes of cement. The official price of cement was Rs. 16 per bag. The market price was Rs. 61 per bag in Bombay market, all over India. What did the Government do? The Government decontrolled the cement. The official price of Rs. 16 was allowed to take in the books. ACC was selling it at Rs. officially. What was the result? They were paying tax, they could get some money for expansion of cement plants.

Today, we are manufacturing 47 million tonnes of cement. There was a delicensing of cement. Earlier, Nobody was allowed to manufacture it. How have we left socialism in that? Today, we are manufacturing 47 million tonnes of cement. Who can manufac-

ture cement? I cannot manufacture it. It costs Rs. 130 crores for putting up one cement plant for one million tonne. Only Tatas or Birlas or multinationals or foreign companies, or whatever you call them, can manufacture cement. Today, the price is, say, Rs. 100 or Rs. 90 a bag, if we are not producing 47 million tonnes of cement, if we continued to produce 42 million tonnes of cement, today, the price would have been Rs. 3000 per bag. I guarantee that. There would be so much shortage of cement. This is a case; this is an example of liberalisation. We have to see the example of cement; we have to see the example of iron ore. We have not allowed Tatas to expand their capacity by one million tonnes. How many tonnes of steel we have imported in nine years? They wanted expansion of their capacity ten years, five years back.

The country must progress; and the country will only progress with the dynamic liberal economic policy you have got; and you must continue with this policy.

SHRI TARIT BARAN TOPDAR (Barackpore): Mr. Chairman, the Budget speech of the Finance Minister points out a very gloomy picture of our economy, which is a reality. We know that this is due to the wrong policies in the field of finance, fiscal policy and the lopsided view about priorities and inadequate and unequal approach towards the collection of resources which have brought about this situation.

We are in a difficulty because they have dismantled it in the name of economic policy; they have dismantled what Pandit Jawahar Lal Nehru and Later on Mrs. Indira Gandhi did to enable our country to be self-reliant. We were deferring with Pandit Jawahar Lal Nehru and Mrs. Indira Gandhi with regard to their policies; now we also differ with that policy. That is the trouble.

That is the trouble. That is the problem and difficulty with us. They have been on the wrong track. Our country, so long, pursued a policy to contain the neo-colonialist danger of dragging of our country. And now, by the

blessing of the new economic policy this has become a reality.

We find it again difficult, that to the new Ministry has put their predecessors in the dock, that all these crisis and problems are the results of the policies pursued by the previous Governments although those Governments were not responsible for it.

In this Bill, the Government has proposed levy of taxes, or modification of existing tax structure or continuance of the existing tax structure beyond the period which has been sanctioned by Parliament on the earlier occasion.

The Government's approach, I find, in the agricultural sector is wrong. I like to remind the Finance Minister that five per cent of our rural people control more than 500 per cent of the land and its production. The low income group and the middle income group people and even the high income group, those who are in service, have been put in the taxation net. They cannot go out of it. But only Rs. 22,000 is the limit. I shall request the Finance Minister to review it and see whether this can be raised.

MR. CHAIRMAN: Are you not suggesting any quantum rise?

SHRI TARIT BARAN TOPDAR: No. I do not suggest.

SHRI SAIFUDDIN CHOUDHURY (Katwa): It can be discussed.

SHRI TARIT BARAN TOPDAR: Yes, that can be discussed across the table. I do not make any suggestion.

SHRI MURLI DEORA: Why across the table? You can make a suggestion.

SHRI TARIT BARAN TOPDAR: I suggest that this five per cent people who control the monopoly land holding should be put in the tax net. They must pay income-tax. So long this was not done and in the proposals we find that there is no mention of it or even an indication of that.

[Sh. Tarit Baran Topdar]

In the field of direct taxes, the first and foremost point is that, time and again, the Government of India has declared to the black money - holders a last chance to declare the black money. In 1950, the then Finance Minister, Shri Tyagi, declared as the last chance to black money holders to declare the black money and after that, almost every year, subsequent Finance Ministers declared amnesty to the black money-holders as the last chance. In spite of several last opportunities, we have seen that the black money was not unearthed, on the other hand the black money went up. Only a negligible sum, which these black money holders consider convenient for themselves, they declare and come out in open before the Government to take more and more advantage on different fields generating black money again.

Sir, in paragraph 66 of his speech, the Finance Minister has threatened of dire consequences and in the next paragraph, he came with a scheme of disclosure. Thanks to Dr. Singh that he has at least recalled the name of Prof. Kaldor. Leaving aside all what Prof. Kaldor had suggested about taxation and other domains of our Indian economy, he asked the Finance Minister asked the people to wait for better times when he will be able to implement some of the ideas of Prof. Kaldor. But he did not forget to tell the people with an authoritarian imposition. Now I quote his speech - paragraph 87. He says:

"The best I can do under the circumstances is that I propose to do this year; keep the personal income-low rate structure including the surcharge unchanged. That I have not added to the burden of the taxpayer is, in itself; a relief."

This is what I mean to say an authoritarian imposition on the people of India having been a Finance Minister of the minority Government.

Salaried people are not the tax evaders.

Big business houses are the tax evaders. Dr. Singh is attempting to compromise with the black money holders if they are pleased to do.

Professor Kaldor said that the three musketeers, Shri. P. V. Narasimha Rao, Shri Manmohan Singh and Shri P. Chidambaram had given the final blow to shackle the foundation of the Nehruvian economy of the country. This has been done through devaluation and other policies. They have brought our country to the mercy and black mail of the foreign finance capital and the black money generated by the NRIs

[*Translation*]

I do not know whose heart he is trying to win (Manmohan), it is difficult to know whom he is trying to win over the NRI or the foreign finance capital.

[*English*]

A minority Government has done this without consulting the people and the Parliament, and taking advantage of the electoral and other situations in the country. This is an authoritarianism of the worst type and a black—mail as well. They have declared a new Industrial policy and a new Fiscal Policy; a new Import-Export Policy and have done away with many things that have been there in our country. They did not take any of the Houses into confidence and they did not come before the people through Parliament with their proposal.

In the basic economic policy from devaluation to the Import-Export Policy including the industrial Policy and in the field of assessment of international situation, the Congress party is very much in union in opinion with the Bharatiya Janata Party. That is the most dangerous aspect of the development of our economy and polity.

In the garb of phraseology with an exuberance of expectations in the gamble that the country has been entrapped by the new economic and fiscal policies and with splen-

dour or diction in his speech, Dr. Singh tried to suppress one of Indian Antony, misleading the people through his flamboyant oratory, but could not surpass his inclinations towards the people. In one of the paras he has written.

"who place bets will now also have the added pleasure of sharing their earnings from races with the Government."

MR. CHAIRMAN (RAO RAM SINGH): Are you appreciating the humour in the Finance Minister's speech?

SHRI TARIT BARAN TOPDAR: I am appreciating the gamble. Sir, he has not been able to fix the real target. He asks the people to wait for better time. On the other hand, I like to say that there is nothing new in the tax proposals. If you look into the Budget at a glance, if you go through the flow-sheet of this year, of the last year and then of the previous year where it has been shown as to where from a rupee comes and where does it go, you will find very little difference. Therefore, what I want to say is that in these taxation proposals, people have been in the net since the beginning. There is nothing new in it. The big people are let free. That is also there from the very beginning. The sin has been committed elsewhere. Since Independence, it has been in the field of collections and expenditure. Now this has been committed in the field of industrial policy, in the field of fiscal policy, in the field of tackling the capital and money market, in the field of export and import policy. This package of policies has given a final blow to the growing danger into a reality, as danger of which our party has been consistently pointing out that the bankrupt path of capitalism will lead to growth of monopolies and danger of non-colonialism.

Now, Sir, we are on the threshold of this dangerous situation which will undermine the sovereignty and prestige of our country. Who is to be blamed for this ignominious position in the BOP? The year should be mentioned in the Speech as to under whose

regime the maximum BOP has been created. That has not been mentioned. It is a pity that our Finance Ministers are not mentioning that it has been one of the highest during the period of 1984-89 when the Government was led by late Shri. Rajiv Gandhi. We are seriously concerned that our country, the parliament and nobody else knows what are the conditionalities of the IMF. Have we devalued the rupee on the direction of the IMFP Dr. Singh, in an interview, answered that the first dose of devaluation was given because the foreign exchange reserves was exhausted. Then he gave the next dose. Why two doses have been given. I do not know. He explained that a newspaper headline created a commotion in the stock market, in the money market throughout the country.

In the morning when we saw the headlines of the newspapers, I we learnt that he came to the office and before the stock market open he announced another dose of devaluation. And no more explanation was given.

When rupee is devalued by 20 per cent then it means that exports worth Rs. 100 crores means export worth Rs. 120 crores. Therefore, in terms of money and in terms of rupee, when we will see that the export has increased by 20 per cent, it actually means zero; it actually means nothing. Therefore, this is the moment when we should consider it as a moment of national shame. The threat of colonisation that is faced today in much more serious these that was overcome over the years through the inertia of the freedom movement and the Non-aligned movement. We had two slogans-efforts to catch up with the West and moving towards the twenty-first century. Both of them came to mean the wholesale import of foreign technology through the multinational components.

This had a greater bearing and that has brought about the catastrophic conditions in the Balance of payments. On the other hand, as a result of the devaluation, a steep rise in the prices has already been experienced by all the people of our country. They are going

[Sh. Tarit Baran Topdar]

higher and higher. This will bring about a disaster in the production of commodities which are domestically produced.

This was not happened in one day. Technology does not remain foreign for ever. Newton discovered the Law of Gravitation. It is not foreign to us now. James Watt discovered the steam engines. It is not foreign to us now a days. Only a few years ago, the computers were foreign technology to us. Now we are exporting software to different countries. Therefore, I would like to mention how this has happened from the scientific theory of quantum mechanics. Everybody of us can see that when water drops, water continuously accumulates and it drops down when a certain quantum is attended. This is the quantum that is attended gradually which we have learnt since the days of Nehru. It has to drop to this ignominious position. Probably they are the mentors now.

But if somebody of the Congress party was there in the Chair he would have acted in this fashion because it has been imperative in the process of development they themselves have pursued. What we find is, the political party and the politicians who had lost faith in themselves are being used by a group of bureaucrats and technocrats and other professionals (who occupy the position of bureaucracy), who are in league with the international group. In the name of integration into the international market, we are all in a debt trap from which we cannot come out. Shri Murlidhar Deora has pointed out that foreign investment is very likable because they will have their stake in our country. He has forgotten to mention that they will have a stake in running the political system of our country as well. That is the danger we are facing now.

In the end, I, in the form of suggestion, again request the Finance Minister to have some experience from what we experienced in West Bengal. On the foundation of land reforms and a genuine democratic panchayati

raj, in spite of deprivation of a serious nature, in spite of deprivation of a politically motivated group of politicians and the party, i.e. the Congress party, West Bengal has been able to develop the rural economy to a desired level. The states of Eastern Regions - Bihar, Orissa, Assam, Tripura, Meghalaya, Manipur and other States - are also languishing for that. They are also asking that if West Bengal can do, why we can't? Now, West Bengal has become the banner which will determine or inspire the people all over India to find out the way as to how to emancipate, how to grow, how to develop, how not to depend on this group of bureaucratic machination.

MR. CHAIRMAN: You will have to please wind up now.

SHRI TARIT BARAN TOPDAR: On this matter I would like to implore upon the hon. Finance Minister to give special attention to the cooperative movement, panchayat raj and basic reforms. I urge upon the Government to call upon the people of India and urge upon the Ruling party at the Centre not to be inclined more and more with the BJP on the basic economic issues and analysis of the international issues. Please depend on the people of India and call upon them for a real land reform so that we can stand on our own feet. We can participate in the international economic order with honour and prestige if we have our strong back bone

This strong backbone can be created only by a genuine land reform which we are striving for.

Then, Dr. Singh had said that these are long term policies and his bags are empty now. But it was not the only alternative to sell out the country. There were other alternatives to cut down the expenses. By passing an order he could have cut down the motor car expenditure of the Central and State Governments by 25 per cent. He could have passed another order that diesel engines in Railways would be done away with and only the steam engines or the electrical locomotives would be used to develop the railways.

Instead of developing railways, we are developing the motor car industry which increases the import Bill. That is why I want to say that immediate measures were also there instead of surrendering before the IMF of the foreign finance capital including the NRIs.

16.43 hrs.

SHRI MAGUNTA SUBBARAMA REDDY (Ongole): Mr. Chairman, Sir, I thank you very much for giving me an opportunity to make my maiden speech in this August House.

Sir, given the critical economic situation prevailing in the country, we must really congratulate our hon. Finance Minister on his sincere efforts in presenting a growth oriented budget and I support the Bill. I would like to make few suggestions for your consideration.

As you are aware from 1965 to 1970 the rate of Income Tax was 87.5 per cent and Wealth Tax was 15 per cent totalling 102.5 per cent. Since the rate of Income Tax was so high that no citizen was willing to pay 102.5 per cent resulting in tax evasion and generation of black money in our country. In view of the high rates of taxes during the above period, the Government has laid a strong foundation for the generation of black money, which has become a necessity and a habit and has become a parallel economy.

Even though the amount of black money is estimated around Rs. 80,000 crores, the Government is not aware that the entire amount is not in the form of liquid cash, but it is in the form of assets such as gold, diamonds, movable and immovable properties. At present, every disclosed asset invariably contains black money. Every seller receives black money and every buyer pays black money.

To deal with the black money, hon. Finance Minister has come out with the scheme of depositing the money in the National Housing Bank with the special levy of

40 per cent on the deposits so made and the balance is payable in instalments.

But the proposed scheme to deal with the black money may not achieve the expected results. Earlier during the years 1980 and 1986, the Government came forward with bearer bonds scheme and voluntary disclosure scheme. Each scheme did not attract more than Rs. 1,000 crores out of the estimated circulation of Rs. 80,000 crores black money.

So my suggestions are that since 90 per cent of the black money is in the form of assets such as gold, diamonds, movable and immovable properties, the Government will have to come out with a policy enabling all the assesseees and non-assesseees to disclose the true value of their assets. To disclose correct value of the assets, the Government should abolish the capital gains tax, on the sale of the re-valued assets. Out of the Income-tax collection of Rs. 12,000 crores, the revenue from capital gains tax will not be more than Rs. 200 crores and on the other hand, it is the biggest source for the circulation of black money.

Also the Government will have to abolish Wealth Tax and Gift Tax to facilitate the tax payers to declare the true value of the assets. Since the revenue generated out of the scheme two taxes are very low and they may be abolished.

If the Capital Gains Tax and Wealth Tax are removed the Government will be able to get black money of Rs. 80,000 crores into circulation within a short period of one year. Once the black money comes into circulation, it will yield income in subsequent years which will be subjected to regular rates of income-tax. If the Rs. 80,000 crores of black money comes into circulation and even if it earns an income of 15 per cent, it will generate Rs. 12,000 crores income and the minimum tax on it would be Rs. 4,000 crores which is equal to 10 times more than the Capital Gains Tax and Wealth Tax revenue. In this process, the country will be able to realise 10 times more revenue than the loss

[Sh. Magunta Subbaba Rama Reddy]

of revenue on abolition of Capital Gains Tax and Wealth Tax and the circulation of black money comes to an end.

As on today, the Government has given exemption on Capital Gains Tax up to 50 per cent on long term capital gains and 100 per cent exemption on the capital gains if the sale proceeds are deposited in the financial institutions. So, to put an end to the black money circulation, the Government must abolish capital gains tax and use the departmental machinery which is engaged in issuing form 37 (1) clearance and connected to property matters for better use and avoid corruption and hardship to the assesseees.

It is now proposed not to allow the set off of capital losses against the income, but only to permit to carry forward capital losses to be set off against future capital profit.

This is not the answer for the problem. The Government must always be aware by imposing more complicated system, the law breakers are equally intelligent to overcome the problems. Today we have come out with a scheme to set off against capital loss with capital gains only. Likewise, tomorrow if we have to come out with loss in vegetable business, it will have to be set off against the profit in vegetable business only. So are we going to take our income-tax, based on the product-wise tax or on the overall income? More the Government complicates the systems, the law breakers overcome by inventing new methods.

To avoid all the complications and to put an end to the black money circulation, it is better you abolish Capital Gains Tax, Wealth Tax and Gift Tax.

Another suggestion, I would like to make is that out of Rs. 23,000 crores of liquid money in circulation, about Rs. 15,000 crores is accounted money and the balance of Rs. 8,000 crores is unaccounted. To bring this unaccounted money of Rs. 8,000 crores into circulation, the Government should come

out with a scheme allowing those, having black money to construct small plinth area of 800 to 1200 sq. ft. houses using the black money. Once the house so constructed is sold, the sale proceeds are to be deposited in any financial institution for a period of one year thereafter and the money so deposited will come into the mainstream. By providing the scheme, the Government will achieve the twin results, namely, solving the acute housing problem and at the same time, putting an end to the circulation of black money. If the Government is serious in solving the black money menace, the above two suggestions may be considered.

Also to curb the habit of generating the black money, the rate of income-tax has to be reduced to 40 per cent for the corporate sector and for individuals with a minimum of 10 per cent and a maximum of 30 per cent. By doing so, the motivation of generation of black money would not be there. During the year 1986, the Government of India reduced the rates of tax drastically, yet the tax revenue has increased tremendously. So, the Government must take bold steps to reduce the rates of income-tax to increase the number of tax payers resulting in the growth of tax revenue.

Over thirty years, the country has produced tax dodgers. Now the time has come that we have to work for more tax payers. Tax compliance should be the prime objective of tax law and tax evasion should not be encouraged by the unequitable tax system.

Our past revenue history shows that out of Rs. 11,700 crores tax collection for 1989-90, 90 per cent has been paid voluntarily by the assessee as advance tax and tax deduction at source and by self-assessment tax and the balance 10 per cent has been collected with the efforts of massive departmental enforcement machinery and the amount of enforcement machinery costs the country Rs. 262 crores.

The large scale enforcement machinery has added corruption and harassment to the tax payers. For e.g. the Government has

announced in the House an amount of Rs.6,558 crores as arrears of income-tax. The large-scale tax enforcement machinery to prove their existence has raised unjustified and arbitrary demands most of which would not stand to the test of law and to support my point I request the Hon. Finance Minister to verify the amount of arrears as on 1-4-90 and how much has been collected out of the said arrears as on 31-3-91 and the amount of realization would prove the raising of unjust and huge unrealizable demands. This shows how our tax laws converted honest people into dishonest people. We have to reverse this history and make the tax compliance as honourable and respectful. In fact tax compliance should become an economically justifiable proposition. Simplification of tax laws will further justify for tax compliance through the voluntary payment route. Thus in the place of monstrous departmental enforcement machinery one can have lean and efficient organisation.

Some hon. Members may feel that the honest tax payers are deprived, if my suggestions are implemented but some time or the other this black money menace has to be put an end for the developmental of economy in our country.

Interest on Refunds: It is proposed to reduce the interest payable to the assesses from 18 per cent to 12 per cent while the interest collected from the assesses is 18 per cent to 24 per cent which is unjust. Both the interest payable and collectable to be equalised.

Banking-bad Debt and in Operative Account: Virtually every nationalised bank has become a BIFR case. But all of them have been kept well through window dressing in accounting methods. Inoperative accounts for more than one year and above, if treated as bad debts and disclosed, all the nationalised banks will become bankrupt resulting in massive runs on banks. Depositors will lose confidence and the entire banking system i.e., the entire edifice of our monetary and free market economy will collapse. Banks and Financial institutions

should disclose at lead to the PARLIAMENT their outstanding loans, inoperative accounts that are over one year old with proper reasons and the steps taken for the recovery. If one has to believe recent press reports 8 major banks are supposed to be in red after taking into the account of bad debts not provided for in their account. If necessary, suitable amendment would be made to the Banking Regulation Act to disclose the above information to this August House.

Similar are the cases of financial institutions. In the case of Financial Institutions published data regarding recoveries and irregular accounts are more of a fiction than reality. In the so called liberalised industrial policy, industrialists are thronging the banking sector with their inflated and escalated industrial projects to drain away the public savings for creation of economic concentration of wealth in the hands of a few people.

Banking sector, especially the public financial institutions, do not enforce the personal; guarantees and involvement of the promoters, directors and others. As a result, even before the industry gets started, it is ensured to become virtually a sick project. While the industry suffers, the concerned industrialists get rich and get away with all ill-gotten wealth abroad for the benefit of the economically developed countries.

Since the financial institutions are not in a position to collect their loan amount now they are forced to do partial dis investment. Therefore, I suggests the following remedies.

1. Financial institutions should strictly enforce the guarantee clause and make sure that the industrialists, promoters, directors, their kith and kin should have personal stake and involvement.

2. At least 10 per cent of the corporate loan should be backed by collateral securities belonging to the entrepreneurs.

3. The above 10 per cent collateral security of the corporate loan may be waived

[Sh. Magunta Sububa Rama Reddy]

in the case of small entrepreneurs and technocrats up to a limit of Rs. one crore project cost. But other guarantees must be insisted.

4. A promoter whose industry becomes sick should be black-listed from further borrowing. Any company that takes him on the board should also be bracketed in the black list.

5. Banking Chairman and other Directors should be held responsible and punished even after retirement, who are responsible to create such inoperative accounts.

All the above suggestions are made with a view to create a fear and credit-worthiness to the entrepreneur and to feel that if once they cheat the banks, they must feel that they cannot borrow any more money from the banks like in America.

Customs: The import policy should promote indigenous production on competitive lines and not stifle it. For this purpose, the basic rule is the import duty on raw material imported should be lower than the finished goods so that local manufacturers can import the raw materials and compete with the imported goods. If the duty on raw materials is more than the finished goods, then the policy stands on its head and it is perverse. It encourages import of finished goods and discourages indigenous production. This results in drain of foreign exchange as well as rendering local capacity uneconomical and idle. For example, duty on Polystyrene is 55 per cent and the duty on raw-material which is Ethyl Benzene is 90 per cent. You can see from the above the duty on raw-material is 70 per cent more than the finished goods. How can a local manufacturer of polystyrene compete with imported polystyrene? So, the import of polystyrene is cheaper and profitable. To encourage our local industries and to discourage the imports, the duty structure has to be corrected.

Similarly, an imported whole body-scan-

ner carries no duty for charitable hospitals. Most of the hospitals in India are charitable and thus they pay no duty. Hence they prefer the import of scanners.

In contrast, the indigenous manufacturers pay 25 per cent duty on imported components to and are unable to compete with the duty-free imported scanners.

This kind of irregular duty structure has been implemented by the National Front Government and it had crippled the local industry and drained out our valuable foreign exchange. Because of this kind of policy, we forced to pledge our valuable gold in the international market to borrow foreign exchange. Even now it is not too late and if this kind of anomalies are corrected, we can save a lot of foreign exchange which will not only help to redeem the gold pledged but also we will be able to acquire more gold and strengthen our currency.

Balance of Payments. The Hon. Finance Minister is kind enough to give two schemes to attract more foreign exchange, to improve the balance of payment situation.

The first scheme covers the remittance of foreign exchange from abroad as a gift to the Indian residents which would not attract gift tax and the source from which the gift received would not be questioned.

The other scheme relates to the sale of India Development Bonds in foreign exchange with a maturity period of five years. Both the schemes are valid up to 30th November, 1991.

I personally feel that both the schemes would not achieve even 10 per cent of the desired results. The hon. Finance Minister has mentioned in the august House that there is no foreign exchange available to import even essential commodities.

I, therefore, propose to suggest the following scheme which will yield Rs. 10,000 to Rs. 15,000 crores worth of foreign exchange on non-repatriable basis. Our country is facing

acute shortage of essential commodities such as edible oils, pulses etc. Because of foreign exchange crisis; the above items could not be imported and distributed through the public Distribution System resulting in the steep increase in the prices of the above commodities to the consumers.

In the NRIs are allowed to import the above commodities on non-repatriable basis, 50 per cent of the so imported quantities would be offered at landed cost to the Government of India for distribution through the Public Distribution System and the balance 50 per cent will be allowed to be sold in the open-market by the NRIs like any other local producers. Since the NRIs are taking the trouble of importing the commodities on non-repatriable basis, import duty concession of 40 per cent may be given as an incentive.

The Government of India has announced a scheme with a special levy of 40 per cent to convert the black-money into accounted-money through the National Housing Bank channel.

In the case of foreign exchange remittance to India by way of gifts, the donees are not liable to pay 40 per cent special levy. So, the Government has given a concession of 40 per cent special levy on the foreign exchange remittances.

So, if the same stand is taken, allowing the NRIs to import the commodities on non-repatriable basis, the duty concession of 40 per cent is justified.

If the decision is taken on these lines, then without spending single rupee in foreign exchange the Government can supply 50 per cent of the so imported commodities through the Public Distribution System to consumer and the balance 50 per cent by the NRIs which would bring down the prices to the consumers.

Import of Gold: If the Government decides to levy a lumpsum duty of Rs.50,000/- per kg. of gold, huge quantity of gold would be brought by NRIs on non-repatriable basis.

Hence the smuggling of gold would be controlled automatically. Because of the free availability of gold, the selling prices of gold in India would come down. Hence the above suggestion may be considered.

If the above two schemes are successful, the Government may consider on the same lines to bring some more items which would be imported by NRIs.

I have a strong feeling if the above two schemes are implemented, Rs. 10,000 to Rs.15,000 crores worth of foreign exchange would flow into our country. This will help to reduce our external borrowing at high rate of interest and also help in reducing the Budgetary deficit.

17.00 hrs.

Fertilizers: The hon. Finance Minister has increased the cost of fertilisers by 40 per cent and after elaborate discussions he is kind enough to reduce to 30 per cent for other than small and marginal farmers who are exempt. But while implementing the above policy, the Government has issued directions to collect 30 per cent increase from the small and marginal farmers also which would be reimbursed on production of necessary landholding certificates. This system would encourage large scale corruption, loss of revenue to the Government causing extreme hardship to the small and marginal farmers. Instead of this cumbersome procedure, if the Government decides to raise the cost by 15 per cent uniformly, there would not be any hardship for anybody and the corruption will not be there to the farmers.

So, my humble suggestion may kindly be considered. I thank you for giving me an opportunity to speak.

SHRIROSHAN LAL (Khurja): Mr. Chairman, Sir, I thank you for allowing me to speak on the Finance Bill. I rise to oppose the Bill on account of various infirmities.

Before I embark on my regular speech

[Sh. Roshan Lal]

on the Finance Bill, I would like to register my dissatisfaction with the performance of our Finance Minister as reflected in the Bill under discussion. He enjoys a reputation of being an eminent economist of the country. But I do not know why he has not utilised his long experience in the field of economics to shape this Bill. He appears to be prisoner of bureaucratic inertia to innocation. I am reminded of an Urdu couplet here;

"Bahut Shor Sunte the pahu mein Dil
Ka
Jo Cheera To Ek Katrae khoon Nikla"

Various infirmities are listed below:

It tends to break the backbone of the poor, lower and middle class persons due to its inflammatory tendencies resulting in the rise of the prices of essential commodities. For instance, petroleum and petroleum products, sugar, soaps blades surf, pulses, edible oil, footwear, fertilisers and pesticides.

Seventy per cent of the population in India lives in rural areas and as such, the seventy per cent of the population has its source of income from agriculture. This includes the land holders as well as the landless Labourers.

Though the Finance Minister has given further relief to the middle or the lower middle class land holders but it will not give relief to them. Rather it will complicate the problem and will increase the corruption in that field.

The Finance Minister tends to increase the cost of the imported goods and lower down the price of exports. It was provided in the election manifesto of the ruling party that after taking over the power, the prices of essential commodities will be brought down to the level of July, 1990. The hundred days will be over by the end of this month.

[SHRIMATI MALINI BHATACHARAYA in
the Chair]

Looking to the rise in prices and the attitude of the Government, is it possible to bring down the prices to the level of July 1990? If the Government has to do this, it has to lower down the price ranging from 30 per cent to 40 per cent. On certain items prices have gone up by 25 per cent and in some other cases, it is 30 per cent and in certain cases, prices have gone up to 40 per cent.

So, it is not possible, if not impossible, for the present Government or for the Finance Minister to reduce the prices to the level of July 1990. With the loan from IMF, excessive dependence on foreign aid and almost complete freedom to MNCs and FERA companies for rapid industrialisation, they are godding to erode the common man's purchasing power and employment opportunities on the one hand and the nation's self reliance on the other hand.

The huge concessions given to MNCs, FERA companies and big industrial houses would radically alter the technological fix of our nation and reduce employment opportunities in the organised sector substantially. The medium and small scale sectors would face gradual extinction except as surrogates. Moreover, neglect of agricultural development has a further disincentive to employment generation. In this context, the allocation of Rs. 2,100 crores for employment scheme is nothing more than a drop in the ocean. While devaluation will make imports costlier and exports cheaper, the competitiveness of our industrial products shall be substantially reduced against the goods manufactured by MNCs or FERA companies whom the new policy would make even more amenable to foreign influence thus not only our indigenous industries, but R&D will also suffer. Moreover, the swelling debt service rates of 30 per cent would further imbalance foreign trade and we shall be moving over close to a "debt trap". Our economic sovereignty would also be jeopardized.

The Finance Bill has not provided any relief for the middle income group assesseees having an income upto Rs. 1 lakh. They do

not enjoy any relief from the Bill. Thus, this Bill has not raised the minimum taxable income limit and it had maintained it only at Rs. 22,000. It has not provided any increase in the Standard Deduction provided under Section 16(1) of the Income-Tax Act. Had it been provided, the salaried persons would have got some relief. This matter I will discuss later. Out of the total revenue from the direct taxes, 85 per cent of the revenue is from 15 per cent of the assessees. The 15 per cent assessees who give 85 per cent revenue, are the big industrial houses. If the Government had provided any relief to those classes having an income of upto Rs. 1 lakh, then, the fall in the tax collection, would have been met by increasing the rate in the income-tax of the higher limit, that is those having an income of above Rs. 1 lakh or Rs. 2 lakhs.

The Bill makes no provision to maintain the prestige and dignity of the person of the Department who enforce and implement the provisions of the Income-Tax Act, 1961. Here, I would like to draw the attention of the Hon. Finance Minister to Section 132 of the Income Tax Act, 1961, which deals with the "Search and Seizure operations". I think everybody here might be knowing the fate of these people. It was in near about 1982-83, when I was posted here in Delhi, there was a Raid Party on seizure operations in Srinagar. Both the lady officers and men were mercilessly beaten up. Their clothes were torn off, they were man-handled and all sorts of misbehaviour was meted out to them.

Later on, in 1986-87, there was a similar incident in Muzaffarnagar. The Income Tax Department people who are here may be knowing it well as to what misbehaviour was done to them while they were on search operations.

You will be astonished to know a recent case in Dehradun from where I retired in 1988. About eight or nine months back, there was a raid in the business premises of a property dealer. Some incriminating documents were seized. The Deputy Commissioner of Income Tax who had, in this pos-

session, those incriminating documents was staying in the inspection house and in the morning, when he was going to another guest house, was caught on the road by a goonda sent by the property dealer, in connivance of the SSP there. There was a quarrel between the two, there was firing during the quarrel and manhandling. The goonda had fired with the unlicensed revolver and he had one licensed revolver also. The goonda himself was hurt and the Deputy Commissioner was arrested and he was sent to jail. The District Judge did not grant him the bail and the Allahabad High Court later on granted him the bail. I do not know what steps the Finance Minister or the Government of India is taking in this respect. This is very shameful thing for us that we cannot protect our officers who are Collectors of Revenue.

Madam, this had also happened in Hapur in 1987 when I was in charge of the Raid Party. The officers got hold of some incriminating documents from the business community and some persons were allowed in with guns, lathis and other things. The Deputy Commissioner who was in charge had asked the SSP or the Magistrate to order fire. Ultimately, I had to hold responsibility and I took hold of them... (Interruptions)... Unless we give protection and make some measures, there will be no improvement in this regard. I would discuss this part later on. I would like to just know what measures the Finance Minister is going to take in this matter.

Regarding valuation of unquoted shares of investment companies, sub-rule 3 in Rule 12 of Schedule III of the Wealth Tax Act is sought to be inserted with effect from 1.4.1991 whereby the equity shares held by the investment companies would be valued at quoted price for the purposes of determining the valuation of shares of investment companies. This Section was also introduced in 1989 but later on, it was deleted on account of being unpracticable and borne expensive by the administration. Now, I am at a loss to understand that this type of provision has again been introduced. The Supreme Court

[Sh. Roshan Lal]

in 122 ITR 38 and 86 ITR 621, has described that the method of valuation of the shares held by the investment companies inflict wealth tax liabilities on those share holders. So, this provision which is now introduced, has to be deleted again.

Sir, the Finance Minister has introduced a scheme of National Housing Bank. In his Budget speech, he has referred to certain proposals for flushing out black money. These proposals however, appear to be half-hearted and they entirely run counter to the ground realities of the situation. The disclosure scheme under which the assessee would be allowed to deposit the black money in cash with the National Housing Bank and subsequently withdraw 60 per cent for certain stated purposes is bound to fail since it suffers from certain basic infirmities. The scheme proceeds on the erroneous assumption that the unaccounted money is lying stacked up in currency notes in the secret vaults of the assessees. This however, is not the case. The unaccounted money is being deployed by the assessees in various forms like immoveable properties as well as capital assets and stocks.

The rate of income tax for individuals is 56 per cent and for limited companies it is 56.6 per cent, whereas the levy under the disclosure scheme is only 40 per cent. So, this scheme of disclosure is not practical.

MR. CHAIRMAN: Please conclude now.

SHRI ROSHAN LAL: Madam, I would like to give certain suggestions to counter the menace of tax evasion. I suggest that magisterial powers must be given to the officer in charge of the Search and Seizure operations. At every Deputy Commissioner's Headquarter, armed constables with a sub-inspector of police are to be posted and these police officers should be on deputation basis to the Department of Income Tax.

The officers while going on raids should be provided with fire arms as in the case of

officers of Central Excise and Police, who are provided with arms while on duty. It is also suggested that there should be strong rooms to store seized articles of the defaulters. The Department is finding it difficult to store the moveable property of tax defaulters.

Now I come to recovery of tax arrears. Our tax arrears are to the extent of about Rs. 6,900 crore out of which more than 50 per cent cannot be recovered. Only about Rs. 3000 crore can be recovered. I would request the Hon. Finance Minister to make this a result-oriented scheme. Every officer should be asked to recover certain arrears and they must be given incentives from the sale of moveable and immoveable properties.

Income tax limit should be raised to Rs. 30,000 from Rs. 22,000 and in order to give relief to the middle income group salaried people, the tax rate should be reduced from 20 per cent to 5 per cent.

For the salaried persons, my proposal is that up to Rs. 50,000, standard deduction should be raised to Rs. 20,000 and the assessees having salary above Rs. 50,000, standard deduction should be Rs. 25,000. To make up the loss of revenue, suitable increase in the rates be made on the other income groups.

A reward to the extent of 10 per cent of the excess collection over budget target fixed for a year of a particular officer be given. For not fulfilling the budget targets the officer should be suitably punished. Every officer should be asked to give at least one raid or survey case in one or two years of his posting. Similarly, for the excess revenue collected as a result of his efforts he should also be rewarded.

Now, I will give some suggestions for black money minimization. For payment of tax arrears, the officer should not ask the source of payment.

Persons belonging to the weaker sec-

tions of the society, who have black money, can build Janata flats costing about Rs.25,000 to Rs.30,000 each. This amount should be deducted from the net taxable income.

MR. CHAIRMAN: Since there is a Half-an-hour Discussion at 5.30, you kindly conclude so that I can allow at least one more speaker to speak.

SHRI ROSHAN LAL: The provision of investigating the source of investment in the specified Government securities should be deleted.

SHRI BHOGENDR JHA (Madhubani): Madam, the Finance Minister has presented the Budget in an atmosphere where the IMF and the World Bank are equally dominating the monetary scene; and when the Socialist world is facing a trouble to some extent self-created trouble.

[Translation]

THE MINISTER OF STATE OF THE MINISTRY OF POWER AND NON CONVENTIONAL ENERGY SOURCES (SHRI KALPNATH RAI): Please speak in Hindi because you speak Hindi very fluently.

SHRI BHOGENDR JHA: All right.

Madam Chairperson, the socialist world is passing through a traumatic period in their attempt for democratisation. The problems faced by the public sector and the common people are being neglected. While welcoming the democratic system, I consider it necessary to point out that howsoever undemocratic the socialistic set up may be, it is more democratic to the innumerable workers working in the democratic capitalistic system. Still the attempt to bring democracy is welcome and it should have been brought earlier. It should be done rapidly now. The problems that are cropping up on the financial front should be a warning to us. Our newspapers are perhaps mocking at the terms and conditions imposed by the U.S. Secretary of State and President on Russia and their interference in Russia's internal

affairs during the last two or four days. Russia is the most powerful state in defence matters and if they are being threatened what will be our fate. It will be disastrous not only to our country but to nearly one hundred countries where no one will be left to raise voice. In this background, I understand that our Minister of Finance had to bow his head before the World Bank and IMF... (Interruptions)... This country cannot be easily sold but he has bowed his head in submission. He made an attempt to meet the basic problems facing the country and tried to fulfil the commitment made in their election manifesto to bring down the prices within 100 days but I understand that his efforts proved futile owing to the wrong stand taken by the World Bank. The prices are increasing at an alarming rate. Despite having an experienced Minister of Finance in the economic field, inflation is increasing at the rate of nearly 20 percent. Is this the outcome of his entire experience. Does it mean that crores of working people are being deprived of what they earn? They toil hard to earn money and their hard earned money is reduced to lower value. The financial policy adopted by this Government has accelerated the pace of lowering the value of rupee.

Madam, a lot of propaganda is being made in the name of private sector. Some of my friends have spoken here but I did not like it. The affluent people make the politicians speak here or compel them to indulge in corruption. They want their representatives to speak here openly. In democracy there is freedom of speech. We have adopted mixed economy right from the very beginning. Public sector was formed not to adopt the policies of communists or Nehruji but it was an imperative. The public sector was formed with the objective of developing our backward country and also on account of the fact that the multi-millionaires were not prepared to invest money in it. Nobody from foreign countries were ready to extend any kind of assistance to the basic industries. In a seminar held way back in 1958-59, the representative of U.S.A. Mr. Kennedy pointed out that India is symbolised by spinning wheel and plough and as such it should not

[Sh. Bhogendra Jha]

imitate the ways of western world or the world of machines. Thereafter, we had to move towards industrialisation and through the assistance extended by the Soviet Union from the socialist world we developed our basic industries and made progress in the public sector. That was the amalgamation of public and private sectors. The owners of the newspapers are multi-millionaires of our country. These newspapers are run with the money of the public sectors and with the money of the public collected as taxes. Government and the public spend money on advertisements. The newspaper industry makes profits through these advertisements and criticise the public sector. I would like to know from the Hon. Minister of Finance whether there is even one whole-sale trader in the entire country who is doing business with his own money. Certainly not. Money taken from public sector and common man is invested in their business and then criticise the general public by saying that you cannot run this society and you cannot run this Government.

I am saying so because the newspaper industry is in their hands and people read only the headings. I want the Minister of Finance to place the facts relating to the money taken by private sectors for investment in different industries and the amount involved in it before the House and the country. They have taken a large amount of public money and I am not happy. I want to point out that by doing so they are harming the public sector and the society. I hope that the voice raised in response will not be the voice of the Minister of Finance, Shri Manmohan Singh but the voice of the entire country.....Our country cannot make progress without the public sector. Nehruji once said that...(Interruptions)...

[English]

MR. CHAIRMAN: May I request you to sit down for a while? We are supposed to take up Half-an-hour Discussion at 5.30 p.m. I have also been informed that we have to

pass the Finance Bill today.

SHRI RAM KAPSE (Thane): No. It was not decided in the Business Advisory Committee. I was present there throughout.

This Bill has to be passed today.

MR. CHAIRMAN: Half-an-hour Discussion is to be taken up now. So, I would request you that you can continue your speech after the discussion is over.

SHRI BHOGENDRA JHA: I have to go to attend some other meeting after this. If later on you can give me time, then I will sit down.

MR. CHAIRMAN: After the Half-an-hour Discussion is over.

SHRI RAM KAPSE: It was not decided at all that we will sit after 6 p.m.

SHRI CHITTA BASU (Barasat): Will the House sit today after 6 p.m.?

MR. CHAIRMAN: I think it has already been decided that the House will be sitting upto 8 p.m.

SHRI RAM KAPSE: No. It was not decided in the BAC. I was present there throughout.

SHRI BASU DEB ACHARIA (Bankura): When was it decided? I do not know about it.

SHRI KALP NATH RAI: Today, the Finance Bill will be passed.

MR. CHAIRMAN: All right. Please sit down. How long are you going to take to finish your speech?

SHRI BHOGENDRA JHA: Fifteen minutes.

MR. CHAIRMAN: That will be too long a time. I would ask you to conclude your speech within five minutes. If the House agrees, then after that we can go on to the Half-an-hour Discussion.

SHRI BHOGENDRAJHA: Exactly within ten minutes.

MR. CHAIRMAN: Does the House agree to his request?

SEVERAL HON. MEMBERS: Yes.

[*Translation*]

SHRI BHOGENDRAJHA: The Minister of Finance has mustered courage to tell the people that he cannot control price rise. My submission to him would be that he may make an announcement in the House today or tomorrow that whatever money has been given by the banks to the whole-sellers or individual traders, be returned by them. I am not saying about industry, I mean to say that the money from the banks may be advanced through S.T.C. and F.C.I. for providing goods for running the public distribution system. Leave the private trader free to act. Let him make investment in his trade on his own and in case you make the announcement tomorrow then prices will come down. That will fulfil the promise made to bring down prices within hundred days also. If your intention is clear and you have the will then you can make this announcement. If it is done then we will see as to how much money is available for whole-sale trade. Cement, cloth, sugar and foodgrains worth thousand crores of rupees is lying dumped in godowns. But the consumers do not get it. Thereafter, an impression is created that we fall short of foodgrains and number of consumers is more with the result prices shoot up. The price-rise is artificial. Seventeen and a half crore tonnes of foodgrains was produced which was the highest record. But there was a rise in the prices of foodgrains. If more cement is produced then industrialists claim that there will be glut in the market. If it is not sold, the prices of cement will go up. The same has happened in case of sugar. Prices went sky high with the increase in production. Prices are being increased by taking Government and public money and foodgrains are being dumped in the godowns. You will say that this was decided by the Government which had our support. That Government had

compromised in this matter and had not made any earnest attempt to contain price rise and is still adopting the same attitude. It was also adopted by the previous Government. It means that the power is in the hands of profiteers. They are earning a lot of profit. They collect money from the public and purchase goods at cheaper rates from public and sell these goods to them higher prices. This type of loot is going on in our country. They have a control on the newspapers, they purchase the leaders and parties. They are even capable of toppling and changing the Governments. They are so powerful. Our Hon. Finance Minister has shown some courage to discourage public sector and boost private sector.

Mr. Chairman, Sir, I would like to submit that we have been facing problems in the field of industry, finance and commerce. An hon. member had raised the issue of iron ore. Are we still confronting with the same problem of exporting iron ore and mica? Why should we not export iron and mica as finished goods? Our position is still like a colonial one. The same position is going on. We are exporting raw mica and iron ore and suffering a loss in the international market. We are importing steel from Japan at higher rates. It has been going on for the last several years. Should we not check this trend? Despite low pace of progress, our country ranks 10th in the field of industry in the world. We could enhance our production from 5 crore tonnes to 17 1/2 crore tonnes in the field of agriculture since 1985. Therefore, there is a need to change our industrial and financial policies.

Mr. Chairman, it has been said in the President's Address, Hon. Finance Minister has also said and we are also in the favour of labourers' participation in the management as well as in the production. This can also be introduced in private sector. They should also be entrusted with some responsibility in management and production. Participation of workers in the management should be introduced. He should be given share in the profit, if possible. In this manner, the production will go up. Particularly our industrial policy has been to encourage big industry.

[Sh. Bhogendra Jha]

But Medium, small and very small and cottage industries also have an important role in our economy as we have a large population of 85 crores. Whichever party may come into power, the medium, small and cottage industries will continue to have an important place in our economy. We can neither do without big industries nor without medium industries. The figures given here show as to how many small scale industries are on the verge of closure how many of a them can be expanded at a large scale. If we finance and promote our small sector and cottage industries, it would help us to become self-sufficient and we would be able to compete with other countries.

Mr. Chairman, I do not have enough time to quote figures. I would request that we can increase production by promoting small scale industries. The Congress Party had also promised to provide employment opportunities to unemployed persons. All the Governments have been giving assurance to remove unemployment. I am not insisting on providing jobs to unemployed persons. I am insisting on getting the benefit of potentiality of crores of youth. I am viewing the problem of the unemployment with this angle. The capacity, skill and intelligence of the youth are not being utilised in increasing the production and in the development of the country. It is a national loss. In this regard, I would urge upon the hon. Finance Minister to dwell upon it while giving a reply. If it is not possible to provide employment, provided self-employment opportunities to the youth, whether they are educated or uneducated with a view to enhance the production of the country. They should be helped by providing financial assistance and resources, so that we could utilise the manpower to increase production. I am talking about different types of production. It may be in Punjab or Haryana or in Bengal. The people who came from Pakistan to Punjab were very poor. Now they have become millionaires. This is an example for the whole country. I would request the hon. Finance Minister that we should introduce some model programmes

in which educated had uneducated people should come forward. About 20 years ago some uneducated people and started the work of shoe-making at my instance. They are now millionaires. They are grateful to me as I had assisted them. I am grateful to them as they stood against all odds and became successful. I wear shoes made in Madhubani, which is Comparatively better than Bata. Though the price is less but the quality is better. Thus, I would request that steps should be taken to provide financial assistance and resources for self-employment to educated and uneducated people. Some burden should be put on banks. Banks hesitate in giving them assistance since wholesale businessmen can give the bribe. But this class can't give the bribe. In this way some bungling is going on in the matter. Sir, that it is a policy matter and there are some problems in it. On 10th September, gazetted and non-gazetted officials of Bihar Government and teachers and come to stage a dharna for the purpose of getting exemption in income-tax. Some of our colleagues were saying exemption should be raised upto Rs. 48,000/- someone will demand exemption upto 50,000/- also. Hon. Finance Minister, is it not possible to link exemption limit of income tax with price rise. The limit of exemption in income tax should increase in proportion to the price rise as the pension of Central Government employees increases automatically with the increase in prices. Otherwise, there would be agitation and strikes why should we allow time to be wasted like this in and outside the House? It is not such a big issue. You fix the amount for the purpose of income tax. The income tax exemption limit will increase in proportion to the price rise, automatically. The Government, the country and the income-tax payers will not have to face this problem. Income-tax advocates may suffer some loss. They would be receiving less number of cases.

Mr. Chairman, in this regard I would like to say that some people of Bihar had come on 10th September. It is not the matter concerning only Bihar, but it involves the whole country. There is one matter relating to royalty. On 3rd September, all the Com-

munist M.L.As and M.Ps. of Bihar staged a dharna. We people in the form of a delegation had met the Finance Minister and requested him that the mineral and coal producing states like Bihar, Orissa and Bengal get royalty on these items on the basis of weight and not on their value. The pace at which prices are increasing cause loss to these states, they are unable to make progress. You will not be able to pay so much of money. Therefore, I request that you fix the royalty of coal on the basis of its value. Then this problems will also be solved and the Chief Minister will not have to go on hunger strike as was announced by him. Why do you keep such matters pending to give chance to raise hue and cry in and outside the House and to resort to agitation. Therefore, you also fix the royalty on the basis of the value of the commodities. There is also one important aspect of freight. The people living nearby the coal mines of Giridih, Dhanbad and Jharia get the coal at the prices at which it is available to the people of distant place like Trivandrum etc. They have to suffer loss because of freight content in the prices. The backward states suffer loss on account of it. Therefore I would like to request to consider this issue also. If you consider it unjustified, then you should accept it openly before the country.

Mr. Chairman, I have taken my time. Some relief measures have been discussed just now. This budget has given a severe blow to the farmers as the subsidy on fertilizers has been removed totally. I think that it has been opposed. Even Congressmen have opposed it. It has been decided to continue to give subsidy on fertilisers for the marginal and small farmers. Some of our colleagues remarked that we want to cause a rift among the farmers. But I am unable to understand it. I understand that it has proved a great victory for the three-fourth of the farmers of the nation, it has proved the success of our democratic pressure, but something has to be done for those who have been left regarding fertilizers and it is necessary to do for increasing the production. You should encourage the production of grains. The remaining 20 to 25 farmers are rich, but you

should continue to grant the subsidy to them also so that production may increase. There are all type of categories among them. Rich persons are also there and there are exploiters also. Only after completing it, you should take further steps.

Needless to say, that you have reduced the price of kerosene after a demand was made from all sections of the people. I think it is a great victory of the poor. Government has been compelled to withdraw the hike. So far as I remember, this is the first occasion when the prices did not rise. They did not increase rather the price of kerosene oil decreased. It was good but you have to think about diesel also, which is used in buses and causing hike in bus-fares. The common people travel by bus. They can't afford to travel by car. Therefore, you have to think as to how to lessen the burden on the common people. You should give a statement regarding this while replying to this Bill.

Today, we have problems before us like those of small industries, labourers of several stratas, price-rise. Keeping all these things, in your mind you must take measure that may yield some increase in the revenue. The workers have to be made partners in the management. With this confidence, the mixed economy has to be strengthened. On the basis of my experience, I would like to give you here a warning that if you will keep both the private sector and the public sector at the same place, the public sector can never compete with the private sector, because due to this very reason, we had to resort for nationalisation. Now without producing power, they make money by taking electricity by illegal means from the public undertakings. Therefore, you must take those sector under your control completely which you want and leave those which you do not want. It will not be proper to keep both the sectors under your control simultaneously, whichever sector it may be.

Regarding the sales-tax, as perhaps our colleagues have stated nothing on it. I would like to urge that you should levy a single-point sales-tax. You start to levy a

[Sh. Bhogendra Jha]

single-point sales-tax. If you levy sales-tax on several points, the states may have a grievance for all the time. Calculate your account for five years or ten years. The States must be given their portions in proportion to the increase in the realisation of sales-tax, so that the retailers may be saved. Today, bribes instead of sale-tax is being realised from them. Even the one fourth of its money does not reach you. All the shopkeepers have suffered severely and the shopkeepers puts the burden of this on the head of the customer or the consumer. Therefore, if you are able to regulate single-point sales-tax, you should do it first. First, you can roughly calculate it after that you can finalise it. If you can give some relief to them in this way, you must do it.

If you do these, only then we would think that you are taking some new steps. If not, we have to oppose your policy, the outlook you have, towards the affect on our national self-reliance, public sector, surrendering before World Bank and I.M.F. and therefore, on behalf of my party, I oppose this Finance Bill presented in its present form.

17.48 hrs

[MR. DEPUTY SPEAKER *in the Chair*]

MR. DEPUTY SPEAKER: The House will now take up Half-An-Hour discussion. Shrimati Suseela Gopalanji.

SHRI JASWANT SINGH(Chittorgarh): Sir, I am on a point of order. Before you resume the discussion on Finance Bill, it would be a matter of convenience for all the Hon. Members, if it could be established as to when the Hon. Finance Minister would like to reply to this discussion and accordingly the House can decide till what time it has to sit today and till what time it will sit tomorrow.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM):

My request to the House and to the leaders of all parties would be atleast if we could finish the debate today, tomorrow the Finance Minister will reply and we could take up the consideration of the Bill and also Clause by Clause consideration because that itself would take sometime. Tomorrow being a Friday, we have Private Members' Business at 3.30.P.M. Normally, we do not sit after 6 o'clock and there is a lunch break also tomorrow. So, keeping all that in mind, my request is that the House may sit late tonight and if anybody wants a dinner, I can organise that also. But, we should complete the debate today so far as the speakers are concerned and leave it for reply tomorrow with voting. That is the most convenient way. Otherwise, ultimately what happens is that the Finance Bill will go on and on and I do not know when we will see the end of the discussion. We are ready for reply even today itself. I think this is the suggestion which I thought is agreeable to Shri Jaswant Singh.

SHRI JASWANT SINGH: Mr Deputy Speaker, Sir I do not think the Hon. Finance Minister's reply to as important a Bill as the Finance Bill can be ordered on the spot as the Hon. Minister of State for Parliamentary Affairs has said. There are a number of speakers still left. I have just consulted various parties and found that there are very many numbers of speakers that are still left, who wish to contribute whatever they desire to this debate. Even if we sit till eight o'clock, it will not be possible practically to finish all the speeches. Then there are various amendments also. The whole procedural aspect is there. The reply of the Finance Minister is not merely replying to an ordinary debate because it is linked with the entire procedure of the passing of the Finance Bill. Then there are various amendments and the movers of those amendments, etc. So, with due regard for the difficulties of the Minister of State for Parliamentary Affairs - his is a very thankless job, I realise that - I put it to him that I do not think the debate can possibly conclude at eight o'clock today.

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): It cannot.

SHRI JASWANT SINGH: Personally I discussed it with some people here... (*Interruptions*). In fact, I think it can be that tomorrow before the Private Members' Business and after the Private Members' Business, for however long it takes, we sit and finally dispose of the Finance Bill tomorrow itself. The Private Members' Business will be finished at six o'clock. A certain amount of disposal would take place of speakers before the Private Members' Business starts at 3.30 or 3.45, whatever it is, and after it finishes at six o'clock. It will be much neater and tidier to dispose of the Finance Bill in that fashion. That would be my submission.

SHRI RANGARAJAN KUMARAMANGALAM: There is also another problem, Sir. If tomorrow we are only going to take the Finance Bill, then there are other Government business also which are slated for tomorrow. Keeping that in mind, we had agreed in the BAC that we have the BCCI discussion on Saturday morning.

AN HON MEMBER: Not in the morning, at three o'clock.

SHRI RANGARAJAN KUMARAMANGALAM: No, the discussion is supported to start in the morning and finish by three o'clock. Now we can reverse that. Let us start the BCCI discussion also after four on Saturday and let us finish... (*Interruptions*). May I suggest that we discuss in the chamber because there are complications overall. Let the Half-an-Hour discussion go on. We will discuss it and sort it out.

SHRI JASWANT SINGH: No, we cannot, because we have to see the collective interest of the House.

SHRI BASUDEB ACHARIA: When can we sit in the chamber?

SHRI RANGARAJAN KUMARAMANGALAM: Now... (*Interruptions*).

Sir, if we are going to start a debate on the whole *modus operandi* of when reply should be given, etc. in the House, we are

wasting the time of the House. A lot of this could be done in the Chamber. Let the Half-an-Hour discussion go on. We have the time to discuss it and let us discuss it and sort it out amongst ourselves. And come to a conclusion. Meanwhile, let the time be utilised for the Half-an-Hour discussion effectively.

MR. DEPUTY SPEAKER: May I request Shrimati Suseela Gopalan to commence her Half-an-Hour discussion?

17.54 hrs.

HALF-AN-HOUR DISCUSSION

National Commission for Women

[*English*]

SHRIMATI SUSEELA GOPALAN (Chirayinkil): Sir, I raise to rise Half-an-Hour discussion on the points arising out of the answer given by the Minister of Human Resource Development on August 5, 1991 to Starred Question No. 291 regarding National Commission for Women.

Mr. Deputy Speaker, Sir,, at the outset, I want to thank the Speaker, who has given some time in this tight schedule, besides the agreed discussion on the atrocities on women. On August 5, to a question by Shrimati Malini Bhattacharya about setting up of the National Women's Commission, a reply was given by the Government that decision has not been taken. This House has unanimously passed this Bill... (*Interruptions*)

MR. DEPUTY SPEAKER: The House should not suffer for want of quorum and the ladies speaking should not feel that they are not cared for. So, care should be taken. You can continue Suseelaji.

SHRIMATI SUSEELA GOPALAN: Sir, this House has unanimously passed the Bill for constituting a National Women's Commission. It was the long-standing demand of

[Shrimati Suseela Gopalan]

the women's movement in the country that a National Women's Commission should be constituted for going into the various problems of women. In the year 1975 - which was the International Year of Women - the participants in the United Nations Conference suggested that all member-Governments should establish in their countries such national commissions, committees and bureaus to develop the status of women in the world. By the year 1985 many countries did set up such commissions. Recently SAARC also had called on all member-countries to establish such commissions in this field.

We constituted the Status of Women's Committee in 1975. But, within a year, that Committee submitted its report and there ended the function of that Committee. A Women's Committee for self employment was also constituted which too submitted its report. That Committee was also for one year. No permanent body was set up. The National Women's Committee was there. Shrimati Geeta Mukherjee will be able to tell you in detail about the functions of that Committee. Actually there was no function at all in that Committee. Actually no effective step in any direction was taken to take suitable steps to develop the position of the women in the society.

Sir, why are we asking for a Women's Commission? We all know the deplorable condition of our women in India. 60.58 per cent of them are illiterates. 90 per cent are working in the unorganised sector. 65 per cent of pregnant women are eating malnutrition food. One out of eighteen women die during the pregnancy. Infant mortality is also high at 91. The sex ratio has come down to 929 women for 1,000 men. In 1981 the Government was telling that we have achieved an improvement in the sex ratio; because sex ratio at that time was 933 women for 1,000 men. In the next ten years it has come down to 929 for 1,000. What does it mean? Atrocities on women are increasing. Sex determination tests are going on unabated. New technological changes

have also started throwing out women from the organised sector. They will be thrown into the unorganised sector. That is the result of this indiscriminate mechanisation and attitude adopted. Throwing women from whatever little employment they have got, is becoming a regular feature.

Many legislation are passed. But many of them are not implemented. Some of the achievements are being taken away by retrograde steps like the Muslim Women's' (Protection of Rights and Divorce) Act, 1986 and some unwarranted sections in the Sati Prevention Act, 1981 which have deep implications not only for women's side and to justice, equality and freedom but to the political and social health of the nation. The result of this is compromise with fundamentalism.

18.00 hrs

MR. DEPUTY-SPEAKER: Just a minute. Is it the desire of the House that we should sit for half-an-hour more?

SEVERAL HON. MEMBERS: Yes.

MR. DEPUTY-SPEAKER: Now, Suseelaji, you continue. I just wanted to take the permission of the House for extension of time for this.

SHRIMATI SUSEELA GOPALAN: We are witnessing the result of these compromises in our country today. We had compromised with fundamentalism from all sides. With minority fundamentalism and majority fundamentalism we compromised. We are all witnessing the result today. Approximately 2,500 recommendations regarding women's issues were made since Independence. There are extremely important recommendations such as Ila Bhatt commission's recommendation on self-employment of women. Several recommendations of the Law Commission are still remaining unnoticed. The Status of women's Committee Report, 1975, has not been implemented. The main recommendation was for setting up a National Women's Commission. That also was not done by the congress Government. No re-

view of the programme was made. It was waste of money and time because it is not mandatory on the Government to accept the decision and implement it. The crucial question is that it is the Government that is violating the Constitutional guarantees given to women. Innumerable struggles were conducted by women's organisations and put prolonged pressure for the amendment of Dowry Prohibition Act and for constituting family courts. Because of pressure the Government was forced to pass some legislation. But what happened afterwards? A family court was meant to be established in every district with counselling centres. I would like to know from the Government how many courts have been established. In 1984 the legislation was passed, but how many courts are being established? We have approached many State Government, but they are saying there is no money because in every district they have to set up courts and there is no money. They are not setting apart any amount for this purpose. Amount should be allocated by the Planning Commission. So, when pressure is put, you will pass legislations. But in very few place family courts are set up. One family court in the Capital will not serve any purpose and the amount sanctioned for this is also very much inadequate. That is the state of affairs. Why should we pass a legislation then?

About the Dowry Prohibition (Amendment) Act, so much agitation was there. We actually picketed the Parliament twice or thrice and so much agitation was there for the constitution of a Women's Commission. That was finally passed here, But where is the Dowry Prohibition Officer? Every district should have one Dowry prohibition Officer. But did you make any effort? The State Governments are telling they have no money. What is the solution to this? And you are complaining that there is dowry death, harassment and everything against women. But what is the purpose of the law passed? Law was passed, but the Central Government did not take any initiative to implement this legislation. In 1984, I said in this Parliament that all these legislations can be kept in the archives for the future research students to

study and say that none of these legislations were implemented. This is the fate of many social legislations. What steps were taken to see that these legislations are implemented? So, women's organisations unanimously passed a resolution to constitute a National Commission for Women with statutory powers. All the women's organisations and the Social Welfare Board Chairmen were called for a meeting to discuss the Perspective Plan for Women. We discussed the Perspective Plan, we have our own reservations on it. Afterwards, in August, 1989, 43 women's organisations convened a convention in Delhi and passed a resolution requesting the Government to constitute the Women's Commission, but no positive response was there. Finally, the National Front Government brought a Bill with many lacunae and flaws and the women's organisations protested. As a laudable departure from the Congress Government's policy, the National Front Government re-discussed it with the Women's organisations and changed it substantially although some weaknesses are still there. But they were prepared to discuss with the women's organisations. Not only that they discussed with trade unions, youths and so on, they were prepared to discuss with everybody as to know how the beneficiaries in this country are thinking and how they are feeling about these legislations. Actually, the Congress Government was never willing to discuss with concerned organisations. So, after the discussions, the bill on Women's commission it was substantially changed. I can tell you, this is the best Bill ever passed in the world. It means that this is the best Bill passed in the Third World countries and the capitalist countries. I exclude socialist countries, because they have a separate system. This Bill was passed unanimously in this House. Why are they reluctant to implement it now? Not only that; you have a suggestion to have a Women's Rights Commissioner. In a country with so many languages, cultures and multifarious other problems, will a Commissioner be able to tackle the problems of women in a proper way? When we talked to the Minister, he was telling that they are trying to amalgamate both the Women's Commission as well as

[Shrimati Suseela Gopalan]

the Women's Rights commissioner. How is it possible? It means that you want to put on all powerful bureaucrat on the National Women's Commission. There are forces within the bureaucracy which are fighting against the National Commission for Women. When this Commission is constituted. Their work also will be maintained it is going to monitor as to how the Acts are implemented and how the Government is responding with regard to the problems of women. They can demand records from the departments. They can opine on them and give them to the Government with their opinion for correction. Now, there is nobody to monitor it. Whatever violation is taking place, nobody can actually do anything. Everything is happening every day. Women are suffering so much and there is so much discrimination against women in every walk of life. Sexual harassments are being meted out to women in various sectors where they are working. Who is there to monitor and check all these things? That is why, we suggested that there should be an autonomous body. But the Congress Party has objected to it. They want a Governmental body so that as usual, they can tackle these things. But I tell you about the experience of the Third World countries and the capitalist countries where commissions were set up without proper power and money this resulted in failure. In very few countries, they have achieved some progress. For example, U.K., U.S.A., France and Scandinavia. Even Pakistan has set up a Commissioner for Women. But they did not give enough powers, it was not an autonomous body. No money was given. Actually, in the initial stage, with the passing of some legislation, like equal pay equal work, some little progress was made. But again the women were very much demoralised by the functioning of the Commission. They were not happy.

So, the only solution to tackle these problems pertaining to the women is to constitute autonomous commission. That is what we are demanding. Once again, I appeal to the Government not to force the women's organisations in the country to come to the

street for the implementation of the law which is passed by this Parliament. That is my request. It is very easy to implement this thing. The people from various walks of life should be represented in the Commission and they should go into the various problems of women as to how those problems should be tackled and how the various welfare laws are to be implemented. All these things should be done.

I am very happy, Kumari Mamata Banerjee is there in the Government, on the other side. As a Minister, she has to fight within also. It is not only outside but within the Government also you have to fight. We will fight for the women's cause from outside. Otherwise this Commission will not come into existence. Government does not want autonomous body. So, I request the Government to immediately constitute a National Commission for women with proper and adequate money. That should be done. The future of the country is linked with the change in women. Then only, there will be progress in the country. Whatever developmental works you organise, without change among the women, there would not be any progress. You are seeing that in every field.

With this, I request the Government to positively react to the question of constituting of National Commission for Women.

SHRI SUDHIR GIRI(Contai): Mr. Deputy-Speaker, Sir, I join with Shrimati Suseela Gopalan and the women folk of our country to express our deep concern for the negligence of the welfare of women by the Government.

Due to the existence of feudal system for centuries in our country, the womenfolk have been denied the opportunities and advantages which are due to them.

In this backdrop, various laws have been passed by the Government at the Centre as well as in the States. Various policy measures have been adopted by the Centre and the State Governments. But there is nobody to look after the machinery which is to imple-

ment all the laws and policy resolutions. So, there is a need and the need is great to establish a National Commission for Women and not National Commissioner.

In this backdrop, I want to point out that the Minister when he replied to the question under discussion said that they have not decided to implement the provisions of the Bill for National Commission on Women passed in this House. On this, a delegation of women MPs met Mr. Arjun Singh and he said that they are not opposed to implementing the Bill on National Commission on Women. He pointed out that they are considering how much they could harmonise the concept of Commissioner's Office with the Commission on Women.

The Minister for Women and Child Development has said that they have not decided as yet. The Bill on National Commission on Women was passed in this House unanimously. Various women organisations and various organisations concerned with women's welfare had suggested various measures and those measures were included in the National Commission on Women. So the Government at that time supported the Bill. Therefore, I think the Government run by Congress stands committee to implement the provisions of the Bill.

MR. DEPUTY SPEAKER: We have to close at 6. 30 PM.

SHRI SUDHIR GIRI: To make my question effective, I should made my background effective.

The Government has confused the concept of Commissioner's Office with the Commission on Women. This concept was discarded in 1988 when it was presented in the National Perspective Plan. The 25th report of the UN on Status of Women and the Report of the Committee on the Status of Women in India recommended unanimously that there shall be set up an autonomous and statutory women's commission in our country. But in the Congress manifesto, the concept of Commissioner's Office was revived.

This has created doubts in our mind why such a Commission has been delayed and why they are dilly-dallying the implementation of the Bill on National Commission on Women.

So my very brief question is this: In this background, when the welfare of women is very much desired in our society, whether the Parliament both male and female joint together to have a National Commission on Women to be set up.

My pointed question is: What are the reasons for dilly-dallying the implementation of the Bill which was already passed by this House? My next question to the Hon. Minister is: Will she give a definite assurance that within a short span of time, the Bill will be implemented? These are my questions.

PROF. SAVITHRI LAKSHMANAN (Mukundapuram): Sir, we, the women, are contributors and partakers along with men and are in the mainstream of national development. I am sorry to say that it remains, so only on papers and files. We see the case of Muthamma, Ameena Aneetha Dhawan etc. every other day in this country. There were Chief Ministers in this land who were justifying or describing raping as a common phenomenon just like drinking a cup of tea. When this comment was made by an ex-Chief Minister in Kerala when he was in power, teenage boys used to comment on the girls by asking the question: Are you coming with me, to have a cup of tea?

SHRIMATI SUSEELA GOPALAN (Chirayinkil): This was corrected by the Chief Minister himself.

PROF. SAVITHRI LAKSHMANAN: This is the condition of the poor women in our sovereign State. The Ameena's case was well-discussed in this House. Some of the Hon. Members having children of the same age of Ameena have expressed their deep sorrow for not allowing Ameena to be looked after by any women's organisation or individual. I do appreciate this feeling. But it is reported that a sixty-year old man Kheema

[Prof. Savithari Lakshmanan]

from a village in West Bengal bought a 12 year-old girl for Rs. 5000/- and married her. Some of my friends may be interested in collecting the data and the political interests of that particular person. But to me no matter who the man is. Let the man be from any party, caste or creed, he is a human being humiliating the girl child. It is reported that this man is now under the police custody. But the girl child has been admitted into a juvenile centre, for what crime? In this particular case, the accused is not a foreigner, but he is an Indian. I never expected such a brutal act from a so-called revolutionary State like West Bengal. I narrated this story only to express the sad condition of the women of India.

Coming to my point I would like to know from the Hon. Minister whether the Government have any plan to decentralise the powers of the National Commission for Women at the district level and at the grass-root level. That is all I wanted to ask.

Thank you.

MR. DEPUTY-SPEAKER: Now, I would request the Hon. Minister to reply.

SHRIMATI MALINI BHATTACHARAYA (Jadavpur): May I seek a clarification?

MR. DEPUTY-SPEAKER: Yes.

SHRIMATI MALINI BHATTACHARYA: My question to the Government is: In what sense in your election manifesto you have talked about setting up of the Office of the Commissioner for Women's Rights? Even after the Bill On the National Commission for Women was passed in this House, it was not implemented.

MR. DEPUTY-SPEAKER: Just a minute. After the Minister's reply is over, you can just put any question. You may do it at that time. It will be a new precedent. That is why I am telling you.

SHRIMATI MALINI BHATTACHARAYA: That is all right.

THE MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (DEPARTMENT OF YOUTH AFFAIRS AND SPORTS AND THE DEPARTMENT OF WOMEN AND CHILD DEVELOPMENT)(KUMARI MAMATA BANERJEE): Sir, instead of allowing half-an-hour discussion, you should have allowed a full discussion on this subject.

MR. DEPUTY-SPEAKER: This suggestion is coming at the fag end of the hour.

KUMARI MAMATA BANERJEE: Everybody's intention is this. (*Interruptions*)

[*Translation*]

KUMARI MAMATA BANERJEE: Mr. Deputy Speaker, Sir, first I would like to congratulate Hon. Speaker, who has provided the opportunity to discuss on this issue in the House. I would like to congratulate Shrimati Suseela Gopalan, Sudhir Giriji and Savithri Lakshmanan for their good suggestions. I too ponder several times over literacy, infant mortality, atrocities which you have mentioned. I cannot claim that today atrocities in Hindustan are not being committed and ladies are not suffering from the atrocities. I cannot claim so. But it is also not proper to say that Government is sitting like a puppet and doing nothing in this regard. This is also not correct. Hitherto our Government has not taken any decision relating to National Commission for Women. Why not? It does not matter whether it is National Commission for Women or Office of Commissioner for Women. What matters is that our Government should say something about it. We are also thinking about it. It will be good if a law is formulated, a commission is appointed in which the problems of women may be solved. It does not make any difference whether it is the issue of National Commission for Women, Commission for Women Rights. But the matter is that the laws we have and which the Parliament has passed, several such laws like- Dowry Pro-

hibition Act, 1961, Immoral Traffic Prevention Act, 1956, Individual Representative of Women Prohibition Act, 1986, Commission on Sati Prevention Act, 1987, National Commission of Women Act which was notified but yet to be implemented, the V.P. Singh Government too fell, but the act could not be come into force even after the notification of the Act. But this has not been furnished till now. Besides these there are many other laws. There are Hindu marriage Act, 1955, Special Marriage Act, 1954, Hindu Succession Act, 1956, Hindu adoption of Maintenance Act, 1956. There are so many Acts with us... (*Interruptions*)... Please let me speak. There is need to be implemented these only. Law and order is a state-subject. Its being a state-subject, the total responsibility to implement the Acts rest on State Governments and Union territories.

I would like to request every member of the House to insist the State Government as to why they are not taking stringent measures to implement those acts. For this I want to state:

[*English*]

This is not alone a matter of U.P., Rajasthan, Bengal, Tripura or any other State. It is related to every State. The Government should come forward to take stringent action. At atrocities are on the increase. Are the political parties not responsible for this? Of course, they are also responsible for this.

[*Translation*]

Political atrocities are inflicted on women. Today, you may find it in three-four State. I do not want to make the debate controversial to hurt anybody. But it is a fact, our party is not ruling in my States, but the party which is ruling there will torture. The party ruling in Tripura, will torture my party. In the other State, my party will torture the other one. First of all, political atrocities should be reduced. Leaders of all political parties and their workers should think over the matter. They should espouse the women's cause. When political leaders and workers come to

deliver a speech they must have a compulsory subject. My submission to the political leaders is that they should speak against the atrocities on women. I call upon the leaders of the political parties to provide special protection to women. We are moving towards twenty first century, but it is very distressing that our women are still being treated as show pieces. Our women are in distress. They are not physically fit. As such they are being subjected to atrocities, molestations and rape. There should be no such thing. If India has to make progress, women should be brought forward: if they are left behind, India cannot make progress. Swami Vivekananda once said. (*Interruptions*)

SHRIMATI MALINI BHATTACHARYA:
You should speak about the commission. (*Interruptions*) Swami Vivekananda had said that India cannot march ahead unless our women are awakened. Women will have to be brought forward if India wants to make progress...(*Interruptions*)...I know what I have to say. Even if you insist on me you would not succeed. We will do a thing what we are supposed to do. (*Interruptions*) Sometimes parties think that this matter does not concern them. Our Government is thinking for women and paying attention to them. In 1975 Mrs. Indira Gandhi constituted a national commission on women. During the years 1977 and 1989 the matter was widely debated. But office of the commission could not be set up. It takes time, but nothing concrete could be done Congressmen remain consistent to their words. They never back out of the same. Shri Rajiv Gandhi during his tenure as Prime Minister left no stone unturned to achieve the target, but after that elections were declared soon. (*Interruptions*)

First listen to me. He could not do it due to elections. Then Shri V.P. Singh's Government also came to power. (*Interruptions*)

They also could not do as the elections were round the corner. The National Commission of Women Act was not applied in Shah Bano case. Just think about it please.

[Shrimati Malini Bhattacharya]

[*English*]

The Government had introduced the Bill on National Commission for Women in the Lok Sabha on 22.5.1990. The Bill was discussed in the monsoon session of the Lok Sabha, in 1990. The Bill was debated on 8th August, 1990 and it was passed in Lok Sabha on 9.8. 1990.

It was introduced in the Rajya Sabha on 20.8.1990. It was debated in the Rajya Sabha on 22nd and 23rd of August, 1990. It was passed on 23rd August, 1990, by Rajya Sabha, It was a fact and the National Commission for Women Act, 1990- No.20, was notified in the Gazette on 31.8.1990. However, it has not been brought into force.

[*Translation*]

Our Government was formed only three months back. Our manifesto stipulates that.

[*English*]

The Commission on the status of women was set up by our Government. We have always believed that a special mechanism for pursuing and monitoring the rights of women should be created. It is, with a view to see that our party manifesto stipulates that the Office of the Commissioner for women's rights will be established to defend the women's rights and for taking timely action, in case of atrocities on women, in the first 365 days.

In the president's Address also, it had been mentioned that we will take measures to enforce all the legislations for women which is already there in the Statute Book. As a first step we will appoint a Commissioner for Women rights for taking the required action for effective enforcement of women rights. I would like to assure the Hon. Members that our Government will leave no stone unturned to ensure respect and dignity of women citizens of our country and will

stringently implement the laws for their protection.

[*Translation*]

First of all we would set up commission for women rights I have also been trying for setting up of National Commission for women. It is not a political issue for women.

[*English*]

There should not be a partisan attitude in this matter. We are also interested in protecting the rights of women.

[*Translation*]

Now it is the discussion stage. When a legislation on National Commission for Women will be brought forward its responsibilities will be specified. It has not yet been decided s to what would be the structure, the function and organisation of the commission for women rights. It would take some time. I would therefore, tell the Hon. Members.

SHRI BASU DEB ACHARIA (Bankura):
An act for this is already there.

KUMARI MAMATA BANERJEE: Act is already there, but unless the law is enforced, people won't get justice.

ONE HON. MEMBER: What is the way out for this?

KUMARI MAMATA BANERJEE: There is a way to do it.

[*English*]

As you have asked the question I want to reply to it.

National Commission for Women will be only at the Central level, according to the Act. Whereas Commissioner for women rights will have the State branches also and district level officers will help the women in

the redressal of their grievances. (*Interruptions*)

SHRIMATI SUSEELA GOPALAN: Commissions are already formed. It has already been enforced in Kerala and in West Bengal, it is going to be passed. It is on the anvil. (*Interruptions*)

KUMARI MAMATA BANERJEE: Please listen to me... (*Interruptions*) . .

The matter is now being politicalised. Please state why this was not done in the seven month's period after the fall of Shri V.P. Singh's Government? There was enough time for this. It was not implemented even after the Bill had been passed by the House. We came to power only three months back. A few days ago 2-3 questions were put in this regard.

[*English*]

I want to reply to the question raised by Suseelaji regarding family courts. The subject of family courts is under the State Government and under the Law and Justice Ministry. So far as my knowledge is concerned... (*Interruptions*)... You asked about the Dowry Prohibition Act also.

[*Translation*]

The august House passed the Dowry Prohibition Act. It is now for the State Governments to implement it. I make a fervent request to all the Hon. Members to ensure that State Governments pay more attention to it. Women face employment problems. They do not get food. All of us should join hands if we want to give priority to rise the standard of women.

[*English*]

We need the cooperation of each and everybody so that standard of women can be raised. Otherwise, it will not be possible to raise their standard of living. (*Interruptions*)

[*Translation*]

Nothing concrete is achieved through these

speeches alone. If proper implementation is not done, what is use of setting up of commissions? A number of such commissions are already there. A large number of officials work in these commissions. But it is of no use when implementation is not done properly. There should be a machinery to take care of all these things. Then I would like to assure the Hon. Members. (*Interruptions*)

[*English*]

MR. DEPUTY SPEAKER: My request to you is to let the Minister say what she wants to say.

(*Interruptions*)

[*Translation*]

KUMARI MAMATA BANERJEE: I would like to say that our department would extend every possible help to women. We want to provide them legal protection, employment opportunities and also extend the awareness generation programmes to them. We are trying to help them through every possible way. But as yet nothing has been finalised about setting up of Commission of Human Rights or National Commission of Women. Because, other Ministers, viz. the Ministry of Law, the Health Ministry, the Department of Education and the Ministry of Agriculture are also involved in the process. So we can not take any decision now. I would like to assure you that after having mutual consultations, we will definitely do something or the other for the development of women.

[*English*]

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): I would like to clarify regarding the family courts. Now, under the Family Courts Act, fortunately or unfortunately, it is provided that the State Governments are the ones which would take decision to set up family courts and to provide

[Sh. Rangarajan Kumaraman-galam]

infrastructure. When they intimate us, we notify it. We have been requesting the States to intimate to us. Since this is a forum where all parties and all States are represented, I request you to take it up with your respective State Governments to impress upon them to kindly intimate the Central Government to notify. The moment they send us the intimation, we are ready to do it. We have written to them not once but many times. We have sent many reminders to the State Governments asking them to do it on a regular basis.

SHRIMATI SUSEELA GOPALAN: Actually, we have approached the Kerala Government on this question. They agreed to set up three family courts in three districts. But the High Court said that in all the 14 districts, the family courts must be set up. They have said that it will not be possible to allow the family courts only in three districts. The real question is to find the money. This is the issue that I raised to which the Minister has not replied. You know that the State Governments will not be able to find so much money. So, my request is to set apart some money in the Plan itself so that these social legislations can be implemented after they are passed.

SHRI RANGARAJAN KUMARAMAN-GALAM: I welcome the suggestion. In fact, I myself have taken it up with the Planning Commission and asked them to provide some amount in the Plan itself for administrative justice especially where social causes are involved. At the same time let me clarify that it may not be necessary to set apart a new building or to establish new infrastructure. In the existing district courts, it is possible to carve out one court for the purposes of a family court. It has been done in other States without incurring additional expenditure.

I understand the situation in Kerala because the High Court has intimated that it would like to start it on a total state-level basis. In other areas, where the High Courts have not insisted on this, they have set up the family courts in certain areas. We will

definitely try to impress upon the High Court of Kerala to allow the Government to set up the family courts in two or three or four districts and let the movement begin because this is in the interest of the people.

MR. DEPUTY SPEAKER: I permit Shrimati Malini Bhattacharya, Shrimati Saroj Dubey and Shrimati Vasundhara Raje to ask some clarifications, as a special case. This should not be treated as a precedent.

SHRIMATI MALINI BHATTACHARYA: It seems the Minister has made a distinction between the Commissioner's Office and the National Commission on Women only in name as if there is no real difference. She has stated that whatever be the name, the work may continue. If this is her point of view, then I would ask her to read the Act again. If I am right, later on she said that first of all they would set up Commissioner's Office and later they would set up the Commission. If this is so, then of course, she has distinguished between the two. So, in that case when an Act is there and when a simple notification is necessary to implement it, why is it necessary to set up a Commissioner's Office now and the National Commission some time later?

Then I would also like to ask that in the National perspective Plan which was submitted in 1988, there was a debate on that and during that debate almost all the women organisations rejected the idea of a commissioner's office for women and instead they recommended a National Commission for Women, a statutory autonomous body. So, I would like to know why even after that the Government have again gone back to that rejected idea of a commissioner's office instead of having a National Commission which was unanimously passed.

Finally, since she has put a lot of responsibility on the State, I would like to suggest to her only that women's problems are not just law and order problems which the State can solve by instituting police action. It is a much more important problem at a national level. We are, of course, recom-

mending decentralisation of State Commissions with district level branches. And, such a State Commission can only function when it is coordinated with a national level body.

So, I would like to have a response to that, Sir.

KUMARI MAMATA BANERJEE: Sir, let me say at the outset that I have gone through all the reports of National Commission for Women and I have also seen the recommendation to have the Commissioner's Office for women's right.

In 1989, when Shri Rajiv Gandhi was the Prime Minister, he initiated steps to set up the Office of Commissioner for Women's Right. If you give me at least one hour's time, I can read out all the proposals.

SHRIMATI MALINI BHATTACHARYA: Sir, the agreed recommendation of the debate on the national perspective plan says that a National Commission should be set up.

MR. DEPUTY SPEAKER: Shall I make a suggestion to the Hon. Minister? Since, it is the fog end of the day, I request the Hon. Minister to call all the lady Members and discuss the matter with them.

KUMARI MAMATA BANERJEE: Sir, I have already discussed this matter with the lady Members of the House like Shrimati Geeta Mukherjee and others.

I agree that it is an important problem and the Central Government should do something in this regard. But, there are some rules and regulations. Law and order is a State subject. So, Central Government cannot interfere in any State matter. I request Shrimati Malini Bhattacharya to recollect that when one lady named Anita Dewan was brutally murdered in West Bengal, so many reputed ladies went there to attend some function and they were also murdered. We asked for a CBI Inquiry but it was not held because law and order is a State subject and Central Government cannot interfere in it.

Why I am worried? If something happens in Tripura - if it is not a Congress ruled State - the Opposition Members will shout. When it is a question of West Bengal, they will not say anything. It is not a matter of West Bengal or Tripura. We should not take these matters as matters that come under the State subject. When I am not in power, then I will criticise. When they are not in power, they will criticise. That is why, we are going to establish the Office of the Commissioner of Women Right for giving protection to women.

Regarding National Commission for Women, the President has already stated in his Address that we are going to set up such Commission. (*Interruptions*) No decision has yet been taken. I am not telling you that the matter is closed. The matter is not closed. (*Interruptions*)

MR. DEPUTY SPEAKER: Shrimati Saroj Dubey.

[*Translation*]

SHRIMATI SAROJ DUBEY (Allahabad): Mr. Deputy Speaker Sir, the Minister has been trying to give a reply since long and has related the miserable condition of women. I would like to know only this much as to why does not the Government give a straight reply about the present position of State Women Commission in which had been constituted by the National Front Government in order to bring the women to the national mainstream by raising their social, economic and political status? I would further like that the Hon. Minister should give a clear cut reply about the Constitution of National Women Commission. Will a Woman Commissioner be appointed? Please let me know whether the woman commissioner, who will be a Government officer, will have the same powers as that of the Chairman of Women Commission.

Mr. Deputy Speaker, Sir, I would also like to say that there are already a large number of officers and bureaucrats who have been appointed to ensure women's

[Shrimati Saroj Dubey]

development in this country. Still, what are the reasons that innocent girls like Ameena are being sold every day? girl like Sugma are being tripped of their dresses on the roads, Injustice is being done to women agricultural labourers. The condition of women is very deplorable. If I go on relating the tortures our women are being subjected to, our eyes will be filled with tears. That is why I want to know about the safety of those suffering women. Why does not the Hon. Minister give a straight reply? Why does she want to pass on this work of bringing awareness among women to officials? Why does not she announce the constitution of National Women Commission?

[English]

SHRIMATI VASUNDHARA RAJE (Jhalawar): MR. Deputy Speaker, Sir, thank you very much for giving me an opportunity to speak.

Obviously, we are all very exercised about this issue. We have been exercised about it for the whole of this particular Session. I do not want to make a lengthy speech on this.

I would like to slice through the Whole thing. Since the issue is of such a burning importance, since we are all worried about it, is it not necessary that we should come to the conclusion quickly? You meet with the people and discuss with them. Are you willing to sit down and give yourself a time bar within which you will put up a framework which is going to take care of this situation? We are not going to face this day-to-day occurrence—whether it is in the House, whether it is outside to read it in the papers—because it is extremely shameful. So, whether it is my Hon. friend Shrimati Malini Bhattacharya over here or Saroji or the Minister or myself or any Member of the B.J.P. I feel that we are all worried about it. I think, even the male Members, when we started the discussion on atrocities on women or any such problem, I find that there is a general hilarity in the

House and they tried more often than not to disturb the ladies—whether it is the Minister or for that matter anybody else—who are worried about this.

So, there is no point in arguing further. I think, all of us have to sit down and decide about it. Why hair-splitting? Why do we say anything about the State Government or the Central Government or the National Commission? Let us come down to something which is basic; let us do it soon. Are you prepared to do it and how soon will you do it?

KUMARI MAMATA BANERJEE: I have already told in what way we can do it from our Department, we are ready to do that. I have already said, the name is not a matter. We have to see how we can help the women folk. We are ready to do it as early as possible.

SHRIMATI MALINI BHATTACHARYA (Berhampore): What are your difficulties about setting up a commission for women?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): I propose that we should sit upto eight O' clock and conclude the discussion on the Finance Bill.

MR. DEPUTY SPEAKER: There are a number of Hon. Members who want to take part in the discussion on the Finance Bill. If you all agree, we can sit upto eight o'clock and do justice to the subject. There are Hon. Members who could not get a chance to speak in this Session. Therefore, my humble request is that we should try to accommodate those Hon. Members also. Let every Hon. Member stick to five minutes only. It is no use going on ringing the bell now and then.

SHRI GEORGE FERNANDES (Muzaffarpur): You make it upto 7.30 P.M.

MR. DEPUTY-SPEAKER: Shri R. Jeevarathinam.

18.57 hrs.

FINANCE (NO.2) BILL-Contd.

[Translation]

*SHRI R. JEEVARATHINAM (Arakkonam) : Mr. Deputy Speaker Sir, while welcoming and supporting the second Finance Bill moved by the Hon'ble Finance Minister, I would like to share some of my views for his kind consideration.

He has announced certain tax relief and tax exemption on certain goods and commodities. I welcome them. He has announced income tax exemption on deposits in Rural Land Mortgage Banks, Land Development Banks and Cooperative banks. I welcome the tax relief measures with particular reference to this tax exemption to those who deposit in Rural Banks.

Likewise I heartily welcome excise duty exemption given to beverages made of fruit pulp and fruit juices. Finance Minister has announced excise duty reduction of Rs. 25 from Rs. 300 levied on picture tubes of black and white T.V. sets. The reduction to the tune of Rs. 25 may kindly be further reduced to Rs. 100 so that it could be really beneficial a relief from the budgetary proposal he made earlier.

In order to bring out the black money, Finance Minister has announced that there may not be levying of fine on voluntary disclosure or investment in Rural Housing Schemes. I would welcome this and would like to cite an earlier instance. When Mr. R. Venkatraman was our Finance Minister, he took efforts to bring out black money through the issuance of 'Bearer Bonds'. I request the present Finance Minister to reconsider the feasibility of that earlier scheme.

Now black money deposited in banks attract income tax and it is combined with the income tax already paid by such black money holders. Instead of encouraging black money holders to deposit them in banks, this method of taxation discourage them. Hence I request the Hon'ble Finance Minister to treat such accounts separately and to collect taxes levied exclusively on them.

19.00 hrs.

The ceiling on taxable income remains to be twenty tow thousand rupees. The present day prices and salaries if when taken in top consideration would suggest that even ordinary people could earn easily Rs.1750/- or Rs.2000 a month. Middle class people are the ones who are worst hit by the low income tax ceiling limit now. Hence I request the Hone'ble Finance Minister to raise liberally the income tax ceiling limit to thirty thousand rupees from existing twenty tow thousand ceiling limit. This kind gesture of the Finance Minister would benefit the salaried class at large.

I would also request the Finance Minister to reconsider the slab rates method in the levying of income tax. Those who are in the income bracket of two to three lakhs of rupees find it fleeing to pay a tax to the tune of forty to sixty per cent of their income. This taxation method appears to give rise to black money. Our able Finance Minister should look into this problem in a right perspective. I would like to say that appropriate restructuring would yield better results. In the present circumstances revenues from wealth tax is not good enough. I would like to suggest that wealth tax may be increased to augment the revenue from this area.

There is yet another way to bring out black money. Even our Finance Minister has announced in his Budget speech that investment deposits made in Rural Housing Loan banks will be exempted from income tax. Let me request the Finance Minister to extend this concession to urban housing too. In

[Sh. R. Jeevarathinam]

urban areas several bigger houses and many ordinary houses are coming up. Rise in such construction activities would only help bringing out the black money. This would even help us solving the problem of dwelling units shortage faced by the country. I request the Finance Minister to consider extending this facility to urban housing construction too. This would benefit us to solve two problems at one stroke. Finance Minister has announced several schemes and measures in his budget proposals. One instance of which is the increased tax on petrol and petroleum products. Petrol is used even by ordinary people. Those who own autorickshaws, scooters and hired cars are not well to do. May be those who own Benz cars and such big cars are affluent. Petrol Price hike affects middle class and ordinary people at large. Hence I humbly request the Finance Minister to give thought to this and consider reducing the tax on petrol and petroleum products.

In a way that would cause disgrace to us all, in our Tamil Nadu, world renowned National leader Rajiv Gandhi was slain by the assassins of some terrorist organisation with a wide net-work. Brutally murdered late Shri Rajiv Gandhi had rendered invaluable service to this country and to the cause of humanism and humanity. Hence I request the Finance Minister to issue coin in the denominations of twenty rupees, ten rupees and five rupees embossing his image on them to commemorate the great leader's memory.

I would like to emphasize the need to revitalise the sick units. Of course I have brought this to the notice of the Finance Minister in the Finance consultative Committee too. He has told me that steps in this direction would be taken up once when urgent steps to attend to the present financial crisis are taken. I raised a question in the House and has got a reply from the Minister for Industry about the sick units in the country. He has stated that lakhs of crores of rupees had been invested in about two hundred units which have been declared sick. I re-

quest the Finance Minister to look into this as early as he can. When there are so many public sector industries involving so many crores of rupees breathe hard to continue their existence, we should not be very enthusiastic about inviting foreign investors to run their industries. When Mr. N.D. Tiwari was our Finance Minister in Mr. Rajiv Gandhi's cabinet, he set up a Committee to explore ways to revive the sick units. I would request the present Finance Minister to call for that report and reconsider the feasibility of implementing its proposals. I fervently appeal to the Government to find some way or the other to put an end to this predicament.

There are many nationalised banks spread over the country. I would like to insist upon the Government that their branch offices should be opened in every block.

Government servants are extended loan facilities to go in for construction of houses. I would request the Government to provide this facility to the public also. Housing loans can be given to the members of public too against proper security.

I would like to draw the attention of the Government to the frequent strikes resorted to by bankmen. Our efficient Finance Minister and officials in his Ministry should evolve a solution to solve their problems and steer clear the grievance of the bank employees once and for all. Their condition should be improved in such a way that there is no occurrence of bankmen strike anymore.

Banking service operations have increased manifold. Hence I would request the Finance Minister to open Regional Offices in almost all the District capitals. Building materials like iron and cement are costing more. Prices of several other goods and commodities are also soaring up. We have stated in our Election Manifesto that we would bring down prices. We said we would roll back the Prices. If not bringing them down at least we should put it under check. Our able Finance Minister and Industry Minister should take effective steps under the leadership of our

Prime Minister to check the prices from soaring high further.

It is during National Front rule there was a steep price increase. The seed sown so that time is yet to be weeded out. So I would request our dynamic Finance Minister to curb price rise if rolling them back is not possible now.

Illustrious Shri T.T. Krishnamachari from the southern India was once our Finance Minister. He had rendered a remarkable Service during his stint as a Union Finance Minister. Able Finance Ministers like R.K. Shanmugam Chettiar from Tamil Nadu, Mr. John Mathews from Kerala have all contributed their mite as Finance Ministers in the union cabinets, I wish and I would like to see the present Finance Minister achieve more and carve a niche for himself in the economic history of this country. Fiscal balancing, Financial stability, steady income growth, stable politico-economic structure should be ensured under his able stewardship.

Sir, I thank again the Chair for extending me an opportunity to express my views on the second Finance Bill submitted by the Government in this august House.

[English]

SHRI SOBHANADREESWARA RAO VADDE(Vijayawada): Mr. Deputy-Speaker, Sir, I have the Highest respect to the Finance Minister as an eminent economist. Though I do not subscribe to some of his views, I do not question his sincerity or his commitment to improve the economy of our country.

I have some suggestions to make in respect of the Finance Bill.

Sir, the Government has proposed to give amnesty top very big people, who have got lot of black money. And two schemes have been proposed giving them lot of benefit. But I wonder as to why the Finance Minister was not so kind towards the salaried class people, to the middle income people.

Sir, you are aware that the purchasing power of a rupee has gone down, lot of inflation is there. Right at the moment, the inflation rate is 15.5 per cent and the predictions are that the inflation rate may go up to 20 per cent. In view of this fact, I request the Finance Minister to consider the plight of the middle income group people, who are genuinely submitting the returns. The salaried class people have on other option but to declare their income. Kindly enhance the Income-tax exemption limit to Rs. 30, 000 from the present level of Rs. 22, 000/- or whatever may be the amount that would take care of the inflation rate, the price rise and the purchasing power of a rupee. I suggest to the Government to bring down the tax rates because not only in our country but all over the world, it has been found that the reduction in the income-tax rates have brought more revenue to the Government.

Tax collection will definitely increase; black money would reduce and get channelised into the more productive sectors. So, in this connection, I have a suggestion for the consideration of the Hon. Finance Minister to bring down the rates of income taxes (i) above Rs. 30000/- to Rs.50000/- it may be around 20 per cent; (ii) between Rs.50000/- to Rs. 100000/- it may be 25 per cent; (iii) between Rs. 100000/- to 200000/- it may be 30 per cent; and (i v) above Rs. 200000/- it may be 40 per cent. I suggest the Finance Minister to examine this.

It is really a wonder why this interest tax @ 3 per cent of interest received by all credit institutions, banks, financial institutions, it is being introduced now again. Earlier, it was introduced in 1974, as the Hon. Finance Minister has stated in his Budget Speech. It was withdrawn in 1978 and again introduced in 1980, withdrawn in 1985 and now again introduced. I wonder what prompted the Government to take this decision. This is going to affect the trade and small scale industries. Of course, I congratulate the Hon. Finance Minister. Yesterday, he brought some amendments to earlier proposals where he has exempted Cooperative Agricultural credit Societies, the Land Develop-

[Sh. Sobhanadreeswara Rao Vadde]

ment Banks and the Land Mortgage Banks from the Purview of this present amendment. It is but natural also because he has said that these banks and financial institutions including cooperative societies are under the Banking Regulation Act. But, my information is that the banking Regulation Act does not cover both the land Mortgage Bank and the Land Development Bank. Anyway, I sincerely express my thanks for that.

Regarding providing tax deduction at source on interest accrued over Rs. 25, 00/- this is going to psychologically affect many people who save their income and deposit in the banks. They may not come forward so enthusiastically as they hitherto are coming. This provision may also be again reconsidered and and withdrawn.

I wonder why the Government is so harsh towards this interest on tax papers refund issue. Some time back it was 15 per cent in respect of both the interest on the amount to be paid in the Government as well as the amount to be given from the Government to the tax payers by way of refund. But, later on it was enhanced to 24 per cent and 18 per cent respectively. Now, you have got that 18 per cent, still six per cent less. what is the rationale, I do not understand. When the tax payer is due to the Government you are charging 24 per cent and when the Government is to give back some money to the tax payers who has paid the excess, he is proposed to be paid only at 18 per cent. I certainly feel that this is a definite item which has to be taken care of by the Finance Minister.

In the Memorandum you have said "it is a pleasure for simplification and Rationalisation". This reduction, that means omitting of the words half per cent, I wonder what is the simplification or rationalisation you are proposing to achieve by way of omitting those words. The sur-charge on corporate tax earlier was introduced during the drought period. The drought was over after three

years. We have good monsoon and we have good crops, but you have not withdrawn the sur-charge. Then, the Gulf crisis came. Again you have enhanced it to 12 per cent, but still it continues even after the Gulf war. So, there is no rational in continuation of the sur-charge on this corporate taxes. So, I request the Finance Minister to consider that and remove that.

MR. DEPUTY SPEAKER: Please conclude as there are many Hon. Members who want to speak.

SHRI SOBHANADREESWARA RAO VADDE: If the Government is really sincere to bring down the black money—it is estimated that every year almost nearly forty thousand crores of rupees are added to the black money pool if they have really some definite idea to cut the circulation of black money, why don't they demonetise the five-hundred rupee notes? Why don't they take that decision? So many *crorepatis* are there having tons of money with them. At least to some extent the Government can definitely bring down that black money.

Regarding Schedule III to rule 12 of the Wealth-tax Act, the Government has propose one amendment. They are not justified in respect of this one also. Earlier it was introduced in 1958 but withdrawn in 1960. Again it was brought in 1981 but the draft rules did not see the light of the day. Again in 1986, draft rules were published but the proposal was withdrawn. Again through Direct Tax Laws (Amendment) Bill, 1988, it was passed in this House but after some time, the then Finance Minister, Shri S.B. Chavan, had withdrawn that. I will quote only two sentences from what he said on that day.

Regarding the rules for determining the value of assets, as provided in Schedule III to the Wealth-tax Act, regarding the manner in which the value of an unquoted equity share in the investment company is to be determined, he admitted: "Such a method of Valuation will be administratively very cumbersome and the cost of compliance would be very great. Apart from that, a shareholder

of an investment company has no control over the disposal of the shares of the company and, therefore, unrealised gain, if any of the investment company is of no consequence to the shareholder. Keeping in view this hardship, I propose to amend rule 12 of Schedule III to the Wealth-tax Act, 1957 to provide that the difficulties of the nature expressed in the matter of Valuation of shares of investment companies are remedied" It was drawn in 1989.

Four times it was withdrawn. What prompted the Government to bring it again in this Bill? I request the H hon. Finance Minister to kindly think over and withdraw that.

At least for the time being you do not give it effect and before the next budget you kindly discuss that with all concerned people and come forward with a new proposal in the next budget.

MR. DEPUTY SPEAKER: Mr. Rao, kindly excuse me. if the timings are not properly regularised...

(Interruptions)

SHRI SOBHANADREESWARA RAO VADDE: I am making only suggestions, Sir. I am the first speaker from my party. I will not take much time.

MR. DEPUTY SPEAKER: You should be more sympathetic to the next speaker also. You are a senior man.

SHRI SOBHANADREESWARA RAO VADDE: I assure you, Sir, I will not take much time, though I have many point to make. I am not going to speak about certain things.

Sir, in his Budget Speech on 29th February, 1988, the then Union Finance Minister had announced that a National Agricultural Credit Relief Fund would be set up to help the farmers affected by natural calamities. Somehow, though the Committee under the Chairmanship of Shri P. Tripathi, Additional Secretary gave recommendations but it was

not implemented. I urge upon the Finance Minister to seriously think about this proposal and bring forward this NACRF because without that the farmers in coastal Andhra, coastal Orissa, coastal Tamil Nadu or West Bengal are going to suffer a lot because especially during the harvesting periods, the cyclone and the tidal waves are causing lot of damage and the backbone of farmers in those areas is being broken. Unless you come forward with such a proposal, the farmers have no safety.

Regarding the issue of licences for sugar factories, I suggest to the Government that Andhra Pradesh has got a lot of potential; but somehow its due share was denied by the previous governments. I suggest to the Government that keeping in view the high sucrose corn syrup latest technology innovation, they may see that the integrated units manufacturing sugar, paper and other things are issued licences.

MR. DEPUTY SPEAKER: Shri Rao, shall I call the next Member to speak? kindly conclude. It is too much.

SHRI SOBHANADREESWARA RAO VADDE: Sir, I am concluding.

MR. DEPUTY SPEAKER: There should be a uniform rule for everybody. Kindly conclude.

SHRI SOBHANADREESWARA RAO VADDE: Sir, regarding sugar and other integrated units, I request you to kindly give preference for them and give more licences for sugar factories in our State.

Sir, regarding the interest rebate to farm sector, I submit that in our State of Andhra Pradesh, earlier our Telugu Desam Government gave a rebate of 5 1/2 per cent to the farmers who paid back their due instalments in time. It had really given very good results. More farmers got loans and the amount disbursed increased three fold. The farmers were give the loans. I am sure that this will definitely improve the economic discipline. I suggest to the Government to

[Sh. Sobhanadreeswara Rao Vadde]

take steps in this regard for as that would improve the recovery of loans from farmers.

Finally, I appeal to the Government and to the hon. Finance Minister to examine this fact that whether the step-motherly treatment of the Union Government, till now, towards the agricultural sector is responsible for the poverty that is continuing in our country. There is lot of unemployment in the rural areas and also under-employment. All this is merely because of lack of adequate investment made in the agricultural sector by the successive governments all these years. I would like to say that except in the years 1977-78 and 1987-79 when Janata Government was there, almost the investment in agriculture - both public and private sectors - has been coming down, because of which we would not realise full potential in agricultural production.

I would urge upon the Finance Minister to kindly—I am again repeating my appeal, before I conclude—think over again on the matter of fertiliser prices. It is going to cause lot of hardship to the farmers. I appeal to the Government not to take it as a prestige issue. You kindly reduce it to the level of increase by 5 or 7 or maximum 10 per cent increase. Otherwise the farmers are going to suffer very much. And also the agricultural Production in this country is going to suffer. I submit that it is against the national interest. I once again appeal to the Government to kindly re-think on that issue and bring down the prices of fertilisers to the farmers. I would like to mention that those farmers whom you are thinking as rich farmers are not really so and most of them are only middle or lower middle level farmers.

Thank you for the opportunity given to me.

[*Translation*]

SHRI GUMAN MAL LODHA (Pali): Mr. Deputy Speaker, sir there has been a mixed reaction to the widespread changes that our

hon. Minister of Finance has tried to made in our economy. One thing is very clear from the Finance Bill and the Budget that our national economy has been completely ruined by the experiments we made on nationalisation, public sector industries, etc, during the last 40 years. The hon. Minister of Finance has acknowledged the above position in the present Budget and the Finance Bill and made an effort to allow free enterprise in trade and industry and give freedom to the private sector.

MR. DEPUTY SPEAKER, Sir, I do not like to go into this philosophy. But one thing is certain that all the countries including the frontline communist countries of the world have come to the conclusion that their last 50-60 years experiment has completely ruined their economy.

SHRI BHOGENDRAJHA (Madhubani): Mr. Deputy Speaker, Sir, no communist country has ever claimed that there was communism anywhere in the world. Communism has never been the future goal of any country. One may call it self as a communist Government or socialistic set up, but no one has ever made a claim for communism.

SHRI GUMAN MAL LODHA: Mr. Deputy Speaker, Sir, now that situation has come. We will need long hours if we start discussion on communism and socialism. But whatever philosophy that one may like to call it whether it is socialism or philosophy of Lenin, Mars or Stalin or whatever experiments. We made, whether it was the case of nationalisation or anything else, I am not going to delve on their merits or demerits. But it is certain that the hon. Minister of Finance has made this effort this time by admitting the failure of the aforesaid experiments. Mr. Deputy Speaker, Sir, the hon. Minister has made various provisions in the Budget, in the national policy and the Finance Bill after admitting the above failure. I would like to draw the attention of the august House towards a point which has been raised by others also. The point is that the salaried class, the clerks, the class IV employees of the Government are the most

suffering lot. I have datas of minimum wages. An unskilled worker in Punjab who carries soil on his head and works in heat, cold and rains falls within the purview of income tax payment as the exemption limit still remains at Rs. 22,000. It is a very fundamental thing. They should pay attention to it and raise exemption limit of income tax from Rs. 22,000 to Rs. 48,000 as has been demanded by hon. Members from cross sections of the House. The hon. Minister of Finance said that the existing limit cannot be exceeded and we should be grateful to him for this. Hon. Minister of Finance, it is not a question of being grateful or not, the question is that bye-elections for 18-20 constituencies are round the corner. The salaried class, whether he is a clerk, or a labourer, has been a depressed lot due to devaluation of currency, rise in prices and increase in the rate of inflation by 15 per cent. As compared to 1984-85 price level, the inflation has gone up by 80 per cent. As such the limit has reached Rs. 48,000 automatically. The Government should accept this hard reality and enhance the exemption limit of income tax to Rs.48,000. If they do so, it will be a public welfare work. If the Government is bent upon the limit of Rs.22,000, its consequences will prove disastrous for the Government when the people would reply through ballots. Then the Government would realise that it was a historic blunder on their part.

Mr. Speaker: Sir, while making yet another submission, I would like that certain provisions made by the Government in the Finance Bill may please be re-considered by them. For instance, you have allowed redemption of Rs. 5000 for an employee and Rs. 5000 for his family for the medical treatment. Mr. Deputy Speaker, Sir, unfortunately if he become the victim of some serious disease like cancer or T.B. and if a major operation is needed for some other diseases etc; what he will do in this meagre amount of Rs. 5000.

If he goes to the Tata Institute, Bombay for treatment as per provision, he would not be entitled for any advance though he would not have to pay any tax on the expenditure

incurred by him on the medical treatment in the Hospital. If he goes to some private institution for medical treatment he will himself have to bear all the expenses, that the Government should take care of it. As regards the interest accruing more than Rs. 2500 bank deposit being taxable, I would like to state that this provision also hits the paid employees and common men. The Bank officials would have already told you that this provision would adversely affect the bank deposits and it will cause a great loss instead of gains, because the bank deposits may come to an end. The Government must consider it seriously. This limit should be raised to ten thousand instead of 2500.

In regard to restaurants, it has been stated that there would be 15% tax if two toilets are there, as if providing two toilets is a sin. I do not understand whether the taxation of 15% has anything to do with the toilets. Try to convince in your reply. Much has been said about the Corporate Sector. The term Corporate Economy has been refereed, to this time, in industrial policy and now in Finance Bill also. I would like that the Government should not make any kind of interference in the Corporate Autonomy as well as in the Corporate e Sector in this country. There are Financial Institutions in the Corporate Sector. Those financial institutions should have the freedom to work according to the needs of the situation. Our colleagues criticized that there is no mention of land reforms in the budget as well as in the Finance Bill and they refer to West Bengal in this regard and claim that Land Reforms Laws are being implemented in West Bengal efficiently. If it is so, we must also accept it without any objection. I went to Calcutta and saw the deplorable condition of poors. They have no cloths to wear, no food to eat and no shoes to put on and even then they are working like an ox. They are pulling carts on which men are riding. Such a situation is prevailing all over the country even today. With regard to the price index, and the minimum wages, one of the hon. Members has suggested that the exemption limit of income tax should be raised to Rs. 27,000 from Rs. 22,000/- and it should

[Sh. Gumanmal Lodha]

be linked with the consumers' price index in the same manner as the minimum wage is linked with the workman. You need not do anything after this. In this way, Government need not do any kind of exercise at the time of Budget. This suggestion should be accepted. Much has been said about the Financial Institution and banks. There is no doubt that there are lot of scandals in banking institutions. Almost 70-80 percent banks are involved in such scandals. Big business and industrial houses are misusing the banks by taking loans from the banks, but they deposit their amount in fix deposit or keep their amount in lookers. Normally the loans taken by these big houses are not repaid and are waived of in connivance with the Bank Officials. Our Finance Minister who had been holding the highest post in the Reserve Bank, should formulate schemes to check the exploitation of the poor people from such scandals and the common people may take advantage of these institutions. Time and again you are ringing the bell. I have submitted some suggestions and I would conclude after giving one more suggestion. In Indian, there is no tax or interest being imposed on common jewellers who sale jewellery. In 1986, you have made a very troublesome provision in the law. If the transaction of jewellery comes under the definition of foreign exchange regulation Act, it would be very inconvenient for both the sellers and the purchasers of jewellery and there will be no benefit to the Government.

In order to simplify the law, the Government should rationalise it so that people may take advantage of it.

Thanks for providing me time for my speech.

SHRI MOHAN SINGH (Deoria): Mr. Deputy Speaker, Sir, first I want to thank you for giving me an opportunity to speak. The drawbacks of the Budget presented by the hon. Finance Minister has come in forefront. The Reserve Bank started giving warning

that the G.N.P. growth rate which was likely to be increased by 4% will now be only 3%. The inflation has increased by 15% and it is likely to increased further by 20% during this year, and the price index has also recorded a maximum increase during this year and particularly during this month. If the prices of 1981-82 be considered as the base price, it has reached to 207.7. After the presentation of Budget, there is almost 5.9% increase in prices during these two months. The price rise was almost half during the corresponding period of the last year when it was alleged that the Government was unstable, and the political instability was there. That is why I would like to state that there are so many reasons for this price rise.

First, there is no possibility of any increase in production; secondly, unproductive expenditure is going up day by day and as a result of it the value of money is going down constantly. There is no likelihood of any improvement in Industry and Agriculture, unemployment is also increasing. In such a circumstances how can the Government overcome the problem of inflation. There is no clear indication in the Budget as well as in the Finance Bill regarding these problems. criticizing the provisions of the Finance Bill, I would like to urge the hon. Finance Minister that he should consider my suggestions.

According to the Reserve Bank of India, there is only 4% of growth in Agriculture and none is going to increase it further. Basically the improvement in agriculture depends upon monsoon and fertilizers. Fertilizer is the vital part of agriculture. Without realising the reality of some newspaper men he tried to win applause that Kulak lobby will be encouraged. How much will they get and what is the number? Along-with that as there is a likelihood of increase in the procurement price, although there is no possibility of increase in the production of foodgrains, the prices of foodstuffs are constantly going up. So the price index too will go up automatically. The maximum contribution to the surplus foodgrains stock is from the marginal and small farmers and they have been

assaulted by way of rise in the price of fertilizers. Therefore, I say that the dual policy of fertilizers is impracticable. Uniformity is to be maintained in this case. Ideal policy would be that the revision in the prices of the fertilizers be withdrawn and if it is not possible uniformity should be maintained. He should reduce the price of the fertilizers to the extent he was ex-chequer by way of giving the concession it would benefit all the agriculturists of the country and this way it would be a valuable contribution to the development of agriculture in the country.

Mr. Deputy Speaker, Sir, along with this I would like to say that there is no limit of the expenses by the Government. A discussion should be held in our country to give the real definition of V.I.P. in a democracy like India and how much amount of money should be spent on their security? Yesterday, a bill was presented by you in which it was mentioned that Rs. 4.70 crore would be spent on the security of a person which you called a petty amount. We were opposing that, and you added three more to it. The Government expenditure is continuously increasing in this poor country. There was a Prime Minister like Palme, though it is a small country but he was killed while he was returning from the theatre after viewing a movie. He was without any security. In a poor country like India the Government is continuously concerned about the security of some people. If it is so, a central jail like Tihar Jail may be constructed which may be named as V.I.P. complex and all the V.I.Ps should be put in that complex. The heavy burden of security on the exchequer of poor country is constantly increasing. You put all the V.I.Ps in that jail complex and it will reduce the burden on exchequer. This is one way of tackling this problem. (Interruptions) A member of Parliament who is really a servant of the country need not to be provided any security. Those who are doing something else in the guise of the servants of the nation they are not safe even if security is provided to them. Nobody is safe if security is provided to him by the Government.

Secondly, I would say that petrol is the most heavy burden on our country and its biggest consumer is the Government. With the increase in the price of petrol, the unproductive expenditure of the Government goes up automatically. A committee should be formed which will see as to which class of people can get Government vehicle and conveyance to use. I believe that if all this is reviewed properly, vehicles of nearly 70 per cent of the officers would have to be withdrawn and it should be done. The Government has continuously increased the price of petrol and decreased the price of kerosene. I can't demand that the price of kerosene should also be increased but the impact of rise in petrol prices is being realised by the people in farflung areas. Diesel is costing 2.5 times more than the price of kerosene and petrol is costing 2.5 times more than the price of diesel. Adulteration is made to such an extent that all the pumping sets and tractors used in the villages are going out of order. Therefore, the price of petrol should be reduced so that this type of adulteration at village level can be prevented.

Fourthly, these people do not have sources. Sir, in our country we have jewellery worth billions of rupees is lying with erstwhile states and such news to this effect are published in the newspapers daily. "Indian Express" carried a copious article on this subject and a case regarding the valuation of the family jewellery of Nizam is already in the Supreme Court. The Supreme Court had formed a committee and the cost of jewellery was assessed at Rs. 4.5 crore some ten years ago. People say that jewellery of more than one thousand crores of rupees belonging to the family of the Nizam has been put in a trust by him. Jewellery of all the erstwhile state may be nationalised immediately and after nationalisation the jewellery of historical importance may be displayed in National Archives and the rest of the jewellery may be auctioned so that we can immediately earn foreign exchange of billions of rupees. This work should be taken up immediately. Sir, all the same, I would like to say that an important question with regard

[Sh. Mohan Singh]

to the financial rights of State and Centre has come up and most of the Chief Ministers are threatening of revolt in the name of autonomy. Finance Minister should seriously consider this problem. The Government is actively considering to impose ban on overdraft. It should be done. I am not against it. But the Central Government should seriously consider the question of increasing the sources of income of States in order to carry out the development works by them. The structure of sales tax varies from State to State. Under its cover, commodities from one state are smuggled to other state. A conference of state Finance Ministers may be held to sort out this problem and the Central Government should suggest to set up a machinery to bring a kind of uniformity in the rates of the sales tax in all the states. In many states the local bodies also impose octroi. In most of the states the octroi has been abolished and it is still in vogue in some states. A conference should be held in order to bring out uniformity in this regard also. Thirdly, the most important thing is that of royalty on minerals to the states where it is available. When there was a great hue and cry on royalty on coal a nominal increase was made what is the attitude of the Central Government about the other minerals. The rates of royalty to the States should be revised proportionately to the market rate of a mineral. The Central Government should not be apprehensive in this context. If you do not do that I would clearly say it would create discontentment among states and there can be confrontation between the centre and states on account of their financial resources. It would be difficult to avoid it.

All the same, I would like to ask the hon. Finance Minister as to where do we want to take our country through the 5 year plans. We do not know anything about your so called liberal schemes and capitalist oriented scheme and other schemes. Shri Murli Deora was saying in the morning that the industrialists of the world would be attracted towards India because of the lib-

eral schemes. But Sir, I am apprehensive that very soon there would be only foreign industrialists in the country. You shall have to consider this problem seriously.

Since there is limited time. I would like to give only one more suggestion. You have announced many concessions. But in this very month in my state Uttar Pradesh and other states excise duty has been imposed on wooden panels and doors which are made by poor carpenters in villages. Due to this the poor and ordinary people of the Villages are facing problems. All the minor artisans of the villages such as a carpenter and black-smith etc. are facing a problem. Officers and inspectors from the concerned department visit them and say that a new excise duty has been imposed on their products which is to be paid by them. Out of fear they are closing down their shops and running away. You shall have to consider this point also as to why in the States a poor man belonging to the weaker section of the like society is being Taxed like this. After all what is the justification of imposing any excise duty on them.

Fourthly, in brief, I would like to say that as a result of inflation and price-rise in essential commodities and increase in price index, the income of the people belonging to the fixed income group has declined. Therefore, the Central Government and the hon. Finance Minister should liberally re-consider to increase the exemption limit of income tax for all the employees of the Central and State Government.

Finally, I would like to say one thing more about the centre and state relationship which was left out. You had nationalised the banks and converted them into official financial institutions. The credit Deposit ratio of these banks is fixed by Government but this ratio is declining in financially backward states.

19.48 hrs.

[SHRI RAM NAIK: *In the Chair*]

The credit deposit ratio of those states, which are advanced from industrial point of view and have good financial condition which is more than the backward states. My submission is that you should prepare and present a document in this house fixing a particular percentage of the small saving deposits in the industrially backward states like Bihar, Orissa, Uttar Pradesh for giving as a loan to the people of that state for setting up industries etc. I mean to say that the Government should seriously consider to increase the credit ratio in all the backward states of the country. Mr. Chairman, Sir, with these few suggestions, I thank you and conclude my speech.

MR. CHAIRMAN: Shri Oscar Fernandes.

(Interruptions)

MR. CHAIRMAN: No, it is the turn of the hon. Member from the Congress party.

AN. HON. MEMBER: What will they say, let's speak.

(Interruptions)

MR. CHAIRMAN: Shri Prithviraj D. Chavan.

[English]

SHRI PRITHVIRAJ D. CHAVAN (Karad): Mr. Chairman, Sir I rise to support the Finance Bill which seeks to give effect to the taxation proposals presented in the Budget.

The extremely difficult Balance of Payments position and the mounting fiscal and revenue deficits had left us little option but to take some harsh decisions. Some have already started bearing results. We had two successive months of trade surplus. The Finance Minister has very skillfully managed to give a bold and decisive direction to the economy by taking some major policy initiatives beginning with trade reforms followed by the New Industrial Policy and fi-

nally the Budget proposals. These have indeed given a hope of a turn around.

The taxation proposals have some important features. There are some serious efforts to harness the black money such as the amnesty scheme and the expenditure tax. There has been a major emphasis on direct taxes and no sector of economy has been unduly taxed. Customs duties have been rationalised and have been brought down to 150 per cent uniformly. We have also not given into any demand to bring it down to as low as 30 per cent. There is also no increase in the taxes of individual taxpayers. And also the new feature or a new method of valuation for shares for the wealth tax purpose is a welcome step. The Budget has also reversed the trend for growing fiscal deficits. And there is hope that we may indeed be able to contain the fiscal deficit to 6.5 per cent of the GDP.

With all these proposals, care has been taken to see that inflation is contained within reasonable limits. These proposals have been widely hailed as the most pragmatic steps to master the current economic crisis and they deserve whole-hearted support.

I come to the provisions for the corporate sector. Three major steps have been announced. First is the six per cent increase in the rate of taxation. Although this has hurt the corporate sector, yet everyone has to sacrifice. And I am sure with the new Industrial Policy, the corporate sector will have some respite.

The second fact is the increased cost of credit and the tight money. And the third is the reduction in the depreciation allowance from 33 per cent to 25 per cent. That is one proposal, I fear will hurt and curb the growth, modernisation and expansion of industries. I really request the Finance Minister to reconsider this proposal because many economists have predicted stagnation and inflation. This will have a very negative impact on the employment position.

There has been unfortunately, not many ..

[Sh. Prithviraj D. Chavan]

incentives given for promoting industrialisation. There are some happy proposals and I welcome the step for fifty per cent deduction of profits derived for hotels in hilly areas. I request that similar incentives should be given to all industries coming up in the hilly areas. In spite of the various fiscal incentives given, hilly areas have not been industrialised and as such there is a heavy rush or people from the hilly areas to metropolitan cities particularly from my area. We have to give lot more incentives for industries to come up in hilly areas. I request the Finance Minister to extend the benefits he has given to the hotels to any industries coming in the notified hilly areas.

I am also very happy about the incentives given to book publishing industries. This should also be extended to corporate bodies which publish text books on technical subjects.

This interest tax is an "on-again, off-again" provision which has been re-introduced for the third time. Although the Finance Minister has classified it as a direct tax yet in reality it is an indirect tax. It will push up the cost of bank and institutional credit, which really is an input cost and it will be inflationary. In the past, it had increased the paper work tremendously; it had brought in over-time culture in the banks and made banks more inefficient. I hope that with the increased computerisation in the banks, this time, it will not lead to the past experience.

The interest tax together with regime of flexible interest rates, which has been introduced sometime back, have clearly increased the cost of credit to a very high limit. This has particularly, hit hard the small scale industry very adversely. The very survival of the small scale industries is at stake. Therefore, I request the hon. Finance Minister to exclude the small scale sector, they being highly employment generating industry, from the effect of this flexible interest rates and to continue loan interest rates as before for the small scale industries. Please continue

the differential rate of interest for this priority sector.

The deduction of tax at source on interest income the limit of Rs. 2, 500 is going to hurt very badly. This will have serious repercussions on the banking and it will tremendously increase the paper work, requiring a substantial payment of over-time. Small and medium depositors will withdraw and split up their amount into smaller amounts, particularly in the rural areas. Many depositors are pensioners, women, widow, semi-literates, living in rural and urban areas and middle class people who have transferable jobs. In my area, even a Hamaal, who works in Bombay, is able to earn something like Rs.25,000 and he will also be put to a great inconvenience, because of this tax. Therefore, I request the Finance Minister to increase the limit, if not upto Rs. 10,000 but to at least Rs. 5,000. It is in a way, bringing the tax on the agricultural income, through the back door. A lot of small agriculturalists in my area, and I am sure every where else also, are not rich farmers. There is nothing like a rich farmers. It is really a contradiction in terms. There are some farmers who are rich. But they are rich not because of farming but because they have got some agricultural, industrial background, particularly in my area, they have cooperative sugar industries, and you may call it sugar lobby. Actually it is the profits from the industry and not from farming alone. The rich farmers are those people, who are openly flouting the land reforms and having a large benami holdings. So, please do not think that there is anything like a rich farmer. I request you to kindly reconsider the limit of Rs. 2,500 and increase the limit at least to Rs. 5,000.

MR. CHAIRMAN: Please conclude now.

SHRI PRITHVIRAJ D. CHAVAN: The Finance Minister has simplified the expenditure tax in some way. The expenditure tax which was brought in 1987, was a highly successful measure, because it was applicable to a few luxury hotels. It yielded good revenue—mostly black money—and it was not inflationary. It was very easy to collect.

It did not require any additional expenditure on collection. But, this time, you have cast a very wide net. You are going to require a huge army of inspectors and clerks to administer this tax. This tax, of course, is a welcome measure but it has to be simplified further.

MR. CHAIRMAN: Kindly conclude now.

SHRI PRITHVIRAJD. CHAVAN: I have one more request. This tax can be made applicable from 1st April, of next year and not immediately because you will have to take a whole new infrastructure to collect this tax. I have one last point about the Amnesty. One can understand the keenness of the Government to use the resources in the parallel economy. But the success of various scheme announced is doubtful. Particularly, the NRI gift scheme will just give rise to *hawala* transactions. Because of this scheme, very little money will come into the National Housing Bank, because of the 40 per cent difference. Instead, some Gold Import Schema from the NRIs should be seriously considered. Over the last 25 years, as many as 21 schemes to unearth black money have been offered and every new scheme was in incentive to tax evaders.

In conclusion Sir, many friends have pleaded for higher exemption limit for personal taxation. I know about the fixed income of the salaried people, who are being crushed under the burden of inflation. In fact, the Finance Minister has not increased the maximum marginal tax rate and the most important thing is that he has offered to reduce it to 45 per cent in the next few years provided he and his Government is allowed to stay in power.

With these words, I conclude my speech.

(Interruptions)

SHRI K.P. REDDAIAH YADAV (Machilipatnam): Sufficient time should be given to other Members to speak. Only then, the hon. Finance Minister can reply to the debate.

(Interruptions)

MR. CHAIRMAN (SHRI RAM NAIK): There is a proposal with me. While going, the hon. Deputy Speaker has prepared a list. He has listed two names and if the House agrees they can speak and then we can conclude to that extent.

SHRI RAM KAPSE: No, no. We will speak tomorrow.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): I have no objection. (Interruptions)

MR. CHAIRMAN: Prof. Ram Ganesh Kapse can speak now.

(Interruptions)

MR. CHAIRMAN: I am just going by the list which has been prepared by the Deputy Speaker.

SHRI K.P. REDDAIAH YADAV: My suggestion is this. When my name was called, I was not present here.

MR. CHAIRMAN: That is why, you lose your chance. But we will accommodate you tomorrow definitely. If some member is not present at the time of calling his name, then...

(Interruptions)

MR. CHAIRMAN: That is why I am suggesting that let Prof. Kapse start and if the House agrees, then we can have one more speaker. Mr. Reddaiah, you will get your turn tomorrow. If the House does not agree, then I cannot help it.

SHRI RAM KAPSE: Mr. Chairman Sir, in the post-Budget Press briefing, which was given by the hon. Finance Minister, he had narrated the objects for presenting the Budget.

The first was adjustment with human face second was encouragement to economic growth and the third was that the Budget should be non-inflationary.

MR. CHAIRMAN: Prof. Kapse, you may continue your speech tomorrow as it is 8 o'clock now.

Now, the House stands adjourned to meet at 11 AM tomorrow.

20.02 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, September 13, 1991/Bhadra 22, 1913 (Saka).