

the criminals and the corrupt people. And that is why this is a collusion and an exercise to protect the corrupt and the criminals in the entire political set-up and, therefore, I demand that this report should be placed on the Table of the House. ...*(Interruptions)*...

THE LEADER OF THE OPPOSITION (SHRI SIKANDER BAKHT): What is the response of the Government? I am sorry. ...*(Interruptions)*... I demand placing of the report on the Table of the House. I am sorry, Madam, there is no response from the Government about it. ...*(Interruptions)*... In protest, we are walking out. ...*(Interruptions)*...

(At this stage some hon. Members left the Chamber)

THE DEPUTY CHAIRMAN: The House is adjourned for lunch.

The House then adjourned for lunch at three minutes past one of the clock.

The House reassembled after lunch at four minutes past two of the clock, The Vice-Chairman (Shrimati Kamla Sinha) in the Chair.

THE BUDGET (GENERAL) 1996-97
Contd.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): First, we will take up the General Discussion on Budget (General) 1996-97.

श्री महेश्वर सिंह: मैडम, वह जो "जीरो-आवर" बिजनेस रह गया था, उसका क्या होगा?

उपसभाध्यक्ष (श्रीमती कमला सिन्हा): वह बाद में लिया जाएगा।

श्री महेश्वर सिंह: इसे आज लेंगे या मन्चे को लेंगे? क्या लेंगे? क्योंकि कल कलिंग अटेंशन मोशन है।

उपसभाध्यक्ष (श्रीमती कमला सिन्हा): वह बाद में बता देंगे।

Shri K.K. Birla. I am sorry, I made a mistake. Smt. Jayanti Patnaik.

SHRIMATI JAYANTI PATNAIK (Orissa): Madam, first of all I thank you

for giving me the opportunity to speak on the Budget (General) 1996-97. The Budget promised to reduce the revenue deficit from 3% of GDP to 2.5%. This is a welcome step. Similarly, reducing the fiscal deficit from 5.9% of GDP to 5% is also a welcome step.

The United Front Government is its Common Minimum Programme has announced to reduce the fiscal deficit to 4% of GDP. I think it is very unrealistic, because it requires additional resource mobilisation to the extent to Rs. 20,000 crores and this is very impractical. Therefore, the Finance Ministry, in his Budget proposals has declared that he wants to keep this fiscal deficit at the level of 5% of GDP in 1996-97.

This fiscal deficit projected in 1996-97 is Rs. 62,266 crores which comes to 5% of GDP. I wanted to know how the Finance Minister has compared the Revised Estimates of 1995-96 with the Budget Estimates of 1996-97. This is erroneous. The comparison should have been made between two Budget Estimates. As per the Budget Estimates of 1995-96, the fiscal deficit is Rs. 57,634 crores which was increased at the Revised Estimates stage to Rs. 64,010 crores. In the year 1996-97, the fiscal deficit has been shown as Rs. 62,266 crores which is much higher when compared to the Budget Estimates of 1995-96. Therefore, one is not quite sure what the fiscal deficit of 1996-97 at the Revised Estimates stage would be.

The resource mobilisation done by the Finance Minister does not bridge the gap as he has made much expenditure commitment including enhancement of Budgetary support to the Plan by Rs. 3,719 crores from the Budget of 1995-96. For a couple of years the resources generated through the disinvestment of public sector enterprises are being used to meet the normal consumption and expenditure. To bridge the Budget deficit this way is not at all a sound fiscal policy. I must say that the Budget is good for

agriculture, infrastructure and social sectors. A major initiative has been taken for

infrastructural development by setting up the Infrastructural Development Corporation and by imposing 2% special Customs Duty. Stepping up allocation for irrigation under NABARD specially helps irrigation and agriculture.

The Budget has no impact on improving the capital market, the liquidity crunch and the high interest rates. This is the lacuna in the economy which has remained unaddressed. The Primary Public Issue Marketing is in a serious condition. The Finance Minister should have provided tax relief for primary issues to improve the situation. Madam, it has been a very good move to tax nearly 1000 zero tax companies through the Minimum Alternative Tax.

However, this tax should have been on the basis of gross assets, rather than on book profits. That kind of an approach would have been productive and efficient. That would ensure efficiency in the use of assets.

Another thing is: the Finance Minister could have taxed the services sector in order to raise more resources. The need of the hour is to raise more resources. Therefore, he could have brought in the services sector. Madam, as the services sector is growing at such a faster rate, there is no reason why the services sector should not be made to contribute to the tax effort. It is very important that we have a careful look at it and see how we can tax the services sector, at the Central as well as at the State level. I suggest that we should have a comprehensive survey of the services sector. We are still not doing it.

As regards personal income-tax, Madam, the changes proposed are not much; there is not much relief. Whatever changes have been proposed are of a cosmetic and *ad hoc* nature. The standard deduction should have been raised adequately to provide relief, to the lower mid-

dle classes, without sacrificing much revenue.

One of the major weaknesses of the Budget proposals is that it does not propose any measures for checking tax evasion and unearthing black money. Similarly, there is nothing much in regard to improving the employment opportunities and human capital.

Subsidies have been announced for power tillers, tractors and sprinklers, which would benefit only a small section of the agriculturists. We know...

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Madam, let me remind you that your party has 3 hours and 25 minutes. There are 11 speakers from your party.

SHRIMATI JAYANTI PATNAIK: How much time do I have?

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): If the time is equally divided, your time is about 14 minutes which is already up. Therefore, please conclude.

SHRIMATI JAYANTI PATNAIK: I would be taking only two minutes more.

As you know, Madam, agriculture, in our country, is labour-intensive. In that context, giving subsidies for these equipment would displace labour. This is our apprehension.

As regards the textile industry, all the measures proposed for relief focus on benefiting the segment of the industry where the employment level is low; like synthetic, for example. On the other hand, ten million handloom weavers are languishing in our country. This would further affect the handloom industry for which there is no help in the Budget.

Madam, on the whole, it can be said that the Budget is a continuity of the reforms process, with some emphasis on social justice.

Thank you.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Dr. ASHOK MITRA. He is not here. He would take his turn when he comes back.

PROF. NAUNIHAL SINGH (Uttar Pradesh): Madam Vice-Chairperson, I would touch upon a few aspects of the Budget.

The Budget is nothing but an 'old wine in a new bottle'.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Prof. Naunihal Singh, your party has 11 minutes left. Kindly bear that in mind.

PROF. NAUNIHAL SINGH: The Finance Minister has given a sugar coated pill to the Indian masses through this Budget.

The Budget does not make any positive attempt to revitalise the garment industry which, for the first time, has shown a negative growth. The introduction of a basic duty of 10 per cent, which would come along with MODVAT, is looked upon with disfavour. This additional excise duty of 10 per cent could, perhaps, have been reduced from 10 per cent to about 4 per cent. It is just probable that the price of cloth would go up.

In fact, the Budget has no specific focus.

The budget does not specifically encourage savings, attract FDI or look deep into the infrastructure bottlenecks. It is a play-it-safe budget which takes no risks and would ruffle no feathers. It revealed no spectacular vision, and aimed at desultorily to consolidate many of the reforms of the past five years.

Madam, it falls on many stools, but does not come to grips with the real problems of the economy. The budget was longer words and short on numbers, especially with reference to the Government's stated commitment to the social sector, investment in infrastructure, agriculture and rural development.

Madam, the budget does not specifically mention about the various taxes it is going to impose. It is a play-it-safe budget, which is just to escape the reality and the responsibilities.

Madam, the budget was based on an assumption of high economic growth, yielding large revenues to bridge the fiscal deficit rather than on any major concerted effort to mobilise revenues or contain expenditure. The money could have been raised by taxing consumption, not imports. A substantial part of the resource mobilisation and expenditure commitment effort has been left to Commissions such as the Tariff Commission, the Commission on Expenditure Management and the Disinvestment Commission. How much real savings and revenues would result from these would depend upon the implementation.

Madam, for the Defence establishment the budget was disappointing. The budget gave the military, Rs. 919 crores more this year than it did last year. Most of the increase will go towards capital expenditure on aircraft and aero engines, the naval dockyards and equipment for the Army. In comparison, Pakistan increased its Defence budget by 14 per cent this year. Pakistan allocated Rs. 613,140 crores for Defence expenditure. China has paid particular attention to its Navy, Air Force and its missile regiments.

At Rs. 27,798 crores the Indian budget is not even expected to cover the price increases over the year. The petroleum price increase is expected to cost the military an additional expenditure of Rs. 400 crores. Continual neglect for the sixth, seventh year is unforgivable.

Madam, as a percentage of GDP, Defence expenditure fell somewhat from 2.39 per cent to 2.3 per cent. This year's Defence outlay is the lowest since the 1962 war with China. We are falling into the same trap as then. It is surprising that there is no appreciation, in the present

Government, of what security means. Various purchases have not been made due to lack of money. The Army wants funds to buy self-propelled guns, induction of the Arjun main battle tank and upgradation of the T-72 tanks. The Indian Air Force has been looking at the multi-role fighters such as Sukhoi-30 and Mirage-2000. The Indian Navy is in dire need for the advanced jet trainer and an aircraft carrier, with INS Vikrant non-functional and INS Viraat tottering. It also needs submarines to replace the Fox-trot class of vessels. Last year, Rs. 1,379 crores more was spent on the military over the budgeted Rs. 25,500 crores.

As regards agriculture, there is an enhanced outlay for agriculture from Rs. 2,708 crores last year to Rs. 2,831 crores in the present budget, and for rural development it has been raised from Rs. 7,137 crores in 1995-96 to Rs. 7,520 crores. This is peanuts. In fact, the budget is heavy on populism and low on realism. It is a budget full of rhetoric but packaged well. In reality, the budget is an extension that the Government will not be able to retain the five per cent fiscal deficit as proposed, despite reductions in duties and an increased outlay on infrastructure and social programmes. And, with the political imperatives of a 13-party coalition being what they are, it will take a miracle to hold down expenditures at Budget levels. The Budget itself leaves still scope for profligacy. However, new expenditure planned on account of social programmes, surface transport, irrigation and other investment in infrastructure, fertiliser and food subsidies, far outweighs the revenue-raising efforts. However, it is an open question whether PSU disinvestment of the order of Rs. 5,000 crores will be feasible given the uncertain mood in capital markets and the fall in share values over a long period.

Another cause for concern is the rate of inflation, which the Budget assumes at 8.5 per cent. The key to managing the

deficit is expenditure compression by Government departments with or without recommendations of the proposed commission on the subject. Further, loss of control on the expenditure front will force up already high levels of Government borrowing and RBI credit and lead to the undesirable combination of high interest rates and high inflation. All the other expectations in the country about dispensing the reforms process, employment and poverty alleviation depend on whether the Government is bold enough to raise revenues, cutting unproductive expenditure and allocating resources for the social and physical infrastructure.

A review of the economy shows that the only option before the Government is not try and make everyone happy, but distribute the pain as widely as possible.

The current levels of Government borrowing need to be reduced. The Economic Survey confesses this. Development expenditure has fallen and the revenue deficit is too high for comfort. Taken together, all this points to the inevitability of vigorous taxation and expenditure-cutting measures.

The continued rise in industrial production pulled the GDP figures up, but the Central excise collections have not grown proportionately. The Budget should surely provide an answer to the conundrum.

Agriculture, which has traditionally accounted for exceptional growth rates, did poorly and largely, as the Economic Survey acknowledges, because of being starved of investment. Inflation will rise to 6.7 per cent in six months. This would be due to the increase in administered prices of petroleum products rather than because of the Budget proposals on excise and customs.

The commitment of the Government to agriculture and social sector was already known along with its commitment to improving infrastructure. However, it was a moot question how the Finance Minister would meet these requirements from limited resources and, yet, reduce the

Budget deficit to 4 per cent of the GDP. Besides, some of the lacunae in the economy remain unaddressed in the Budget, namely liquidity crunch and the very high interest rates in the economy.

And a presumptive tax to mop up the huge gains accruing to small and medium-sized business, who do not pay any tax, has been given a go-by.

Further, I am a little disappointed that services are not taxed. As the service sector grows with liberalisation, there is no reason why services should not be taxed.

The Budget indicates about the disinvestment programme, but no mention has been made about what the conditions for this disinvestment are going to be. In fact, there is no need to privatise the profit-making public sector companies. Only one needs to privatise the loss-making ones.

In the area of personal taxation, I feel that the changes proposed are of a cosmetic and *ad hoc* nature. The solution lies in indexing the tax system for personal taxation, which would provide a point to point relief to the tax-payers automatically.

As regards the MAT, it has loaded the tax system with a scheme, which could not be successfully implemented in the past. The experience with Sections 80VVA of the Income Tax Act (1984 to 88) and Section 115J (1988 to 1990) have been thoroughly disappointing both in terms of revenue and in administering the provisions.

Even in the present proposal the revenue gain has not been indicated. Besides it violates articles 14 and 19 of the Constitution of India. In fact, MAT is not an appropriate solution to make corporations pay more tax. The remedy lies in phasing out the tax incentives in a planned manner. It is understood that roughly 60 to 70 per cent export companies will be hit by MAT. Hence the MAT is anti-exports. I strongly feel that

the Finance Bill does not contain any proposals for checking tax evasion or unearthing black money. It makes high income group tax-payers pay more taxes for implementing the philosophy in the Common Minimum Programme of transferring resources to people to provide them basic needs. Of course, the Bill contains many incentives and provisions for modernisation and improving industrial growth, but there is not much to improve employment growth and human capital. Those in the service sectors employing a large number of persons with not much machinery and plant have no incentives to generate employment. A weighted deduction of salaries paid by such employers could be given some impetus to employment in such units.

Unfortunately, the Budget proposals are on the lines of previous five years' Budgets based on fiscal inconsistencies and a decisive pro-rich bias. It could be said to be poor in taxation but rich in expansive gestures of commitment towards basic policies mentioned in the Common Minimum Programme.

I observe that allocations made for infrastructure development are pitifully small in relation to the requirement of funds for infrastructure development. Besides, I observe that there was no mention of the serious balance of payments problem that the country is likely to face in future, a problem accentuated by the all round reduction in import duties and reduced exports. However, it would appear that funds generated by the sale of public sector undertaking units equity for current expenditure would be a 9 per cent inflation. There was no attempt made for fiscal restraint. In fact, I express my concern over lack of attention in the Union Budget towards bridging the increasing trade gap and improving the balance of payments situation.

Finally, it is noted that the Budget failed to indicate about providing incentives for attracting foreign investment substantially which could have been an

alternative to remittances from abroad for making the deficit in balance of payments.

SHRI ASHOK MITRA (West Bengal): Madam-Chairman, the other day, Shri Agarwal offered a comment which is completely right, there was a disassociation in time when the Budget was presented some six weeks ago and in the meanwhile all passion has been spent. You can see, look at the deserted banquet hall, if I can describe our House as that, because there is very little interest left. But it is kind of the Finance Minister to be present here and I hope that at least he would sit through and listen to some of the dreary things that animals like me will have to say.

Madam, as you know, in the Budget speech there are two parallel references. Reforms are to be combined with compassion. Fine is the first thing. The second thing is, change is to be combined with continuity. All I would suggest to the Finance Minister is this. I am not questioning his good intentions. But the reality of the world is such that the kind of economic reforms which the International Monetary Fund and the World Bank insist upon cannot be reconciled with any category of compassion. And similarly, if you say that you are going to change, that is break away from what the so-called reforms have done to the economy and polity and the society over the past five years, then we cannot say 'no'. But you could be encountering fundamental, basic, difficulties. I would try to have in mind with reference to some of the issues that he himself has raised.

There are three categories which he explicitly refers to in the Budget speech and presentation. The first is about the problems around the fiscal regime. The second is about the problems which one can relate to investment and growth in the system. And there is a third thing that he refers to several times. There are so many references to compassion that I am reminded of some remark that Lady

Baden made about Lord Baden when the tidings of his death reached her: "I cannot really determine whether he was or was not an actor". I feel tempted to question myself. Why does the Finance Minister make a reference to compassion in every other sentence? Does he doubt his own compassion in this matter! Anyway, I doubt, whether this kind of Budget, in this kind of set-up, can offer any compassion to the really deprived section of the community.

A fourth area which the Finance Minister has not referred to but I will bring upon myself is the whole issue of what is happening to our external accounts, external economic accounts, debt-service and the kind of things. First let us take the fiscal crisis which is confronting him and the nation. We are hemmed in by the IMF dictates that the expenditure should be cut and therefore, public receipts should be contained. It is a very simplistic point that if you cut down on income, the Government will be prevented from spending. It is according to the philosophy that prevails in that kind of neighbourhood. Public enterprise is sick and private people should be handed over all the initiative. Fine. But the problem is, how do you cut your public expenditure? For that, you would cut the public income. Therefore, there should be no direct taxes. No extra burden of direct taxes. And here again, there is the other problem that direct taxes should be restrained because we do not want to affect the incentive of the big producers, big farmers, big exporters, etc. So, you have to load it on indirect taxes. But even in respect of indirect taxes, you have been dictated to cut down on excise duties, on import duties. As it is a part of the structural adjustment programme, you have to cut down. So you are pushed, pushed and pushed into a corner. What do you do with raising resources? There is third directive that is coming from Washington DC, that is, you must cut down on the conventional monetisation of your deficit, that you must not float in

excess treasury bills, that kind of things. What does the Government do? The Government resorts to borrowing. You see, five years ago, the overall borrowing in the Government sector was of the order of Rs. 5,000 crores. That has now been lifted in this year's Budget to something of the order of Rs. 30,000 crores. Has it lowered the deficit? On the revenue account, the deficit is as high as 33,000 crores of rupees. This is one of the highest deficits, if not the highest deficit, perhaps, the second highest deficit in the entire history of independent Indian economy. What is the implication? You borrow from public financial institutions, you borrow from banks and you borrow right and left, that is, you just push forward your problem on to the future generation—coupon rate and this and that. Then there is the institution of deep discount—25 years or 30 years ends. Let the future suffer, but today, somehow, I make my ends meet. What has happened to your debt-interest payments? They have jumped to 60,000 crores of rupees out of a total Budget of little more than Rs. 2,20,000 crores. So, you have a very little elbow room left for either your investment activities in the public sector which could have pushed forward the growth or even to undertake activities which might even out your social inequalities and provide a certain relief to the deprived sections of the community.

Now, the Finance Minister will, of course, contest my statement. He said: "Haven't I introduced the minimum alternative tax?" Yes, of course, he has. But it is a very gingerly approach. These companies are ready to be soaked. You read the financial pages of the newspapers, how much profits they are making. They have doubled the profits. Though the market is narrow yet it is doing well. They are making money. I am actually a little ashamed that Mr. Birla is sitting next to me. He cramps my style. What can be done? (*Interruptions*) We are co-citizens of Calcutta. We

understand each other. Now, what is this 10 per cent or 12 per cent which you are skimming from the net income? Why not 25 per cent? Why not 40 per cent and why not a minimum alternative tax on profiteering? You can get a lot of money and solve the problem. Then the other thing that was done before the presentation of the budget was that you raised the prices of the petro products. The prices have gone up. Let the consumer suffer. So, finally you loaded it on the people. How will you face this prospect of Rs. 50,000 crores or Rs. 60,000 crores that you have on the interest payments etc.? Now, this is really the crisis in investment approach.

The Finance Minister will give some figures about how growth has picked up in 1994-95 and 1995-96. We now have the data for the first quarter of 1996-97. This year, the rate of growth has really plummeted to something like 4 per cent or 5 per cent, the overall rate of growth, and in any case, you see there are some things that are extraordinarily skewed in the kind of industrial growth that you have. You have 40 per cent growth in automobile production. India, with a country of 900 million people, of which 40 per cent go hungry in the evening, will initiate an industrial and economic revolution on the basis of the sale of automobiles in the country! You have said already the base is narrowing. Some more foreign units are coming in and the base is narrowing and you find that you have a genuine problem in hand and that must be going to happen to growth. The rate of growth is being adversely affected because of a number of factors. Number one is, we have not been able to push up our rate of investment. You know that there is some controversy, whether the rate of investment in the economy did decline. And, perhaps, it did decline, but as regards the national income, the people say that there has been some recovery although there are other economic statisticians who say that no, this figure is suspect and one has to look at these

figures with a fine tooth-comb. But again compared to, let us say, China or even take some of the South East Asian countries, the level of savings is between 35 to 40 per cent. Even if I accept the official figures, we are really in the range of 20 to 25 per cent. That is not enough. The kind of massive push we want to give to investment will not be provided by this kind of a thing. Then what will you do? You will say, all right, the private people will fill up the gap, our domestic private chap. With all my deference to Mr. Birla, over a period of 40 years they had all the protection of the world, yet they did nothing to set the economy on the right lines and even if now in the new regime where they are free, they run to the multinationals and in the process the foreigners take charge of our economic development process under whom they function and the poor Government falls back on periodical doling out of how much the foreign investment proposals would be or what the order of the foreign exchange proposals would be for clearance. Then you ask of the Government, "What about the actual investment that has taken place? The Government will say, "Now there is a time-lag, the figures are not available, etc. etc. These are not collected Centrally!" There is a long correspondence I had with the Ministry of Finance and other people and the Ministry of Industry. They are reluctant to give the figures of what is happening. Now again if I accept the figures that a little less than two billion dollars came in in 1995-96, now what is the composition? I read the newspapers and all that and that is another thousand billion or two thousand billions also. All right. Somebody is going to set up a chocolate plant, a toffee plant, a beer distillery plant, two additional bottling plants for the soft drinks, a clothier firm, a fried chicken concession! Are we playing a joke with ourselves? You add up all these, you see, crippling investments together. What is the total that we spent? But then hope lies eternal in the human breast. The

Finance Minister has gone on record that in about a few years' time he wants this figure of two billion dollars to jump to ten billion dollars. Now I cannot go to a battle with a hope, but I think the objective reality will persuade the Finance Minister to temper his judgement now that the foreigners will come. The foreigners will come not because we want them to come, but the foreigners will come because their self-interest is served by their coming in. And at this juncture they have reached their judgement that if they have to come to Asia—there are other countries in Asia where they would migrate—in any case they would watch what is happening to India because there is some political assessment that India is not quite the right thing to invest in. Even the so-called international credit rating agencies come and go tendering some reports. Despite the five years of reform, the original assessment of India as a country which is not worth investing in has not been changed. I think, in any case, this is a hope which is being frustrated. But in the meanwhile, you should have so arranged your economic system that it is incapable of adding to the system that you have—and this is what you have done—freeing your economic apparatus from enjoying the high life. If I can make a little digression into how capitalism flourished in the early phases, late 18th century and early 19th century, there was frugality. There is a way of life which is frugal and abstinent and as a consequence of abstinence you have savings. These savings are then transformed into capital and this capital is used to build a huge industrial empire in the European countries and in the United States. We have started at the wrong end of the stick. We are not asking our people to economise. We are not asking our people to be frugal. We are asking them to buy white goods and this is a particular economic theory. Who is going to buy your white goods? It is all right. There is a limit to the buying of automobiles even by a family which is very

high. There is a limit to the buying of one-door or two-door refrigerators or two-colour or multi-colour refrigerators by ordinary householders. When these kinds of things are there people will not save because you are asking them not to save. You are inviting them to consume more and more and this consumption is unlikely to reach you anywhere. So, you are starving. At the end of five years or six years you will find that the foreign investment which you have altogether asked for is not coming in. Then, maybe, the Finance Minister will be lucky if he is holding another portfolio. But his successor will have some extra headache.

Let me now go on to the other important desideratum in his Budget and which he has recounted very effectively. That is we want to have a just society where employment is there for everybody, a society where there is not too great a disparity in income and wealth between different parts of the country, between different sections of the population, between the people in the towns and the people in the countryside. What is your instrumentality? Your Budget does not provide you any leeway. Mr. Agarwal had rightly expressed his annoyance that you assigned Rs. 5 crores to the victims of highway accidents or Rs. 5 crores to the poor widows in the countryside. Now things of that kind are not going to help India much. You said that you had added much to the outlay for the social sectors. A little bit of exercise has been undertaken there. There is a little bit of vague exercise which my dear friend, Shri Mammohan Singh, did the previous year. That is adding bits and pieces together making a lumpsum and saying that the increase is of the order so many crores. There is nothing new in it. You could have introduced one or two concrete steps. Number one is, you could have taken a decision that all the Centrally sponsored schemes are going to be transferred to the States and you could have also added a rider that this money is being transferred to the States on the

assumption that all this money will be handed over to the Panchayat institutions.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): Madam, we did take a decision in the CMP that Centrally-sponsored schemes should be transferred to the States. We called the Chief Ministers here on July 4-5 and proposed to them that Centrally-sponsored schemes should be transferred to the States and money would be provided to the States. All the Chief Ministers, including the hon. Chief Minister of West Bengal whose adviser Mr. Ashok Mitra was for many years, said 'no'. On all the seven basic minimum services, they do not want the programmes to be transferred to the States. In the meeting of the Planning Commission, we have listed all the programmes in Annexes 1, 2 and 3. About programmes in Annexe-1, they have said that they will not be taken over by the States. About programmes in Annexe-2, which cover areas other than the seven basic minimum services, they have said we should still keep them with the Centre. About programmes in Annexe-3, which are minor programmes, they are willing to take over to the States. Let me reiterate on behalf of the Government that if Mr. Ashok Mitra can persuade the Chief Ministers to take over the Centrally-sponsored schemes, we will be very happy to transfer those schemes.

SHRI ASHOK MITRA: It was a desire of all the Chief Ministers. You do say that you would transfer the programmes. What about the transfer of funds?

SHRI P. CHIDAMBARAM: I said that funds would be made available to them.

SHRI ASHOK MITRA: This is precisely the point. Anyway, let me give some more examples. This morning, during the Question Hour, there was some discussion about land reforms which is really crucial to building a just society. I was a little unhappy that Mr. Agarwal has capitulated ...*(Interruptions)*...

THE VICE-CHAIRMAN
(SHRIMATI KAMLA SINHA): Dr. Mitra, I am sorry to interrupt you.

SHRI ASHOK MITRA: Will I sit down?

THE VICE-CHAIRMAN
(SHRIMATI KAMLA SINHA): You don't sit down. Your party has two names. You have consumed half of the time.

DR. BIPLAB DASGUPTA (West Bengal): Let him continue.

THE VICE-CHAIRMAN
(SHRIMATI KAMLA SINHA): Fine. I am not asking him to conclude. I am only reminding about the time-constraint.

SHRI ASHOK MITRA: Hon. Finance Minister has taken two minutes of my time. I should be given that time.

This morning we had a discussion about how land reforms were not being accelerated. There was a near unanimity that the State Governments were responsible for the slackening of the land reforms. Here one important data was missed out. That is, under an amendment to article 31, all Bills in a State Legislature which are intended to acquire property on behalf of the State will have to be referred to the President for his consent. And you cannot have any land reform without acquiring land. You have to acquire land and redistribute it. I remember an instance in my own case. In the case of West Bengal, we knew that the provisions about land ceilings were bypassed. Why? We have perfectly tilled the agricultural land. Overnight you just flood it with water and then claim that it is a fishery. You have cultivated in the previous season. Now you have harvested the barren land lying there. You just stick in a frail lemon tree and the next morning you say that it is an orchard. So, we wanted to stop all this nonsense and tried to introduce an amendment to the Land Reforms Act. It got stuck in the 'eighties' in New Delhi for about seven years. So, these are issues on which it is possible to

be blamed. Otherwise it is a lot of verbiage which does not serve any purpose. If you say that you are going to continue the reforms, you must have some leverage. Otherwise, you will continue to hear complaints from States like Assam, Orissa that nothing is happening. Why does the private sector not move in? Because there is no infrastructure. When the private sector moves in, it demands infrastructure. But infrastructure is not coming in. The Government does not have the money to build infrastructure. So, these States will have to just remain in darkness and this is not the only problem with this kind of thing. I am forgetting about the other things. Your liberal regime has ensured that some people in urban areas who are at the very top make pots and pots of money. What can you do? We have allowed the multinational corporations to come in, the foreign financial institutions to come in, foreign television channels to come in, foreign banks to come in. Your average Secretary in the Government of India, even with the Pay Commission's recommendations, will, perhaps, get Rs. 20,000 to Rs. 25,000 per month. His offspring, who is hardly 25 years old, will get rupees one lakh or two lakhs or three lakhs per month from these foreign entities. This is happening. I know of a certain lady in New Delhi whose annual earning is in the region of three and half crores of rupees. Forget about what is happening to equality. How are you going to manage your public finances with so much of expenditure? With so much of pressure, you as Finance Minister, will you be able to cope with it? It is a problem you will have to learn to live with. Finally, I would like to mention something about what is happening to external payments. In this entire lurid history we know how suddenly in the early nineties we had this crisis in our balance of payments these so-called economic reforms were introduced not out of any philosophical conviction that things had gone wrong over the past 45

years, therefore, we must cross over to economic liberalisation. We had to cross over because the IMF and the World Bank said, 'If you want money from us—you are short of liquid cash, you are stuck—you have to accept what we have to say. You have to accept the lowering of import and excise duty. You have to accept devaluation of the rupee. You should accept the opinion that you should not spill too much on public expenditure. You should cut down on the operations of your public sector undertakings,' so on and so forth. All this happened because you were stuck. Why was this crisis generated? It was because of some of the short-term debts that were indulged in by the Government that was there between 1985-1990. The crisis developed because of some extremely indiscreet financial management on the part of the Government that was there. This is all ancient history. It does not suit my taste to go into all these details. What do you do? You kept on borrowing. You borrowed all through these years. Your borrowings were to the tune of a hundred billion dollars. Suddenly, it came down to 93 billion dollars. Some European currencies, the Governments decided to depreciate. So, our indebtedness with some of the nations went down in dollar terms. This is no lowering of the figures. Why don't you say in rupee terms what your total indebtedness is? Is it a hundred thousand crores of rupees as against, perhaps, Rs. 65,000 crores, five years ago? We have to first calculate it in rupees before we can convert it into dollars. Let me put another question. In which direction are we going? We are periodically lowering the value of the rupee because we think that it will give us some advantage in exports.

3.00 P.M.

Then we go about having reduction in import duties. But by lowering the value of the rupee, you are really negating the impact of your import duties because in effect, in rupees terms, your cost goes up

Then, you have further devaluation to be followed by further reduction and so on. You are under pressure because you have to satisfy the conditionalities set for you. But do these conditionalities, in their totality, add up to a coherent programme of economic development? I am very doubtful about it. Then talking about reforms, why are we indulging in this exercise? Reforms have not given us, are not going to give us any fruit. You know that the internal engine of growth cannot be sustained if the bulk of the population do have the purchasing power—land reforms and other things. But what have we got of our reforms? Let me be blunt. Let us take the five years since reforms. The rate of growth of national income over these five years is still lower than the rate of growth between 1985 and 1990. The rate of growth is still lower than what it was over the entire decade of the 1980s. This is the reality. In terms of investment, the rate of investment is certainly not higher than what it was in the 1980s even if you include what the foreigners are contributing. Now we had a little discussion in the Question Hour yesterday over the entry of foreign financial institutions our share market portfolio investment. There is again a thesis that there is a complementarity between long-term direct investment and portfolio investment. If money goes into the portfolio investment, that money will not be available for long-term investment. Again, I don't want the Finance Minister to accept fully this particular theory. These are really conflicting objectives. Now the reason why the internal activities of our domestic industrialists and others will be affected is that they had been habituated in being led by public investment.

If there is public investment—that is the history of this country—that public investment drove away private investment. But that lever of growth is missing in the matter of public

investment. So, on your own, you do not know and you are trying to have an alternative lever of what the foreigners will invest. But then from the short-term experience of the foreigners, we know that they are coming and are trying to buy out your shares in the established industrial units. Now this is a point which I would repeat for the sake of the Finance Minister's listening ear. The modalities are simple. You first depress the price of the shares of local units and then at this depressed price you buy. All kinds of stories are floated. In addition to what they are buying within the country despite this so-called 24 per cent gap, there is the danger that they might accumulate bonds, scrips, etc., through the issue of GDRs and thereby come to control some of the Indian companies, not only the Indian companies but also the public financial institutions like the ICICI. I am asking you: Why has liberalisation, economic reforms, been made into such a holy cow?

What have we got? Our rate of growth has been lowered, our investment has been depressed. Our entire structure of economic balance between the rich and the poor has been tilted in favour of the rich and employment of course has shrunk and shrunk and shrunk and whatever little you have tried to do through your National Renewal Fund is to dole out some money. If only that money were available through restructuring the units, then at least we could have saved some employment and got some income out of the capital that we have invested in these units. So, Mr. Finance Minister, I do not question your intentions. I still believe that you, being one of the major draftsmen of the document, do have some trust in the common minimum programme but unless you snap the links with reforms you will go nowhere and we as a nation will not go anywhere. Thank you. (cnds)

THE VICE-CHAIRMAN
(SHRIMATI KAMLA SINHA): Shri R.

K. Kumar. He is absent. Shri N.K.P. Salve.

SHRI N.K.P. SALVE (Maharashtra): Madam, I must apologise for not being in time. I should have been the first speaker, but due to some communication gap I was told that it was to come at 2.15 p.m. and it started earlier than that. Madam, the other day I was listening to the debate. I must refer to some very important points made by two of the speakers, Mr. Satish

Agarwal and Shri Pranab Mukherjee. They prepared their speeches very studiously and very painstakingly and they made some very important points and I ardently hope that they will not be put under the carpet but they will be dealt with. Specially, I am going to refer to some of the points made by Mr. Pranab Mukherjee and also some of the points made by Mr. Satish Agarwal. Madam, I am aware of the fact that it is not easy for the Finance Minister of any coalition Government to prepare a Budget which will be acceptable to all the political parties. Specially, if Communists happen to be part of the coalition, God help the Finance Minister. Perhaps for the brilliant Finance Minister from Tamil Nadu a Bharatnatyam performance on a tight rope loosely help by thirteen political parties would have been easier than to prepare the financial proposals. Therefore, we are aware of his limitations and we commend his efforts in many ways and if some of us are critical of the actions of the Government I want to make it absolutely clear that it is not that we want to oppose the Budget, it is not that we are opposing the Government but we want the Government to improve the governance, give higher political stability, financial stability and economic stability. From that point of view I must say there are quite a few positive and commendable proposals in the Budget. But before that I must commend the Common Minimum Programme. I think it is a very brilliantly prepared historic document. It

is a sensitive document and I call it historic and I greatly revere it for one reason that in the document there is a categorical reiteration and reaffirmation, and approval of the seal of the country on the economic reforms which started in 1991.

The quintessence of the economic reforms had been so succinctly but categorically reiterated by the Finance Minister in para 5 of the budget speech ... (*Interruption*) ... Mr. Balanandan and Mr. Ashok Mitra are living examples of what I have said just now—the difficulty of a coalition arises from the Communists.

Madam, I happened to be the Minister in waiting way back in 1983 when President Mitterand came to India. We went to visit Ajanta and Ellora. I had an opportunity of having a long talk with him, a heart-to-heart talk. He said one thing, "...Communist Party unfortunately is one which has its own predilections and affiliations to its party programme and when it comes to a doctrinaire matter, they will keep all other interests secondary, including national interest."

That is what Mr. Mitterand said, with his experience. I hope our experience is a little better. Be that as it may ...

DR. BIPLAB DASGUPTA: Mr. Salve, you please repeat the quote because Mr. Mitra is not here. If you could write it down, I will give it to him.

SHRI N.K.P. SALVE: To whom? To Mr. Mitterand! Mr. Mitterand is no longer here. I am referring to Mr. Mitterand of France, not Mitra of India.

DR. BIPLAB DASGUPTA: I could not follow the French accent. That is all.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Mr. Salve is talking about the late French President.

SHRI N.K.P. SALVE: I would not be Minister in waiting for Ashok Mitra ever. I hope not.

Madam Vice-Chairman, I was referring to the quintessence (*Interruptions*) ...

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Between Mitra and Mitterand, there is a slight accent difference.

DR. BIPLAB DASGUPTA: Madam, there is a mistaken identity.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Never mind, Let him continue.

SHRI N.K.P. SALVE: Madam, what I commend is the very succinct but categorical reaffirmation of the commitment of this Government which comprises 13 parties, a coalition of 13 parties. The budget reiterates that the Government will follow the economic policies that will promote growth with social justice and lead to greater self-reliance. "We have not use of jobless growth nor that growth which leaves untouched large sections of people We will remove controls and regulations over agriculture and industry. We will keep our economy open and competitive in order to encourage more foreign trade and attract more foreign investment. We will reform the tax system." Amen! ...

SHRI V. NARAYANASAMY: Mr. Balanandan is very suffocated now ... (*Interruptions*) ...

SHRI N.K.P. SALVE: I am one for social justice. But the difference between me and Mr. Mitra is, I believe that there can be growth without social justice; there can be economic growth without social justice. But there can never ever be social justice without economic growth. If that proposition is acceptable to you, 90% of the speech that we have heard just now becomes irrelevant. He made a brilliant speech. I commend it totally. He did not have to refer to any notes. But it has to be understood that ultimately the bottomline is growth. The quality of growth is important. The budget categorically state in para 5 that the Govt. does not want

jobless growth. We want more jobs. We want amelioration of the economic conditions and social emancipation of the classes which have been denied the fruits of growth, which have been oppressed, the less-privileged and the under-privileged. Had that will come not by high-sounding, empty slogans and shibboleths, which have tonnes of words without an ounce of sense in them, but by having a ruthlessly pragmatic approach in the whole matter. From that point of view, I must submit that certain measures are very commendable. Before that, I have a basic objection to the entire Budget figures. The other day, Mr. Pranab Mukherjee pointed out with very relevant and cogent arguments and reasons that the fiscal deficit could not be less than 6.3% and his allegation was that the Government has overestimated the revenues and underestimated the expenditure. He made very good points about that. If that be so, then I have a very serious apprehension about the quality of management of the economy. Fiscal deficit of 6.3% of the G.D.P. is very high one. This country cannot afford it. Much of the problems of this country, economic problems have been due to high fiscal deficit. But, I have a more fundamental objection and it is that the Budget Estimates for 1995-96 were revised by Dr. Manmohan Singh in February, 1996. Nearly five months thereafter, the present Finance Minister presenting his Budget, revised the Estimates and he mentioned the same figures which were mentioned in February. After five months! Madam, what kind of a Budget are you having in which we don't have actual figures of 1995-96 or at least Revised Estimates for 1995-96 on a much better basis? If these figures are not correct, then all the deficits have no meaning whether it is fiscal deficit or revenue deficit. These would hardly have any meaning. In the light of what Mr. Pranab Mukherjee has said, I am extremely worried; I am disconcerted over this and I hope, some reason will come

out because the accounts of the Government, as far as I know, are ready and completed by May; they may be unreconciled. Easily, they could have made the revised Estimates for 1995-96 and the various deficits revised on that basis. The explanation, I hope, will be satisfactory, especially in the context of the inaccuracies and deficiencies pointed out in the Budget figures of 1996-97.

The are very good measures taken so far as agriculture and rural development are concerned, Madam, NABARD's capital is to be increased to Rs. 2,000 crores. And also about agriculture, serious note has been taken. Our agricultural growth has, unfortunately, been very sluggish despite very good monsoons. During the last four years, the average growth in crop production has been about 3.4 per cent per annum. In 1995-96, it decreased to 0.9 per cent. Ours is an agricultural economy and it is just not possible for us to accept such a situation. Therefore, much more importance has to be given to agriculture and especially if you want to maintain seven per cent growth — which I think is very difficult — about which I will have later to say something — if you are going to ignore agriculture, then I don't think even seven per cent growth hereafter will be possible.

I am happy that some distortions in the subsidy have been sought to be remedied and it was realised that the distorted pattern of subsidy for three kinds of fertilizers, namely, nitrogenous, phosphatic and potassic distorted the balance of nutrients required to maintain the fertility of the soil. Therefore, a hefty increase in the subsidy for potassic and phosphatic fertilizers is indeed commendable because that will bring about a proportionate use of all the three fertilizers.

Equally commendable, Madam, are measures for poverty alleviation. Now the seven major objectives which were adopted in the recent Chief Ministers' Conference, if implemented by the year 2000, will really contribute very substan-

tially to poverty alleviation in the rural areas. If you can achieve the target of 100 per cent coverage of primary health centres, universalisation of primary education, public housing, assistance to shelterless families, extension of Mid-Day Meal, road construction, etc., it would be really work exceedingly well done. But, there is something which I want to say in this respect. Having been associated with the Finance Commission, Madam, I have seen the biggest curse, so far as the financial management of the country is concerned, is the utter incorrigibility of the State so far as profligacy of the finance is concerned, not that the Centre is free from that kind of profligacy to which I will be referring to later. But, are you sure that the money you are giving, whether you run these schemes by yourself or whether you transfer it to the States; are you sure that at least 70 per cent of the money you are giving is being used for the purpose for which these funds are transferred from the Centre to the States?

SHRI P. CHIDAMBARAM: Is there any other way?

SHRI N. K. P. SALVE: Well, if you are going to plead helplessness...*(Interruptions)*...

SHRI P. CHIDAMBARAM: I am asking, is there any other way.

SHRI N. K. P. SALVE: What about monitoring? Why not on establishment? Let us make a law, if necessary. You should have more stringent monitoring, that is the only way you can go about it. Without monitoring if we continue the way we have been continuing, the profligacy will continue and the States will never be using the money for the purposes they are meant for. We will never be able to achieve the target. Do you think you will be able to achieve the target by 2000? Mr. Finance Minister, do you really believe that you will? Howsoever sincere you may be and whatever amount of money you transfer. Will you ever be able to achieve this kind

of a target unless people who are implementing on the spot are sincere about it? If they are going to use that money for some other purposes, to meet their ever growing revenue expenditure, will it be possible?

Earlier in 1991-92, as was pointed out by Shri Pranab Mukherjee and Satishji, we were a revenue surplus nation. Why have we gradually got into a perennially revenue deficit State? The 9th Finance Commission, by the terms of the President, was asked to give norms of revenue expenditure in terms of which there will be higher revenue surplus to be used for capital expenditure. Madam, highest encomiums were bestowed on that kind of a report which was given by the 9th Finance Commission and the moment it came to implementation, the Central Government was the first to violate. It gave Rs. 5000 crores relief to farmers. Loans were written off. High sounding philosophy, high sounding words would have very little meaning. If I praise your programme of poverty alleviation, I will do so if your efforts are indeed commendably great. Please match your efforts to implement the targets. You cannot match the way you are going ahead or the way he has gone ahead. Unless there is a very strong and stringent monitoring system, it cannot work. It should see to it that it does not violate the norms which are laid down for expenditure on specific purposes and if it is so, they would do it only at the peril of losing further subsidies, further grants.

Madam, I am conscious of the constraint of time and I cannot go too long. I would like to address myself a few areas.

Talking about the profligacy of the States, I am not talking like Mr. Ashok Mitra who was asking just now on the public expenditure; how can you reduce unless you use compassion in the matter? We do not want the public expenditure to be reduced so far as Plan expenditure is concerned. So far as non-Plan

expenditure is concerned, you start with a very noble and very, very welcome move of reducing it by Rs. 3000 crores on account of establishment.

I am one of those who wrote articles supporting the effort on the part of the Finance Minister. I said there, "At last, on the horizon our Finance Minister has come and he is a coalition Finance Minister who has the courage to say that he would reduce Rs. 3000 crore from the establishment expenditure." What happened to that, Mr. Finance Minister?

SHRI P. CHIDAMBARAM: It is on course. (*Interruptions*).

SHRI N. K. P. SALVE: Mr. Finance Minister, I am conscious...

THE VICE-CHAIRMAN (MISS KAMLA SINHA): Mr. Salve, you should address the Chair and not the Finance Minister.

SHRI V. NARAYANASAMY (Pondicherry): Madam, through you, he is addressing the Finance Minister.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): You can request him through the Chair but not directly.

SHRI N. K. P. SALVE: I am sorry, I ask you to please ask the Finance Minister. I request you, Madam, I implore you. I crave your indulgence. Retrospectively I would like to amend. I thought it was a parliamentary practice to address and say, Mr. Finance Minister, you have to answer this. I am addressing you, Madam.

I hope, in the meanwhile, he will not forget to tell us as to what would have happened to the Rs. 3000 crores reduction so far as establishment is concerned. I understand his limitations. I understand his difficulties. But good things have to be done. He has to fight it out. Let us see, Madam (*Interruptions*).

I have a very limited time. I would like to make a few points and the impact of direct taxes on the general economy and

the general impact of the Budget. I think, it is going to be inflationary. He is not going to achieve the growth of 7% of GDP. Therefore, to that extent it is antigrowth.

Madam, it is inflationary for two reasons. Number one, leave along the Corporate Tax which may not be inflationary; Direct Taxes are not considered inflationary. But about that I have some other objections. And even otherwise, there is Excise Duty, there is Customs Duty, the Union Excise Duty and the Service Tax. Madam, I thought of the quintessence he has pointed out of the reforms. The reforms say that the Government wants to abridge its area of governance. But, for Plan expenditure in other areas, the Government should govern the minimum. And then only shall we be able to successfully implement the reforms that we want to implement. If the ultimate approach is abridged in the area of governance, how are the indirect taxes justified? Are they not inflationary? What is worse — Rs. 2,692 crores of additional taxes and out of that you exclude the Corporate Tax. Where is the bar? You are increasing your non plan expenditure. You suppose these taxes with tremendous, monstrous increase in the prices of petroleum and petroleum products. I raised some questions here. But, we were bulldozed. Certain valid questions were raised and we were told, Madam, this increase of 25 per cent in petrol, 30 per cent in cooking gas, naphtha, fuel oil, irrigation oil, paraffin wax, etc., the monstrous increase was justified because — the reasons give are — "Non-revision of prices would have resulted in inability to import due to lack of finances with the oil companies, shortage and disruptions in supplies leading to hardship to the people and Oil Pool deficit becoming unmanageable." When there is surplus in the Oil Pool Account, you take it away to the Public Deposit Account. Four thousand crores of rupees! ... (*Interruptions*)...

AN HON. MEMBER: In which year?
...*(Interruptions)*...

SHRI N.K.P. SALVE: The year is irrelevant. The Government is one Government. ...*(Interruptions)*... What about the Petroleum cess? I am sure that Satishji made that point. What about cess? We have collected an aggregate of Rs. 26,000 to Rs. 28,000 crores as cess and the intended purpose of collection of that cess is to create capital assets. It is very laudable. But, you have given only Rs. 900 crores out of that. It is your liability to provide for the rest. You are talking, you are threatening us that the entire petroleum distribution system will come to a naught and there will be chaos in the country. That is incorrect; that is untrue. The second reason is that, Madam, I am sure that the Finance Minister is aware of the fact as to what the position is of the Oil and Natural Gas Corporation Ltd. Have you any idea of their equity, of their reserve funds and their liquidity available? Do they need working capital at all? If you need this money for purposes of providing for capital investment, you put up the Plan projects, capital projects, you put up your refineries. You are putting up a 2.6 million tonnes refinery. Then naturally you are honest to say that you need money to build up assets and for that current consumers must subsidise. It is a cardinal principle of public finance, Madam, that if you are wanting to acquire long-term beneficial assets, then the burden should be spread over the present plus the future consumers. This kind of a hike is not warranted at all. The latest of March 1995 of the accounts of the Oil and Natural Gas Corporation show that it has a paid-up capital of Rs. 345.92 crores and reserves and surplus, Mr. Finance Minister, Rs. 15,882.34 crores. Madam, its depreciation reserve fund is Rs. 14,362 crores. It has a total reserve of Rs. 30,444 crores paid from contributions made by the consumers. What are you complaining of? "We will go bankrupt,

we will not be able to import petrol." I want an answer to this dilemma. We posed question to the Finance Minister and I believe the Prime Minister came and he said, "We have decided that there is to be no increase." Madam, there is one thing to which I object very seriously and the same applies to the Finance Minister. I believe this relates to section 115(I) which is to be enacted and over which there is a very serious controversy. The Finance Minister is alleged to have said — I would like to be corrected — "We have decided finally that it is going to remain; this is going to remain as a part of the statute." When a matter is being debated in the Parliament, the debate is not of a debating society of a college or a university or a school. It is debate in a forum which it has to be considered, which has to be evaluated and assessed objectively and then only a final view has to be taken.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): I entirely agree with Shri Salve. The debate will finally end here. But that does not mean, in the six weeks after the Budget was presented, there will be no debate outside. There will be a debate outside. There will be a debate in newspapers. There will be articles. There will be fora in which people exchange their views. Finally the debate will end here. The power is with you either to vote a tax proposal or not to vote a tax proposal. That does not mean that we should be silent for six weeks between the Budget presentation and the Finance Bill being passed. And if I may have your indulgence, I am puzzled, just a little while ago, an hon. Member of your party, Smt. Jayanti Patnaik, supported MAT. Are you opposing it?

SHRI N.K.P. SALVE: Please listen to what I have to say. I have no objection to tax being raised from corporation but the manner in which it is being raised is unethical ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: I shall listen to you.

SHRI N.K.P. SALVE: I want to make one thing clear. Madam, did I say that I am opposed to a the debate either here or debate outside? What I am opposed to is an expression by the Finance Minister outside the House, while the debate is still on, that this is final and conclusive.

SHRI P. CHIDAMBARAM: No. There is no word like 'final' and 'conclusive'. I said that I have introduced MAT and I think, it is an unexceptionable tax and there are one or two complaints which I am looking into. That is what I have said. I did not say that there is final and conclusive. What is final and conclusive is what you will vote, Mr. Salve.

SHRI N.K.P. SALVE: Mr. Finance Minister, please do not go by strength and voting. As I said we do not want to oppose you. But we want you to improve. We are within our right to give you suggestions. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: You give suggestions. I will consider ...*(Interruptions)*...

SHRI N.K.P. SALVE: The Finance Minister also happens to be a brilliant lawyer. I do not know how much of taxation he knows, but Mrs. Chidambaram is a brilliant tax lawyer. I know it. Madam, sometimes, it is better, even if in Government matters, to consult women and your wife, and in this matter, I do not know whether Mr. Chidambaram consulted Mrs. Chidambaram. I would not know. But, in the light of what I am going to point out, at least that I will do that. But, at the moment, I am on the question ...*(Interruptions)*...

SHRI TRILOKI NATH CHATURVEDI (Uttar Pradesh): I read in the newspaper that she said, "The Budget was not good". Your mother has appreciated ...*(Interruption)*....

SHRI VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): That is

a domestic affair. We should not quote it here.

SHRI N.K.P. SALVE: I am saying all this because I have great hope in the Finance Minister and I have great respect for him. He is a young Finance Minister. He has a brilliant future ahead of him. But, there are pitfalls. As a senior person, I am only pointing out the pitfalls. I am glad, he has made it clear that he never stated that it is categorical and conclusive and final. I accept his word for it. What happens to this that I am pointing out, the kind of availability, plenty of availability of the working capital with these companies, oil companies, and they are telling us that it will go absolutely haywire if we were not to give this money. And what about Indian Oil Corporation? There is one more point, Mr. Finance Minister, I want to tell you, that O.N.G.C. has given advances to its employees to the tune of Rs. 222 crores. What kind of profligacy is it? Are we running these corporations for employees or for the benefit of the country? Of course, that is an incidental point I am making. The real point which I want to make further is the same is the situation of Indian Oil Corporation, IOC has a capital of Rs. 369.80 crores and it has reserves of surplus of Rs. 6,217 crores. Its pool account is only Rs. 1361 crores, whereas the total dues is nearly Rs. 3,000 crores. What are you trying to tell us by bringing about large advertisements in newspapers that if the prices were not hiked and hiked so monstrously and so ruthlessly the entire distribution system would come to an end?.... *(Interruption)* ... yes, Certainly; to some extent, it is profligacy on the part of the Centre. I concede that immediately. But please do consider this and answer my question in regard to this. The working capital is adequately available to them. It has already been contributed. Use that, for God's sake. For taking up Plan projects, certainly, we should go ahead. I do not say that we should not go ahead. But you can raise loans. You can certainly raise

loans from abroad. you can use it for the projects.

There are other ways. For example, why don't you make these companies public? 'Public' in the sense; why don't you go in for capital?

SHRI V. NARAYANASAMY: Share market.

SHRI N.K.P. SALVE: Madam, the share of Rs. 10/- is worth Rs. 445. This kind of profiteering even by the public sector undertakings, in my opinion, is not justified.

SHRI V. NARAYANASAMY: Privatisation like West Bengal?

SHRI N.K.P. SALVE: From that point of view, I hope the answer would come. The Finance Minister says that Rs. 4,000 crores out of the Pool Account was taken away by some other Government of which he was also, perhaps, a member.

SHRI V. NARAYANASAMY: Collective responsibility.

SHRI N.K.P. SALVE: What about the Cess Account, Madam? Very studiously, Satishji brought out the Report of the Standing Committees; on Petroleum, he dug it out. There is no answer for that, whatsoever. No Government would be able to justify this kind of an unethical approach. I am using the word 'unethical' designedly. How can you make the consumer pay through his nose for a Cess which is meant to have, to augment, to improve, the capital assets in the petroleum sector; and you divert it for revenue purposes and still have a large revenue deficit My friend, Mr. Chaturvedi, is right when he says that this is a manifestation of profligacy on the part of the Central Government.

Madam, I will now come straightaway to direct taxes. So far as direct taxes are concerned, we have been having amendments right, left and centre. The Income Tax Act stands mutilated. In thirty-four years' time, we have effected 4,000 amendments, changes, insertions, in the

income-tax law, exiling it from system changing it into confusion worst confounded, plus corruptions. We go on mutilating it. I think there is no parallel in Indian jurisprudence where an Act has been mutilated the way the income-tax law has been mutilated. We still continue to do so, Madam.

We go on changing the law in season and out of season. The amendments are torrential and utterly purposeless. Madam, the striking example... I am saying this because the hon. Minister is conversant with the law — is the withdrawal of development rebate and the introduction of initial depreciation in 1974; the withdrawal of initial depreciation and the introduction of investment allowance in 1976; the withdrawal of investment allowance and the introduction of investment deposit scheme in 1986; the return of investment allowance in 1989. Instead of this, a simple continuance of the development rebate would have, undoubtedly, given us the requisite results.

Madam, I submit, in all humility, for the consideration of the House and for the consideration of the Finance Minister. Two things strike a student of the Indian income-tax law, with trepidation and amazement. The precipitate and chronic tinkering with the law; more importantly, tinkering with the law by the bureaucrats who act as the unacknowledged legislators of the country. I expected the Finance Minister not to allow the bureaucracy to have the better of him but to understand each law, each provision, that he was wanting to insert by way of amendments to the income-tax law because for long, we have endured injustice; we have endured unfairness with feudalistic servility and fatalistic resignation.

Now, coming to the insertion of section 15J, Madam, my objection is not against the levy of tax. Every Corporation, every company, which earns profits must pay

tax. But Madam, there has to be some equity, there has to be some ethics, in taxation. From my first day in Parliament, which was thirty years ago, I have been saying this. In my first Budget speech, I said: For God's sake do away with these exemptions and incentives? These are 148 in number. As a result of these incentives and exemptions, we are having the zero tax companies. I have said: 'There is no justification for riddling the income-tax law with this kind of exemptions, with this kind of incentives'.

That has only made the law extremely complicated, extremely difficult and it has become a paradise for the tax lawyers. Satishji, I have been one of them and I have come to the conclusion that they act like pests. There is no contribution we are making to the society.

Madam, I was going through this report of the Comptroller and Auditor-General, and I find there are over two lakh appeals pending. We have hardly 10 million tax payers. In the USA they have 100 million tax payers and the appeals are not more than 700 to 800. It is as a result of complicated law, it is as a result of arbitrary assessments as a result of too many discretionary powers given to the assessing Officers and as a result of our unwillingness to accept that we need a simple law with a rational rate of taxation and leave it at that for at least the next 25 years. In Sweden they have not amended their income-tax law for the last 17 years—not even a single amendment. There has to be something like stability in the tax law.

Madam, this kind of taxation is iniquitous for two reasons. Firstly, those incentives and those concessions as a result of which the companies do not pay any tax, continue to embellish the Statute Book even today. They are there Parliament has given them. The Finance Minister has provided in the Income-Tax Act and they are there. Do I understand that they have provided these incentives in the income-tax law for the assesseees to avail or not to

avail? If they have availed of them, what wrong do you find? In an arbitrary manner you try to neutralize to an extent of 30 per cent. It is iniquitous for one simple reason. It is for the first time anywhere in a civilized society where democracy functions that you are levying taxation with reference to book profits. It was there in 1988-89, 1989-90 and 1990-91. I do not know what motivated the Finance Minister then to do away with it. But a study by the Reserve Bank has shown that the effective rate of taxation of the companies is 14 per cent — by effective rate of taxation I mean the corporate tax collected on the total profits of the companies. If the effective rate of taxation is 14 per cent, wouldn't it not be better that you get rid of all these incentives, simplify the law and raise your taxation to 28 per cent instead of 45 per cent? You have got a rational rate of taxation and, instead of doing that in an honest and ethical manner, you go in for a shortcut, a typical bureaucratic shortcut, and just put 12 per cent. Why 30 per cent only, may I ask? It is an extremely arbitrary law. If 30 percent of book profits can be validly brought to tax, there is nothing to prevent total book profits being charged in future. And book profits is a very dicey notion. Those who are conversant with the company law would know that under the rate Schedule VI read with section 205, there is no rigid rule for preparation of the profit and loss account, and assesseees similiary situate doing similiary business with similar profit margin will have different and differential book profits. Anyone who knows accounts knows this. And one will pay less on the same profit earned at 12 per cent, another will pay more on the Book Profit. But why this shortcut? Could you not have more honestly given a notice, "All right, I am going to get rid of these 148 incentives"? If only an incentive is justified, I think it is accelerated depreciation, because accelerated depreciation is not actually relief in taxation. It is only giving relief in the initial years to a

company. Other than that, it is easy for you to withdraw these and raise the taxation to 28 percent. Instead of doing that, you have put 30 per cent and it will go on for two, three years—for some time it will go on in the same manner—and some other Finance Minister will come on the horizon and again do it. Why do you want to do this kind of continuous tinkering with the law? It does not help you.

Madam, the Finance Minister's corporation tax collection is close to Rs. 20,000 crores, which will grow up to Rs. 40,000 crores if it is raised to 28 per cent. Instead of doing that, this unethical exercise is done. I have very serious legal objections on this. He will have to answer them and he will not get any fees for the same. The Section is economically unsound and morally repugnant, because the companies hit by this section are in reality the dynamic enterprises in the corporate sector. If your only argument is that they are getting free from taxation and, therefore, tax must be levied, then your argument is not correct. Mr. Pal-kiwala wrote an article on this actual facts with reference to one company, which I want him to verify. I shall take the actual fact of a well-known manufacturing company. He has not given the name of the company to me, but he will give it to him. The company did not pay any income-tax for six years. But, at the end of that period, it was employing 10,000 more persons. The number of employees increased from 30,000 to 40,000. The aggregate amount of tax paid annually by way of excise, customs, sales tax and octroi was Rs. 295 crores as against Rs. 89 crores at the beginning of the six-year period could it possibly be said that the company was not making its fair contribution to the national Exchequer? The very reasons on which they are levying this tax are not justified and not tenable on facts, because these are the companies which are making the maximum contribution to Central excise, to Sales-tax and what not. And what is more important from my

point of view is the increased employment they are providing. Therefore, I want to submit very respectfully, please have a look at this. The other objection that I have, is....

SHRI P. CHIDAMBARAM: Now you accept that there should be a minimum tax. If that tax is unethical and morally unsound, what is the alternative to MAT? I would like to hear your alternative to MAT.

SHRI N.K.P. SALVE: I have given you the alternative, Mr. Finance Minister. You give a notice to the assessee on the year saying that these are the incentives which are there now in the assessment year of 1996-97; no more, no further, they would be withdrawn. And then reduce the rate of taxation to 28 per cent.

SHRI P. CHIDAMBARAM: That is really not an alternative to MAT. That is a substantial reform to the Income-tax Act. I want to take a minute to explain this. I did not add these 148 exemptions. They have been added brick by brick over a period of 10 or 15 years by a succession of Finance Ministers and passed by this Parliament. Your Government and my Government had five years to put in place a new Income-tax law. We tried it. You know there was a group headed by Mr. Bhakta. For five years you tried and now we talk of a new Income-tax law? Sir, I have appointed a committee and I will have an Income-tax Bill on the 1st of January, 1997.

SHRI N.K.P. SALVE: If that is so, there is no warrant to have this half-baked measure *inter-alia* for this reason. That is what you are doing. That is your answer to what I am saying. That means you accept that these incentives and concessions are not desirable. You want to have a committee to look into it. I do hope that in that committee you will take experts and eminent people.

SHRI P. CHIDAMBARAM: Yes, there are experts and eminent persons. Sir, I will come to you for advice. You are only next door to me.

SHRI R.K. KUMAR: Madam is this the assurance on the floor of the House that there will be a new Income-tax Act from 1st January?

SHRI P. CHIDAMBARAM: Madam, we are neighbours. I will go to him for advice.

AN. HON. MEMBER: Yes, it is an assurance.

SHRI N.K.P. SALVE: Madam, he is an excellent neighbour and I did not want to be harsh on him personally. But it is the system I am talking of. Please do not misunderstand me. Madam, he is a much better reformer than I am, but after he has become the Finance Minister his hands are tied. But, please, reply to these two queries I am raising on legal issues. The section penalises the so-called zero-tax companies unfairly ignoring the total fiscal burden discharged by the company and advertising only to income-tax. The section is constitutionally illegal. It discriminates against limited companies while in identical circumstances other assesses like partnerships and sole proprietorships are left untouched. That is because they can manipulate their accounts to any extent. So, book profit has no meaning for them. But, even for companies, I am sure, he will not dispute the proposition of mine that two assesses similarly situated making similar gross profit will never have the same book profits. The second is more serious, the section on interloper, which really has no place in any coherent system of taxation. The tax imposed on an amount beyond the total income computed violates the uniform statutory scheme. Such a burden of tax virtually involves denial of deductions and relief to companies which are entitled. It amounts to an unreasonable restriction on the right to carry on business. This restriction is not genuine, but against the public interest. Madam, in the end all I want to say is : Is it not inequitable to say the least? That two persons similarly situated are taxed differently while they have 148

concessions which continue to embellish the tax laws. Where is the hurry? Why can't you wait? You are going to raise Rs. 700 crores or Rs. 800 crores. Let me tell you one more thing. This kind of instability affects the market. In the normal course, I am not worried about the secondary market. If the secondary market is affected so much, then, the primary market would also be affected. That means the investment would be affected. For God's sake, please don't take it very lightly. Take my experience for it. You would lose nothing. If you were to put this in abeyance, do tax companies which make profits.

I am not against it. I want to repeat, do tax companies which do make profit. But don't do it in a manner which is so arbitrary.

Madam, do encourage investment, may I suggest one thing? There is no warrant, justification for taxation of dividends after you have amended provisions for taxation of partnership firms. The partners are not taxed individually on their share of income from a partnership. Only the partnership is taxed. If the two companies do business in a partnership, then, it is a different story completely. The two companies who receive their share would not be taxable. If you were to exempt it, then, we need a massive investment. I am going to deal with that also. I would not take a very long time. Madam, I can see in your eyes somewhat of a disapproval to this. But please bear with me for a few more minutes and I am done.

Madam, the surcharge has to be removed. It has been promised for a very long time. I am not against augmenting revenues. But do it in a legitimate manner. Do it in a fair manner. Please don't blame your predecessor. It is a sign of weakness. Accept things as they are. What you are doing, you tell us. What your capability is, you tell us.

Madam, the next item is regarding investment from abroad. My friend, Mr. Ashok Mitra, was exceedingly strident,

very vocal and vociferous as we are depending too much on foreign investment and if we are going to depend on foreign investment, ultimately, we are going to barter away our interests. For the last 1½ decade or 2 decades, smaller countries like Taiwan, Korea, Thailand, Indonesia and Singapore have shown a miracle in the economic growth. Today I read in the newspapers that Singapore is going to be the richest country in the world by 2020. They have all taken foreign investment liberally and lavishly. They have brought about a miracle in the economic growth. Have they been overrun by foreigners? Gone are the days, why are you worried about colonies? We need to have more foreign investment. I am sure Mr. Ashok Mitra would have no objection if people of Indian origin living abroad, the NRIs are given a treatment that is required to be given.

Madam, I would be delighted to read para 43 from the Economic Survey of India. I want to share it with the House because I subscribe to this view completely. We in the power sector—the Minister for Power has gone away—are famished. The foreign investors are coming and they need to come. For that your Ministry is partly responsible. I will come to that in the next point. I want to quote from the Economic Survey of India, updated, page 21, para 43:—

"India's economic development must harness the opportunities provided by international trade, modern technology and world capital market. China has shown how \$ 30 to 40 billion a year of foreign investment can be effectively harnessed for economic development without compromising sovereignty and national interests. You must safely reform our policies to give effect to the goal of attracting \$ 10 billion investment in a year. At the same time, we must remember that foreign investment like all our capital inputs have to be serviced and

this will require a strong growth in our export of goods and services."

They will earn money they will service themselves. Madam, about China, I had an opportunity to look into that. Most of their investments have come from non-resident Chinese. How much they have worked to ensure that the non-resident Chinese who are abroad and who are affluent feel attracted to go to China! Things being equal, they think that China is a better country. They are not given sermons. They are not pontificated that for the sake of patriotism, for the sake of nationalism, for the sake of 'call of duty of their mother land', they should go there, even if you can spend your money elsewhere, invest your money elsewhere, more easily on better terms. That never happens. I have a friend of mine who was telling me, "We have 18 million people of Indian origin living abroad." Eighteen million! If we were to take—these are important figures I am giving—that on an average, they earn 20,000 dollars a year which is not very much, what they earn is more than Indian's GDP. It is an India outside India. It is bigger than India. What have we done to harness their investments? Those people have gone with industry and enterprise. Cussedly they have worked. Their families have worked, it is their hard-earned money. If they are going to earn better returns elsewhere, why are they going to come to India? I may put this question. This opportunity you are giving them very grudgingly is utterly inadequate. Make up your mind to make it really attractive for these people of Indian origin to come. If we get some few billion dollars from them 1000 billion or so, by way of deposit in the bank, it is very unsafe. Hot money is not good for India's economy. We need investment. We need investment in infrastructure. Really they are willing to come provided they get returns. What is wrong in it? 'Profit' is no longer a dirty word. They expect a legitimate profit. One thing that they are scared of is to keep on going round the corridors of

the secretariats at the State level and Delhi level to be able to make investments. Madam, I hope present Finance Minister will take some bold steps. Please do not give petty, peddling, incentives. Let there be substantial incentives. Let there be a perceptible package adequate to attract our people from abroad, especially men of Indian origin, to come into India.

Madam, I would not be true to myself if I were not to refer, in the end, to the power sector. Madam, the way power shortage is seen and felt in the country only gives a glimpse. Unless we take drastic measures to augment our power generation in the years to come, I was thinking, by the end of 1997 or 1998, fiscal year, we will be having an acute shortage. In 1995 itself it started. Delhi itself was consuming 1200 megawatts. When I took over in 1993 January, I asked them how much they would need in Delhi. They asked for 200 megawatts more. I said, "Given". They were given 1300 megawatts, 1400 megawatts, 1500 megawatts, 1600 megawatts and 1768 megawatts was the consumption. Today, it is something like 2500 megawatts. If you are not going to put up power plants immediately and start the installation process immediately, what is going to be our position in the next 10 years' time or five years' time or three years' time or even two years' time is going to be much worse than what it is today. The only way out—whatever the Communist Party may say—is lavish and substantial investment in the power sector. And it will only come from foreign countries.

SHRI DIPANKAR MUKHERJEE (West Bengal): On power shortage, I have the figures. Are you aware how many units in 1994-95, were lost for backing down powerplants? My figures are, in 1994-95, 7.9 billion units were lost because of backing down stoppage. So, don't say power shortage is due to poor power generation only. There are other points: 7.8 billion units means.....

SHRI N.K.P. SALVE: I have understood.

4.00 P.M.

When I am talking of augmenting generation, not for a moment, am I saying that we do not need to streamline our distribution system. The distribution system is a very major area in which we need to improve a great deal. It is backing down because the States look up to the States only. When the States needs are fulfilled, then they will back down. But the point is, if they had linked it up properly to different States, there would have been no problem. Madam, I must submit that the South Indian States have been neglected totally so far as power is concerned. We need to have a much better distribution system. We need to have much higher hydel system. We are not harnessing the hydel system. Monies are not available with the National Hydel Power Corporation. So, when I say we need more generation. I don't say that we don't need to streamline the distribution system. We need to streamline the distribution system also. Fast tract projects are coming up. Mr. Chidambaram's Ministry is responsible for delay. I hope he will make amends. The Finance Ministry has delayed the execution of counter guarantees. Now, I do not want to go into the merits of that. But they have said that by 30th of September, they would execute the counter guarantee and my report is that he is very strong about it because he understands the implication of a guarantee. *(Interruptions)*

SHRI P. CHIDAMBARAM: In two months, we have granted two. By 30th of September, we will grant the counter guarantee.

SHRI N.K.P. SALVE: May I take it as an assurance from him?

SHRI P. CHIDAMBARAM: It is not an assurance that I am making for the first time. It was first stated by the Power Ministers.

SHRI DIPANKAR MUKHERJEE: Madam, if it is a question of counter

guarantee which is being asked for, I request the Finance Minister that from his State itself, what he thinks of a counter guarantee to CMS and ESTAF, he should also think of a counter guarantee in respect of Neyveli Power Corporation. (*Interruptions*) It is a profitable power making organisation. But there is no counter guarantee for that. There is about 2000 megawatt power generation. But once some person comes here and makes a 250 megawatt power plant, as Mr. Salve wants, the Government has to issue a counter guarantee. Otherwise, the whole country will remain in dark (*Interruptions*)

SHRI N.K.P. SALVE: I don't like to talk petty. 12,000 megawatt power in private sector is coming in Orissa via one person from Hongkong. He has not asked for a counter-guarantee. But, for God's sake, those who have asked for it, I don't have to go into in again and again. After all, the performance of the State Electricity Boards is so lamentable, is so miserable...(*Interruptions*)

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Mr. Mukherjee, I won't allow this. Kindly sit down. The finance Minister will answer. (*Interruptions*)

SHRI DIPANKAR MUKHERJEE: It is the Power Ministry's subject. It is not the Finance Ministry's subject.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): You put your question to the Government.

SHRI N.K.P. SALVE: I am not saying that you give new counter-guarantees to the ones to whom we have already promised. There is a rationale behind it. They have only one course, the State Electricity Boards and the State Electricity Boards are not in the habit of paying their dues. The NTPC has 4,000 crores of rupees to collect from different States. If an IPP is to recover Rs. 5,000 crores, it will go bankrupt. If he has to deal with an IPP, if he brings his own money and if he says that he wants to be

assured that if he is not paid for the power that he will supply on the undisputed bill, then let there be some assurance to him that he will be paid for it. What is wrong in it? In that context, if you are not going to give a counter guarantee, some extremely viable alternative to a counter guarantee has been submitted to you. Mr. Finance Minister, by the Power Ministry. They take care of the interest of the IPP. They take care of the State Governments. They take care of the interest of the banks and also of the State Electricity Boards. Unfortunately, that has also been delayed. For God's sake, don't delay decisions on the power sector because the more you delay, the greater is going to be the hardship of the people.

In the end, Madam, I am saying something with great reluctance, and in this, I am unfortunately in agreement with what Mr. Ashok Mitra said. Please don't be brow-beaten by the World Bank. I know that institution far too well by now. The counter guarantee is opposed by the World Bank for one reason. It affects their business. Their guarantees must go on, and for that the Government must give a counter-guarantee. But if your own people and the banks are going to finance and for that matter, a counter-guarantee is given, what is wrong in it? Don't be brow-beaten by the World Bank too much Madam, I am extremely grateful to you for allowing me this time. Thank you very much.

SHRI R.K. KUMAR (Tamilnadu): Madam Vice-Chairman, I thank you for giving me this opportunity to make my submissions on the Budget 1996-97. I am particularly handicapped after brilliant submissions made by the former Minister of State for Finance, Mr. Satish Agarwal, by the former Minister of Finance, Mr. Salve and others. Even though in the Orientation Programme for New Members of Parliament...(*interruptions*)...

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): He was a Minister for Power.

SHRI R.K. KUMAR: I know that. And he is a senior chartered accountant, he is from my own profession, and after that I have a very little to add. Madam, Vice-Chairman, even though in the Orientation Programme for New Members of Parliament, in our interaction with the panel of Vice-Chairmen, your goodself said, "During discussions on the Motion of Thanks to the President and also on the Budget anything can be spoken, anything under the sky.", but I won't do that.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): No, no, no. You are misquoting me. I said that there is a book 'Lord May's Parliamentary Practice'. Lord May said, "On Her Majesty's speech and on the Budget one can speak anything under the sky." But Lord May also said, "It is better to confine to the subject concerned." ...*(Interruptions)*... So it will be better if you confine yourself to the subject concerned, and kindly don't misquote me.

SHRI R.K. KUMAR: I do not know Lord May. I know only you, I heard it from you. That is exactly what I am saying, though anything can be spoken, I am not going to speak. I am going to be very brief. ...*(interruptions)*...

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): He has written a book on Parliamentary Practice.

SHRI R.K. KUMAR: Madam Vice-Chairman, I will confine myself to a few observations on the Direct Taxes, the BIFR and the functioning of banks. Only on these three areas I would speak.

First of all, Madam, we are all very proud that after R.K. Shanmugam, Mr. C. Subramaniam, Mr. Venkataraman, after a gap of 16 years a Tamilian from Tamil Nadu has presented the Budget. But at the end of his Budget Speech, he quoted a *sher*; that was not printed here and I went to the TV room, played and re-played the tape and learnt the *sher*. What was that? He even earned the appreciation from Madam Deputy Chair-

man. तमिलियन होते भी, तमिलनाडु से आते भी, धोती पहनते भी, उन्होंने एक शेर सुनाया। वह शेर क्या था:—

चले चलिए, चलना भी तो दलीले खानदानी है, जो थककर बैठ जाते हैं, वे मंजिल पा नहीं सकते।

My dear friend who is sitting to my left, who is from Tamil Nadu would have understood the ABC of what I had said. And I must quote its translation by our hon. Finance Minister: "The condition for being successful is to move forward. Those who tire out and give up will never achieve their goal." This is the translation.

But Madam Vice-Chairman, my *sher* is: मैं शायर तो नहीं, लेकिन जब से मैंने अपने एफ एम को सुना, मेरे को भी शायरी आ गई।

So, I want to elaborate a little bit for the benefit of our hon. Finance Minister. I would say—this was a very famous song in "Bobby": मैं शायर तो नहीं, जब से मैंने तुझको देखा, मेरे को शायरी आ गई।

Similarly, when I heard your speech, I also learnt and tried to present some *sher* by making a little bit of alteration in what he said.

जो थककर बैठ जाते हैं, वे मंजिल या नहीं सकते।

Not only that,

जो डरकर बैठ जाते हैं, वे भी मंजिल नहीं पा सकते।

Our hon. Finance Minister is a man of strength. He won't wear out, he won't give up, but the political compulsion of being Finance Minister of a 13-party coalition Government, has made him डरकर बैठने के लिए in the presentation of this Budget. Madam Vice-Chairman, our Finance Minister was an important Minister, holding the portfolio of Commerce in the previous Government which ushered in economic liberalisation and reforms.

As an important Member of the previous Government his role in ushering in economic liberalisation and reforms needs no gainsaying. In Madras we were all appreciative of the excellent blend of North-South, i.e., the excellent co-ordination between the then Finance Minister and the then Commerce Minister. The

then Commerce Minister's role in boosting India's export, simplifying export procedures, getting reduction in import duties, duty-free import of raw materials meant for production of goods for exports and the then Finance Minister's agreement with the then Commerce Minister in all these respects were well appreciated.

Alas, that was a short-lived phenomenon. An election intervenes and separates the duo. The then Commerce Minister becomes the Finance Minister in an entirely different atmosphere. If our hon. Finance Minister had occupied that position in a single-party rule probably he would have certainly done much better in his maiden Budget-making exercise. He has admitted that he had fully engaged himself in drafting the Common Minimum Programme a political document of the ruling coalition of 13 odd parties. Admittedly, this was before he became the Finance Minister. A mother's love for the first-born child is always more than the love for the subsequent ones. Similarly, our Finance Minister has cared for his first baby, namely the Common Minimum Programme, and has sacrificed the excellent changes he could have boldly made in the economic scene through the medium of Budget. He has sacrificed the steps which are necessary for economic growth at the altar of political expediencies. The hon. Finance Minister has been frugal in showing the courage of conviction required on the part of a reformist. A careful comparison of the Budget proposals with the Common Minimum Programme confirms that he has cleverly created an illusion of all-round reforms and of sops for different sections of society. Our hon. Finance Minister has cleverly combined diverse political compulsions with economics and created an illusion about the reforms orientation in the Budget. While repeatedly swearing by the CMP, he has not adhered to some of the provisions and has deviated from it.

Let us start with the expenditure. I don't want to repeat what Mr. Salve has already mentioned. What does the Common Minimum Programme say? All inessential and unproductive expenditure will be eliminated. As a matter of fact, our hon. Finance Minister started well and announced much before the presentation of the Budget that this Government would embark upon expenditure cut only to back out the very next day when the CPM was up in arms against job cut that might ensue after expenditure cut. The Budget does not provide for worthwhile efforts to eliminate all inessential and unproductive expenditure. It provides for a whopping increase of Rs. 15,693 crores in non-Plan expenditure over the revised estimate of Rs. 1,34,320 crores, while the Plan expenditure gets a meagre increase of Rs. 6,001 crores. In regard to reduction of expenditure all that we have is a promise

to appoint an Expenditure Management Commission. We only hope that such a Commission would indeed be constituted and would do its job within the period of four months and the Government will soon thereafter implement its suggestions to effect expenditure reduction. Like many commissions and committees appointed by the Government in the past, if this Expenditure Management Commission also drags its feet for years instead of reducing expenditure, there would only be an increase by way of the administrative cost of such a commission.

The commitment in the Common Minimum Programme in regard to subsidies is that the Government would target the subsidies to the really needy and the poor. What do we have in the Budget? Take the fertiliser subsidy. This should have been phased out by now. This has been increased by Rs. 1,637 crores to Rs. 8,372 crores in 1996-97. No political party which does not want its very existence to be threatened would oppose extending subsidies and concessions to the really needy and the poor. A conglomeration of 13 parties

forming the Government can ill afford it. Therefore, we can understand the Common Minimum Programme stating that the Government will target the subsidies to the really needy and the poor. However, in this Budget it has been extended to all farmers. Even the subsidy for tractors which was hitherto available only to small and marginal farmers is now extended to all farmers.

When one looks at the tax reforms that the Finance Minister has attempted in this Budget, one finds that he has levied across the board surcharge of two per cent as special customs duty on imports to generate additional resources for development of ports. This is not in keeping with the repeated emphasis on reduction in tariff rates and simplification of taxes. Surcharge complicates the tax structure and it should be avoided like plague. Successive Finance Commissions have disapproved of surcharge on corporation tax and personal tax. This should be the worry of the constituents of the United Front—the regional parties ruling the States—like the AGP, the TDP, the DMK and even the Janata Dal which is the ruling party in Bihar and Karnataka surcharge on corporation tax and personal tax is not shared by the Union with the States. In my view, the 15 per cent surcharge on corporation tax should have been completely abolished instead of the half-hearted attempt at reducing the same to 7.5 per cent with a promise to do away with it in the next Budget. I sincerely hope and pray that the United Front Government presents the Budget for 1997-98 and our present hon. Finance Minister keeps his promise to do away with the balance of 7.5 per cent surcharge on corporation tax. The hon. Finance Minister has stated that his Budget has seven broad objectives and the first one is to remain steadfast on the course of economic reforms and liberalisation which is aimed at accelerating economic growth. I read, reread many times the Budget proposals.

I read the last paragraph of the Finance Minister's speech. In that he says, I quote, "Mr. Speaker, Sir, at the end of the exercise, I ask myself what is a Budget about? While it is a measure of the health of the economy, it is also a mirror to the travails and aspirations of the people." The Budget is not merely a statement of accounts or a book-keeping exercise. It is a policy document. It tells in which way you want to take the economy. I have a very strong objection to the introduction of MAT. Everybody spoke about it and I will be brief. Why should we put efficiency on the mat? Why should we tax the corporations which are doing well but not paying tax? Mr. Salve has already explained this. By imposing this tax, we increase the money that is available with the exchequer which is only wasted by an increase in the non-Plan expenditure, other than the expenditure on Defence and on subsidies. MAT puts a premium on efficiency. It is a retrograde step. It is against growth. The Common Minimum Programme aims at accelerating economic growth. But this is a retrograde step. Why should we punish efficiency? The PM is also the Minister of the Department of Company Affairs. There are companies which are able to pay dividend. It is asked, why they should not pay taxes. We have one rate of depreciation under Schedule XIV of the Companies Act. We have two methods for computing depreciation. One is the Straight Line Method and the other is the Written Down Method. Under the Straight Line Method, we have a depreciation of 4.5 per cent. Under the written Down Method, we have a depreciation of 13.5 per cent. In the Income Tax Act, the rate of depreciation is 25 per cent. So, a company adopts the least minimum depreciation that is chargeable in books. For taxation purpose, this is substituted with a higher rate of depreciation. If you want all the companies to pay tax, you should not have one rate of depreciation under the Companies Act and another rate of

depreciation under the Income Tax Act. As Mr. Salve has suggested, you should make it simple. Let everybody pay taxes. But this is not the way it should be done. This is what I would like to submit. MAT was introduced in the Income Tax Act under Section 115J. This has come back now as 115JA

Madam, this particular 115 JA is a retrograde step. As it is, we are in the capital formation, that is, attracting capital. What will happen is, I would like to submit to the hon. Finance Minister that small and medium companies can overcome your 115 JA because under the Companies Act, a company can, at any time, change the method of depreciation from Schedule XIV of the Companies Act to the Income Tax Act. So, they can automatically reduce their book profits by adoption of different rates and not pay tax. They can still overcome it. It is those companies, large companies, which go in for additional capital and have to go to the market, who have to do this because unless they give dividend, there will not be any attraction to raise capital. So, this will affect those companies with expansion plans. The Finance Minister has already promised that he was looking into it. There was a detailed discussion on that. I do not know whether it is final or not. But I only hope that after hearing all the Members, our hon. Finance Minister would reconsider introduction of Section 115 (J), A, which is putting on MAT all the efficient companies. Madam, as I said, I will restrict myself to the Income Tax Act, BIFR and banking. I would like to draw the attention of the Finance Minister to one lacuna in the Finance Bill. Clause 17 of the Finance Bill says, "In Section 43 (b) of the Income Tax Act, with effect from 1st day of April, 1997", after the words, 'State Industrial Investment Corporation' the words, 'a scheduled bank' shall be inserted. Section 43 (b) deals with deduction of certain expenditure irrespective of the system of accounting followed unless they are actually paid. Madam Vice-Chairman, this

was introduced for this purpose. An assessee, under the mercantile system of accounting, will not pay excise duty and will not pay sales-tax—there are some disputes before the Appellate Authorities. But under the mercantile system of accounting, they will claim it as deduction and will not pay income-tax also. For that purpose, Section 43 (b) was introduced. Now, as regards interest payment, originally, Section 43 (b) included interest paid to State Industrial Investment Corporations or State Financial Corporations. Normally, they give term-loans for acquisition of machinery, etc. The interest has to be actually paid. But by adding the word 'scheduled bank' what happens to my working capital limits? How do I actually pay the interest if I have the cash credit account against stocks; it is a continuing affair. I have a limit, a limit of, say Rs.50 lakhs for my working capital. The interest is also debited on that account. How will we determine whether the interest on the working capital loans is actually paid or not? I think that this is an unintended lacuna in clause 17 of the Finance Bill to include interest paid to scheduled banks also under Section 43 (b). I would request the hon. Finance Minister to look into this aspect... (*Interruptions*).

SHRI N.K.P. SALVE: It should be allowed on accrual basis.

SHRI R.K. KUMAR: My feeling is that 'scheduled banks' in respect of term-loan interest, it is okay...

SHRI P. CHIDAMBARAM: I am aware of this problem. I am looking into it.

SHRI R.K. KUMAR: Now, coming to the working of the BIFR I totally welcome the Finance Minister's statement that it is being thoroughly looked into and that a comprehensive legislation will be brought. In this respect, this is an opportunity for me to bring to the attention of the hon. Finance Minister the deficiencies of the working of the BIFR. Madam, the Sick, Industrial Companies (Special Provisions) Act was enacted for the following

objectives, namely, for early detection of industrial sickness and expeditious steps to ameliorate the sickness by a body of experts. This is the object with which the enactment was made. But with my own experience I could say that instead of being a body of experts, BIFR has become a post-retirement sanctuary for retiring bureaucrats and hence the BIFR functioning is only in a bureaucratic manner without any sense of urgency. Secondly, the BIFR has no mandatory powers to enforce any waiver of reduction of interest. Supposing any company goes sick for whatever reasons, either due to mismanagement or bad luck or due to non-availability of working capital or Government policy changes, anything can happen to make a company sick — what happens is, once the case is referred to the BIFR and the company is declared sick, the BIFR appoints an operating agency, either a bank or IDBI or ICICI. The operating agency prepares a report and sees what are the causes for the sickness, what further is to be done who is to do what, how much fresh capital the management has to bring, what waiver and reduction in principal and interest due to banks and institutions should be given, etc. All this is made into a scheme. In this scheme the BIFR has no power. In a case where there is really a chance of revival, even then the BIFR has no power to tell the bank, "All right. look here, here you have given reduction, you have to give interest or you have to waive this principal"

They have no power. If everybody agrees, they only put the seal of approval. It is only a recommendary body. In BIFR hearings, lower level authorities appear. In a case in Tamil Nadu, a Zonal Manager or AGM from the Delhi Zonal office will appear. He does not know the facts, he does not know what the company is. So when the meeting goes on, some reduction or waiver has to be given. He says, "I have no authority; I will go back, consult my higher authority." By the time the joint

meeting goes on and on, it takes two years. I would like the Finance Minister to see what is the average time-frame taken by the BIFR to finalise a scheme of rehabilitation. So what happens in two years? By that time the cost of what balancing equipment is required, what additional machinery is to be brought in, goes up. Again, to meet that additional cost who has to finance? Our Finance Minister will be well aware, it is like making a Ramayan presentation in a Chettiar family, a rich family. A man starts delivering a Ramayan story and halfway through. Some VIP comes in and he has to start it again from the beginning. That is the case with BIFR. You take two years to finalise the scheme. By that time the cost of the scheme goes up again and you start once again calculating how much the management has to bring in, how much the bank has to give, what is the requirement, etc. Unless this is speeded up, unless BIFR is given mandatory powers of enforcing a rehabilitation scheme, the very existence of BIFR is of no use. I humbly submit to you, to the hon. Finance Minister, to make the BIFR really a body of experts and not a post-retirement sanctuary of bureaucrats to function in a bureaucratic manner.

SHRI P. CHIDAMBARAM: Today the provision is that if any financial institution has to make a sacrifice, the BIFR must have the consent of the financial institution. What is your position? Do you want the concerned section to be scrapped? Do you want the sacrifices to be imposed on the financial institution without their consent? You must explain that position. Only that will benefit me.

SHRI R. K. KUMAR: In any legislation, BIFR should be given the power to compel the institution to grant the necessary relief. After all, this is the highest body. Civil courts lose jurisdiction under Section 26 of the Act once the matter goes to the BIFR. BIFR is like the High Court and AIFR is like the

Supreme Court. So civil court has no jurisdiction and so we have to give them the power. We need not make them a recommendatory body because again the whole thing starts. Madam Vice-Chairman, now I come to the last point.

SHRI N. K. P. SALVE: Madam, it is a very important point that has been made. If such power is given, I do hope that the presiding officer of the BIFR would not exercise his jurisdiction arbitrarily. But every one would say that his interest has to be protected. Even if it be a really genuine one and with the atmosphere that prevails in the country now, no banker will be willing to take the responsibility on himself. Therefore, we want the BIFR to work and work efficiently. For this, you must give it more teeth. This is one aspect which I want the Finance Minister to consider very seriously. I am not making this observation off the cuff. I have seen the working of the BIFR and I think you, Madam Vice-Chairman, must have seen it. Even in cases which are genuine and legitimate where the BIFR feels that some money may be recovered, if not Rs. 100, at least Rs. 50 is recoverable, if a particular scheme is implemented, the bankers and the financial institutions are not willing to forgo the remaining Rs. 50. They are willing to lose rather Rs. 100 so that the responsibility does not devolve on them. This bug of carrying the responsibility can be remedied if his suggestion is accepted.

SHRI R. K. KUMAR: Thank you, Mr. Salve. Madam, I had said in the beginning that I would confine myself to three specific issues. After finishing income-tax and BIFR, I would deal with banks now.

Hon. Shri Satish Agarwal has talked about this during his speech. I know more about bank losses after being a Director of a bank and an auditor of some of the big banks. I can not speak on specific issues. My problem is, as Mr. Salve very well knows, I am bound by my

professional conduct and ethics. I cannot speak on individual or specific accounts, what happened in which bank, this bank has lost this much, that bank has lost that much, etc. I cannot speak about specific instances. I would like to make a few general statements and, through you, I would draw the attention of the hon. Finance Minister to my statements.

SHRI N.K.P. SALVE: Speak generally.

SHRI R.K. KUMAR: Madam Vice-Chairman, the culture in banking today is that credit is a favour. They do not treat credit as business. Because of this attitude, problems are further compounded. What has to be done is a fine act of balancing between accountability and performance. Banking is also a business. In any business, if I have ten transactions, I may make profit in six transactions. In two transactions, I may make a break-even and in the other two transactions, I am bound to lose. But what is happening in today's banking is, ten out of ten are expected from the officials which is impossible. It is simply not possible. About these two transactions, sometimes very severe action is taken. Because of this, people do not take decisions at all. It is becoming increasingly difficult for some honest bank officials to take bold decisions keeping in view the facts figures, business and surveys because they are not sure whether they will get their provident fund and gratuity at the time of their retirement. This is what is happening. In this culture, what happens is that if some pressure is brought from above say to the General Manager from the Chairman, to the Deputy General Manager from the General Manager, things are done because they think that they would be protected. In this process, merit gets a go-by and loans are sanctioned due to various pressures from various quarters. I don't want to elaborate this point further. What I am saying is, strict commercial decisions are

not being taken. The RBI has recently brought out a report which contains a list of loan defaulters. It reads like a veritable "Who is Who" of Indian industry, trade and also polity. There are many loan defaulters. The total non-performing assets of the banking industry are to the tune of Rs. 41,000 crores. I would like to explain certain things here. According to the Narasimham Committee, loan recoverability is assessed not on the basis of security but on the basis of performance. I have my own reservations about the recommendations of the Narasimham Committee. Suppose I have a LIC building as security on Mount Road in Madras or a multi-storey building in Connaught Place, if I don't pay interest for two quarters on my loan account, bank cannot take interest from that loan account as its income in the profit and loss account though it may keep an account for future recovery. There is a change in the system of accounting.

These losses are really, in my opinion, not losses because there you have the security. When there is no security, the money is gone. I am not defending those loans where there are no securities. But, even if I have the LIC building as a security because the interest on the loan is not paid and even my accounting system is on mercantile and accrual basis, I am not accounting the interest in my books. So, the banks performance is shown to be bad. In many cases, indiscriminate lending without security also takes place. I don't want to say anything in this regard as our Finance Minister is very efficient and he can just find out what is happening in these banks. I am sure he will take corrective action in this regard.

In this connection, I would like to submit one thing only. Where we have even the security, the problem of realisation is there. In certain foreign countries if a loan is secured, and the loan has become bad the they don't operate their account properly and it

results in a default, the security is realised with in three months itself. But, here, it will take 15 years, 20 years or God knows when. I would request the Finance Minister to give his thought as to how to speed up the process of recovery even where we have security. This is not being done properly.

Generally, people blame the Reserve Bank of India for the bad performance of our banks, but I don't agree with such criticism. The Reserve Bank deserves to be criticised for many things, but not on this. The Reserve Bank of India does inspection of the working of various banks. Serious irregularities are noticed, then they send their report. The chief executives or the executive are held responsible for these irregularities as they violate the rules and do whatever they want. The Reserve Bank of India neither has any power for their removal nor for their appointment. This power rests with the Government. Even where the Reserve Bank of India has said that a certain Chairman should not be re-appointed, the same Chairman is re-appointed for three years. Why should we blame the Reserve Bank for this? It has no role in this. It is something like I appoint a domestic servant and give him all increments and if he does not do the work, then I blame my wife who has no role in his appointment or increments. This is something which is happening. I suggest that the Reserve Bank's recommendations on appointment and extension should be mandatory on the Government. You have given powers to the Reserve Bank for monitoring and inspection of banks and when somebody does something wrong, you blame the Reserve Bank which has no power as far as their appointment and removal is concerned.

Finally, I would like to bring to the notice of the Finance Minister one small point at the instance of my leader. He has pointed out one lacuna in rule 57CC of the Central Excise which has been made effective from 1st August. It deals

with a company which manufactures both dutiable goods and non-dutiable goods and in the dutiable goods it uses some Excise Duty paid items and claims MODVAT

credit on the non-dutiable goods, of course, there is no such thing. But, the rule says you reverse 20 per cent of the value of the non-dutiable goods. Supposing I am manufacturing goods worth Rs. 1 crore in dutiable section and Rs. 5 crore in non-dutiable section and I have taken MODVAT credit of about Rs. 5 lakhs in respect of dutiable goods, the rule says you reverse 20 per cent of the value of the non-dutiable goods, i.e., 20 per cent of Rs. 5 crores is Rs. 1 crore, whereas I had taken MODVAT credit of only Rs. 5 lakhs. So, this is the lacuna in the rule. I would request the hon. Finance Minister to do something in this regard. The wording should have been "actual MODVAT credit taken in respect of dutiable goods or 20 per cent of non-dutiable whichever is less."

SHRI G. SWAMINATHAN (Tamil Nadu): I would like to add one thing. You have separate books. Separate books can be maintained, but the small scale industries are finding it extremely difficult because they get their goods separately on a certain level and the small scale industries cannot purchase same goods at two levels. They cannot pass it on to two levels. You are asking them to maintain two books. It has become very difficult and complicated for these people. I would request the hon. Finance Minister to look into it.

SHRI P. CHIDAMBARAM: I don't want you to maintain separate books. I know the problem of 57 cc. It has been postponed to 1st September. It has not come into force from 1st August.

SHRI G. SWAMINATHAN: 1st September is also very near.

SHRI P. CHIDAMBARAM: 1st September is still three days away. Let it come.

SHRI R.K. KUMAR: Madam Vice-Chairman, I want to say one more point. A lot of bank loans can be easily recovered if the Central Government somehow modifies the Urban Land Ceiling Act in respect of lands available, at least as security. This is a State subject and this is a varietable area of corruption while getting exemption. The other day there was a discussion that two State Assemblies have to pass a thing to have it as a legislation. Something was being said on that line. Something could be done. A lot of bank loans could be recovered. Even for accounting purpose if it is under the ceiling we will not take it under security. Balance sheets of a number of banks would improve if some mandatory provisions are made to grant exemption to those companies which are referred to BIFR. There is an example in Madras where loans were fully recovered. Book balance was Rs. 2.5 crores. They have recovered Rs. 7 crores by way of sale of land after getting exemption. Central Bank of India recovered the entire money including the interest up to a day before the due date. This is possible.

Madam, let me now come to the middle-class, the salaried class. Relief by way of increasing the standard deduction from Rs. 15,000 to Rs. 18,000 to those whose annual income is Rs. 60,000 is no relief. When you are considering some relief to exporters and other people, please keep in mind the middle class also.

There is one more area. You have the presumptive tax scheme for small traders, etc. You pay Rs. 1,600 and forget about your income-tax assessment etc. But that is not being implemented properly. If the Finance Minister's attention is drawn to this, he can rope into the tax net a large number of people under the presumptive tax system.

I wholeheartedly welcome the amendment in respect of sale and lease back. This was a veritable play ground of passing on losses from one company to the leasing companies who charge exorbitant

rate of interest and do not pay tax to the Government by jacking up the leased assets value. Now it is restricted to the actual cost of the sale and lease back companies. It is a welcome step and I welcome it.

Before I conclude I would like to say that I fully understand and appreciate the difficulties of the hon. Finance Minister. The Finance Minister, as I said, is a Minister of a coalition of diverse political parties. He cannot rush though he is a reformer by nature. He cannot rush with certain things even though in his heart of hearts he would like to be a reformer. It is for him to decide whether he would like to be known as a daring economic reformer who would take India on the path of accelerated growth or as an ordinary politician who is bogged down in political compulsions. A small step of withdrawing the proposal of MAT, I am sure, would help. I am also sure that in his next Budget, he would make a big leap towards growth for which I extend my good wishes.

SHRI KRISHNA KUMAR BIRLA (Rajasthan): Madam Vice-Chairman, I am grateful to you for giving me the opportunity of expressing some views on the Budget. In my opinion it is a good Budget. The Budget has sent a message to people throughout the world those who are interested in investing money in India, that the scheme of liberalisation of the economy by the earlier Government is continuing. Madam, this type of a scheme is going to infuse stability in the economy. It is also going to send a message to all the foreign financial institutions and entrepreneurs. It is going to instil confidence in their minds that India is the proper country for them to come and invest.

The aims of the Budget are good, as has been said by the Finance Minister in his Budget speech. Rationalisation of the tax structure, controlling the fiscal deficit, impetus to high growth sectors, marked improvement in infrastructure and last

but not the least, poverty alleviation. These are lofty ideals.

I would like to offer a few comments. Firstly, for fiscal prudence, reduction in internal and external debt is very necessary. In the Budget, the Finance Minister has made a provision of Rs. 60,000 crores which comes to 29.03 per cent of the total expenditure towards interest payment. This is a colossal amount. Madam, there might be many methods of reducing this figure of borrowing. But, I would suggest that the best method, is disinvestment of Government holding in public sector enterprises. Now, Madam, public sector enterprises could be divided into two sections; one is the core sector and the other is the non-core sector. As far as the non-core sector is concerned, the total amount invested by the Government of India is Rs. 60,000 crores. I read in the newspapers that the Industry Minister made a statement that he would not mind disinvestment to the extent of 74 per cent and keeping 26 per cent, for the Government. Madam, 74 per cent of the Rs. 60,000 crores would mean Rs. 44,000 crores or perhaps even more because many of the companies, many of the shares of these companies may fetch a premium. But, I would suggest that this exercise must be done; this massive well-planned exercise must be done so that we could earn more money by this disinvestment and that way we try to reduce as far as possible the Government's borrowings. Madam, in my opinion, selling investment of only Rs. 5,000 crores is neither here nor there. It makes no impact whatsoever, as far as the borrowings are concerned. Madam, the total Central Plan Outlay in 1996-97, as presented by the finance Minister, is Rs. 87,086 crores or an increase of 16.7 per cent compared to last year. This is quite satisfactory. Rs. 32,713 crores come out of the budgetary support. This is quite in order. The balance amount of Rs. 54,378 comes out of the public sector enterprises. I only hope that the public sector enterprises will give a good per-

formance of themselves and their results will be satisfactory. Madam, the Common Minimum Programme, CMP as it is called, of the National Front, has reckoned the industrial growth or has targeted the industrial growth to be 12 per cent. This is a good figure. I only hope that there will be a congenial atmosphere to achieve this target. I would offer my comments on this a bit later. But I would like to compliment the Finance Minister on one thing. Madam, I have never found an invasion of India by foreign enterprises in a kind of indiscriminate manner. But, side by side, I would also like to mention that we, the Indian industrialists, we the Indian entrepreneurs, are not at all afraid of the foreign competitors so long as there is a level-playing field. Unfortunately, this is a matter which has been ignored in the past. I am very happy that the Finance Minister has stated that a level-playing field would be provided and towards that a beginning has been made by reducing the long term capital gains tax from 30 per cent to 20 per cent. I do not know why the Finance Minister did not become a bit more bold and reduce it to 10 per cent as is in the case of foreign entrepreneurs. Anyway, we are grateful to him for whatever little has been done. Madam, for rapid industrialisation, finances are needed and our experience has been that sometimes, particularly where there might be adequate capacity in other sectors; there might be one or two sectors where, if you add some machines — in our commercial terms it is called the debottlenecking of the machine — things can be very much improved. Madam, for this debottlenecking the amount of investment provided is comparatively very little. Formerly, whenever we purchased the equipment for debottlenecking, there was no problem as there were very good schemes called Equipment Financial Schemes both by IDBI and ICICI. Now what has happened is that the workload has increased, they have taken the line of least resistance and that they will not consider any schemes unless and until the

amount is minimum Rs. 5 crores. Everybody cannot afford Rs. 5 crores. There are medium types of industries also and for them to place an order of Rs. 5 crores, even when they are not in need of it, is ridiculous. I do not know why the original scheme of Equipment Finance by the IDBI and ICICI is not restored. I would place this matter for the kind consideration of the Finance Minister.

Madam, as far as the agricultural sector is concerned, last year was the year of stagnation. This year, according to what we hear, there is going to be a good growth and that is a good thing. If there is a good growth price-rise will be stabilised, inflation will be kept under control and there will be exports from the country both in a direct manner and in value added manner. I would make certain suggestions to strengthen the agricultural sector. There are many good steps taken by the Finance Minister like increase in share capital of NABARD, additional funds for rural infrastructural development funds, funds for internal aided irrigation or benefit schemes, subsidy schemes for small tractors. I would make a suggestion to the Finance Minister that he should make sure that these schemes are very scrupulously carried out, because in many cases schemes are made but actually they are not implemented. Madam, the capital market has slumped and I was here yesterday when the Finance Minister in reply to a question said that capital market has slumped not only to the presentation of the Budget but it was going downwards even earlier. I do not want to enter into any discussion as far as that is concerned. I would only like to say that something should be done to improve the capital market. The Indian Capital Market is a big market. It has 7,000 companies which are spread over 23 Stock Exchanges. There are 40 million investors in the country and their number is likely to go higher. Market capitalisation of the shares quoted is \$ 150 billion. You will kindly thus see that it is

a vast market. This market, unfortunately, has been bearish for the last one year and, Madam, the general expectation was, throughout the business community, that after the Budget has been presented by Shri P. Chidambaram, the hon. Finance Minister, the share market was going to boom. Rightly or wrongly that was the feeling. When the share market did not boom it came as a big disappointment to all. Madam, what are the figures? The figures are; from the Rs. 45,000 crores has come down only to Rs. 30,000 crores. Madam, I certainly compliment the Government for certain steps that they have taken in improving the market. For example, Security Depositary Scheme. It is a good scheme. It is a step towards globalisation and will certainly help us. The Finance Minister also suggested that as far as FIIs are concerned, the income-tax share would go up to 10% with the overall ceiling of 24%. This is again a very correct step in the right direction. The new thing the Finance Minister has introduced in the non-working shares for which I have quoted a number of references in my past speeches. He has put the ceiling at 25 per cent. Perhaps, in course of time, further increase in the ceiling may be considered by him and steps taken in that regard.

Side by side, I would like to make certain suggestions. One is: I have been pleading for the past many years that a company should be permitted to buy back its own shares, for which the Companies Act will have to be amended. Now, this is not some-thing new. It is already happening in a number of other countries.

Secondly, Madam, in case the stock market has to improve, it has been a matter of great surprise and distress as to why the banks are not lending money freely, as far as the equity shares are concerned. I understand, there are instructions by the Reserve Bank of India in this regard. As a result of this, banks are not financing the purchases of equity shares in the secondary market.

My third point is the experience in other countries has been that in case the interest rate comes down, it revives the stock market. When the stock market is revived, it, automatically, leads to the revival of the primary market. Therefore, the question is: how do we reduce the rate of interest which is, perhaps, the highest, if not the highest, in the world.

Another suggestion I would like to make for the kind consideration of the Finance Minister is that the percentage of CRR should be reduced from 12 to 11. This would release more funds in the hands of banks. As a result, there appears to be a good possibility of the rate of interest coming down.

Our experience in the business community—we have seen it in the past—is that the investment allowance has played a very important role, as far as savings is concerned, as far as industrialisation is concerned. It provides incentives: it helps industrialisation. The Finance Minister does not know about the details. I would, very respectfully, submit this proposal to him for his kind consideration.

Another suggestion I would like to make is regarding tax exemption on long-term capital gains. The Finance Minister had announced in his Budget speech that there would be tax exemption on long-term capital gains if they are reinvested in specified assets: in that case, it would be exempt from tax. Madam, I would very forcefully plead with the Finance Minister that in respect of new floatations, in respect of new shares, also, let this scheme of tax exemption be applied. In case the money is invested in new equity, they should be exempted from paying tax on the long-term capital gains. I am sure this would make investment more attractive and more worthwhile.

One speaker, earlier, made a mention regarding exemption of dividend from taxation. This is, really, a point which I have been emphasising for the past many

years. Madam, as you must, certainly, be aware, dividend is paid from the company's profits which have already been taxed. Now, from a company's profits, in case dividend has been paid, why it should be taxed again when the company has already fulfilled its obligation towards the payment of tax? Therefore, all along, the plea of a large number of people has been that any dividend which is paid by companies should be exempted from taxation. I make this point for the kind consideration of the Finance Minister.

Then, Madam, two things have been introduced by the Finance Minister. One is: the limitation of unabsorbed depreciation to only eight years. In regard to depreciation which a company earns, which it would have earned earlier, there is a limitation of eight years. After that, they cannot avail of the benefit of that depreciation. I would forcefully plead with the Finance Minister that this is a point which he should reconsider. I would strongly plead with him that he should completely abolish this idea and he should restore the original scheme of permitting depreciation, so long as the company is not in a position to make profits.

5.00 P.M.

SHRI P. CHIDAMBARAM: I see your point. What I would like to know is, if eight years is not the limit, what should be the limit? Is it your case that there should be no limit at all? Why did this amendment come? In the Virmani Industries where a company went out of business some 20 years ago, another company took over the company which went out of business—and it is in a new line of business—and then takes the unabsorbed depreciation of that old company and tried to adjust it against current profits. So, how do you deal with this situation where there is a huge gap between a company going out of business and a new company coming and taking that over and then takes over the unabsorbed depreciation—unabsorbed loss—of that company?

SHRI N.K.P. SALVE: Are you suggesting that a new company is taking advantage of the unabsorbed depreciation?

SHRI P. CHIDAMBARAM: It took over the company, but it is in a different line of business. In fact, this is to get over this problem. I see your point. Well, we made unabsorbed losses adjustable eight years. In many tax legislations of other countries, unabsorbed depreciation is part of unabsorbed loss. They do not make a distinction between unabsorbed depreciation and unabsorbed loss. And there are countries where it can be adjusted only for a period of three, five or seven years. In our case, unabsorbed losses can be adjusted for eight years and, therefore, we thought that unabsorbed depreciation also should be adjusted for eight years. Please tell me whether there should be no limit at all or there should be a limit and how you would deal with this kind of a special situation when somebody from outside takes over.

SHRI N.K.P. SALVE: Madam, I will take just one minute *..(Interruptions)..*

SHRI P. CHIDAMBARAM: It is useful to understand what your point is.

SHRI N.K.P. SALVE: Advantage is taken of unabsorbed depreciation by several companies to manipulate tax liability. Especially in the USA, that is a very patent practice. But at this stage of our development—because depreciation is a legitimate demand—as it is eight years is too inadequate. We keep on making losses for several years. The loss is confined to eight years. But if there is this kind of a misuse of depreciation, perhaps, an appropriate provision can be made in the law. But to prevent a misuse, not to allow legitimate claims of depreciation to carry forward, is not justified. That is what I would want you to consider.

SHRI P. CHIDAMBARAM: How long?

SHRI N.K.P. SALVE: Let it be 15 years, minimum.

SHRI KRISHNA KUMAR BIRLA: Madam, a very important question has been posed by the hon. Finance Minister. I would readily admit that as far as this item is concerned, of limiting the unabsorbed depreciation to eight years only, it came so suddenly—I will be honest here and say—that I have not been able to make a complete study of the matter. But, side by side, I would also like to mention that a study has already been started by us. It will take us two months and, after that, I will certainly place it before you.

SHRI N.K.P. SALVE: Till then keep it in abeyance.

SHRI KRISHNA KUMAR BIRLA: For the time being you may kindly keep it in abeyance. We are studying it because there were so many things which were being talked about before the Budget was presented. Unabsorbed depreciation was the last thing which anybody could have even thought of, and it came so suddenly as a bolt from the blue. So, now we are not in a position to offer any specific comments as far as this matter is concerned. But we are making a study of the matter.

Madam, I now come to MAT. I would probably agree with the Finance Minister, but I would certainly like to remove a misconception which is in the minds of the people that there are companies which do not pay any tax at all, which are zero tax companies. Taxes are of two types—one is direct, the other is indirect. It is a fact that these companies, by so arranging their finances, are in a position that they are not required to pay tax for a number of years. That is a fact. But what is the fact behind that? The fact behind that is that these companies are growing so fast that the amount of depreciation that is allowed to them as per the Income-tax Act, that takes care as far as their profits are concerned. As I have mentioned, there are two types of taxes.

One is direct taxes. It is a fact that many companies have been able to so arrange their finances that they are not required to pay direct taxes.

Side-by-side there are indirect taxes. An earlier speaker said that big amount of indirect taxes are paid by these companies. The other day I read in the papers some economist saying that the indirect taxes do not come out of the profits of the companies. They come out of the purchases made by the public. I would like to change that statement. It is not that they do not come out of their profits, as the economist said; they come out of their production. That is the point which is unfortunately forgotten. Had they not been in a position to produce more, they would not have been able to realise higher indirect taxes. So, these companies are certainly discharging a very important source of their obligation as far as their commercial life is concerned. That apart, the greatest need of the time is employment. Since these companies are growing at a very fast pace, they are throwing open their doors for a large number of people for employment. So, there is much that could be said against MAT. I know that the Finance Minister will be kind enough to say that he will be guided by what Parliament says, but I know he has got strong views. Side-by-side, in all honesty I would like to say that in majority of the countries the MAT is prevalent in some form or the other. Even in the United States it is prevalent.

So, in case the Finance Minister is keen on MAT, let him retain it, but I would like to make a submission. There are many companies, which have become sick for reasons beyond their control. If necessary, I can cite some instances to the Finance Minister. When the companies become sick for reasons beyond their control and honest and genuine efforts are to be made to revive them, in such cases my forceful plea to the Finance Minister will be to exempt them from tax and also from MAT. If that is

not done, I am afraid, revival of these companies will become almost impossible. Madam, if my suggestions are accepted, the capital market will get a boost. In case the capital market remains dull, as it is now, then we could, as well, forget new subscriptions. Madam, a strange phenomenon is taking place now. Mr. Salve might be aware of it. Usually when a company declares right shares the prices of the shares have a tendency to increase. Now, the opposite is happening. When a company is allowed to issue right shares, the people want to sell away their existing shares with the result the share prices fall. In case the capital market does not improve, we cannot expect any industrialisation to proceed in this country. This is my submission for the Finance Minister's consideration.

The most essential requirement of an economy, as mentioned by the Finance Minister, is the growth of GDP, which, according to him should be 7 per cent to 8 per cent. Madam, I am not an economist, but I have made inquiries from them as to what should be the percentage of saving so that we could have a GDP of 7 per cent to 8 per cent. Our present saving is 24.4 per cent. From my economist friends I understand it should be 27 per cent to 28 per cent before we could have this growth of GDP to 7 per cent to 8 per cent. The question is: how to attain this growth? I have got three suggestions in this regard. First the threshold limit of tax exemption, which, at present is Rs. 40,000, should be increased to Rs. 60,000. Madam, the maximum rate of personal tax becomes computable on an income of Rs. 1.20 lakhs. This is a very, very tiny figure. What you call Rs. 1.20 lakhs means Rs. 10,000 per month.

I would submit to the Finance Minister, as far as maximum margin rate of tax is concerned, the net amount of Rs. 1.20 lakhs be increased to Rs. 3 lakhs.

Then, Madam, as far as surcharge is concerned, I am happy that the Finance Minister has given some concessions.

Again I plead with him that he should consider the matter and if possible he should completely remove this surcharge.

Madam, one of the last points is lack of adequate infrastructural facilities. With regard to infrastructure like power, road, railways, ports, telecommunications there are many obstacles in the rapid development. This is one thing which frightens our business friends from abroad. A large number of business friends come over here. When they go from one area to another area they find it difficult to travel because the roads are in bad condition. They say that there is a heavy traffic on the roads. Then, they get frightened. Madam, one day I was driving a car. By my side an American friend was sitting. After I had driven to the destination, he saluted me and said, "Mr. Birla, I could not have driven in this car on your roads." But this is the type of roads which we have.

SHRI P. CHIDAMBARAM: Was your car bad or was the road bad?

SHRI KRISHNA KUMAR BIRLA: I leave that to you. You think about it. You have also rightly asked.

Madam, as far as infrastructures are concerned. I would suggest to Finance Minister to give some concessions to the private sector. I also submit to the Finance Minister that he should meet officials of important institutions of industry like the FCCI, ASSOCHAM and the CII and have a talk with them and try to see that something is done.

Madam, while summing up, I would say that this is a good Budget both for industry and for agriculture. Efforts have been made to alleviate poverty. I fully support it. Thank you.

SHRI SANJAY DALMIA (Uttar Pradesh): Madam Vice-Chairman, this Budget was presented by the present Government fifty days after being in office. I know that the Finance Minister and the Government wanted to do a lot of things, but they could not do in such a

short time. Therefore, I would like to confine myself to some of the suggestions when the hon. Finance Minister can consider when he rises to present his next Budget sometime in February, 1997.

Madam, I would like to say that this Budget contains continuation of liberalisation policy. By liberalisation, what I understand and what I mean is to make the Indian economy productive, strong and self-reliant. When I am mentioning about the economy, I would like to include other service sectors also, apart from industry. One of the most important things, in my mind, is the agricultural sector. This Government has given a lot of emphasis on development of agriculture in their Common Minimum Programme. In the last four or five years, the agricultural growth has been very very small as compared to the industrial growth. A majority of our people, about 60 per cent of our population directly or indirectly depend on agriculture. Madam what is required to be done is the agricultural sector should be made a productive one so that it can make positive contribution towards our economy. Unfortunately, today there is a negative subsidy on agriculture. I feel that due to negative subsidy, enough money is not going into the agricultural sector. As a result the growth in agriculture is limited to 3 to 4 per cent when compared to 10 per cent, 11 per cent and 12 per cent in industry. I can imagine the situation when agriculture grows at 7 to 8 per cent for the next five years.

You can imagine the kind of surplus which will be generated in the economy. You can make a much bigger contribution to the GDP than what it is today. This will also accelerate the growth in the GDP. The point is, how do we make agriculture more productive? One of the things which can be done is to promote agro-industries in a big way because agriculture itself is not enough. Unless the agriculture produce is made more productive, more value-added,

agriculture will not be as much productive as we would like it to be. I know the Government is doing a lot for more agro-industries. I have two suggestions here. One is, all the agro-industries. I have two suggestions here. One is, all the agro-industries—we can define what agro-industries are—should be made tax-free for the next few years, say four or five years. And whatever time you want to give for tax exemption to agro-industries, it should start from the day they start taking profits. There is always a gap between the profit-making and the start of the industry. This is one of the areas which I would like to be considered for the next Budget.

The second most important thing is, the Common Minimum Programme has laid stress on development of infrastructure. Infrastructure is something which we have been talking about. We have been trying to attract capital, both Indian and foreign, into infrastructure. I will give you one example, ports. The freight rate from Europe to India is much more than the freight rate from Europe to Singapore. The reason is that Indian ports are not in a position to take larger ships. Secondly, Indian ports are not in a position to load or unload the vessels which are coming into Indian ports. These two reasons are enough to make the freight rates from Europe to India much more expensive than the freight rates from Europe to South-East Asia, Singapore, etc. etc. I do not know the amount of money which the Indian trade and industry are losing on this account. But I know that it runs into several hundreds of millions of dollars. Similar losses are being incurred because of lack of infrastructural facilities like roads, power, etc. My specific suggestion for the development of the infrastructure industry is to attract more capital into the infrastructure industry. Any infrastructure industry first should be made tax exempt for a number of years. If you want to make the minimum five years and the maximum 10 years or something like

that, it may be done; but it should be counted from the day it starts making profits and not from the gestation period. In the infrastructure industry, the gestation period is very high. The exemption for two years has really no meaning. Apart from this, apart from the industry being given tax exemption, I think the shareholders who invest in the infrastructure industry should be given the benefits of long-term capital gains exemption. Also, banks should freely advance money to the people who want to go for the shares of the infrastructure industry. The idea is to attract more capital. Today,

if one has to go to the capital market to finance an infrastructure industry, whether power or road or port, I think it is going to be a very, very difficult proposition. Unless the investor is also given all kinds of benefits like dividends, long-term capital gains, short-term capital gains, etc., it will be difficult. I would say that any capital gains which the investor is able to make in the stock market, having invested in the infrastructure industry, when he sells the shares after one or two years, the investor should be given complete benefits for the next 5—10 years. Then, I am sure, we will be able to attract more money into the capital market for the infrastructure industry. We have been seeing that so many telecom companies and power companies are there and none of them is able to go into the capital market so far. The reason is that the capital for these industries is not coming because the return on the investment is very, very slow and the gestation period is very big. That is the reason. Therefore, one of the things I would like to suggest for the next Budget—or may be for this Budget—is to give incentives to the investors in the infrastructure industry.

The third point I would like to make is this. The Finance Minister himself has said that he would like to introduce VAT as early as possible to cover all industries in India. I know the introduction of VAT

is creating some kind of a resistance from other States because of the fact that they are apprehensive that their revenues may go down and that is why there is some kind of a resistance, apart from other things. One of the suggestions which I would like to make is this. Take, for instance, the year 1994-95 and whatever we achieved. We want to introduce that. We want to translate that into the State Budget and see whether the revenue transferred to the State during 1994-95 is higher in the existing system or it will be higher by introducing VAT and if we are able to convince the States that by introducing VAT, their revenue or their share in the total revenue will not go down. I personally feel that the resistance to the introduction of VAT, to that extent, will be much less and there will be no difficulty in getting this thing absorbed in their system. This is one of the areas which I thought the Finance Minister would consider the scheme of introducing the VAT—and I would say that already several years have passed since this announcement was made and it is high time that we simplified the VAT for all the industries. May be, you have a three tier system or a four tier system, whether minimum or maximum. But it should be done as early as possible because I think this would not only eliminate all kinds of delays and disruptions but also improve the total revenue—whether it goes to the Centre or to the States.

One more thing which I would like to suggest is that one of the things mentioned in the Common Minimum Programme is the balanced regional development. Now we know that in some of the States, specially, in U.P., Bihar and in some other North-Eastern State, the rate of development has been much less than in some other parts of the country.

एकजाँपिल को ले लीजिए। उससे क्या हमारे देश में पिछड़े हुए इलाके में कोई बड़े उद्योग आए हैं? पं. जवाहर लाल नेहरू जी ने सैक्टर रिलायंस की पॉलिसी चलाकर पब्लिक सैक्टर का निर्माण किया था। हमारे देश के अंदर बिजली सैक्टर को ले लीजिए। अभी साल्वे साहब बोल रहे थे। एर्थ फाईव ईयर प्लान के अंदर जो लक्ष्य हमने रखा था — 30 हजार या 32 हजार मेगावाट बनाने का या उससे भी ज्यादा, लेकिन अभी उसके अंदर कितना अचीव किया? ऐसी हमको जानकारी मिली है कि उसमें सिर्फ 14 हजार मेगावाट हम एर्थ फाईव ईयर प्लान प्लान में बना सके जो उसका 50 परसेंट भी नहीं है, 40 परसेंट है हम अचीव कर सके। कारण-रिसोर्सेज, कारण-पैसे का अभाव और इस कारण से उसके पूरा नहीं कर सके। आप 40 हजार सेलेरी वाले लोगों को इंकम टैक्स की छूट नहीं दे सकते। लेकिन जो ब्लैक मनी इस देश में पैदा हुयी, पांच साल के लिब लाइजेशन में, 70 हजार करोड़ रुपये तथा एक से एक स्केम इस देश में पैदा हुए और किसी के पास चार-चार करोड़ रुपया घर में मिल रहा है, बैंक में भी जमा नहीं कर रहा है। तो आज इस पांच साल के लिबरलाइजेशन का रिजल्ट हमारे देश में जो पैदा हुआ है उससे क्या यह सोच नई सरकार लेगी या नहीं? आपके बजट से आम लोगों में विरवास पैदा हुआ है। कई क्षेत्रों में मॉडिफिकेशन आपने किया है। कई एरिया में आपका इंटरेशन भी अच्छा है। आपके इस बजट का समर्थन आम तौर से करते हुए हमने कुछ पॉइंट आपके सामने रखे। अन्वाम के आम लोगों के अंदर जो भावना है मैंने उसको रखा है। जितने फिगर्स या डेटा यहां पेश किए गए डायरेक्ट टैक्स, इन्डायरेक्ट टैक्स की बात तो अपनी जगह है। वित्त मंत्री, आप बहुत काबिल भी हैं, होशियार भी हैं, पढ़े-लिखे वकील भी हैं और आपने कमन मिनिमम प्रोग्राम बनाया। संयुक्त मोर्चे का यह प्रोग्राम क्रिएशन करने वाले आप हैं, उसका ऑब्जेक्टिव बहुत अच्छा है, उसका लक्ष्य बहुत अच्छा है। कांग्रेस के लोग बड़े खुश हैं कि उनकी पॉलिसी को आप चला रहे हैं, उसको कंटीन्यू कर रहे हैं। उससे हमको शक पैदा होता है कि कहीं न कहीं जरूर कुछ है, क्योंकि कांग्रेस का पांच साल का रिजल्ट सबके सामने है। इसलिए इस शक को आप अपने जवाब में दूर करेंगे। यह कांग्रेस की पॉलिसी नहीं, आपने सभी की भावनाओं को लेकर कॉमन मिनिमम प्रोग्राम बनाया है, आप इस बात की गारंटी करेंगे? हमको भरोसा है कि इस बजट से और आपके रहते हुए कोई नया स्केम होने वाला नहीं है, इसको तो जरूर आप

देकरेंगे। हमको इस सरकार पर पूरा भरोसा है कि यह और कुछ करे या न करे स्केम तो होने नहीं देंगी और जो हुआ है उसको वह जरूर सामने लाएंगे और आ धीरे रखा है।

अन्त में, मैं अपनी बात समाप्त करते हुए उपसभाध्यक्ष जी, आपको बहुत-बहुत धन्यवाद दे रहा हूँ और हमको भरोसा है कि पब्लिक सैक्टर के... (व्यवधान)

श्री एस.एस. अहलुवालिया: जे.पी.सी. की रिकमेंडेशन तो आप लागू कर दीजिए।

श्री गया सिंह: आपके आक्सिजन से तो यह सरकार चल रही है। जरा सा शुरू करेंगे तो आक्सिजन खींच लेंगे तो क्या होगा।

मैं सिर्फ यह कहना चाहता हूँ कि ये वित्त मंत्री जी आपके नहीं हैं और आपके आक्सिजन की परवाह नहीं करेंगे। हमको भरोसा है कि उसमें भी कुछ ऐसी चीजें हैं जिनको ये लायेंगे। लेकिन इन्वेस्टमेंट की पॉलिसी को क्लीयर करना चाहिए और ब्लैकमनी की ओर भी मंत्री जी का ध्यान जाना चाहिए। देश में कुछ ऐसी चीजें हैं, जिनकी कल चर्चा हो रही थी। प्रश्नाचार विभिन्न एरिया में काफी ऊँचाई तक पहुँचा है और जब तक हम उस पर कंट्रोल नहीं करेंगे, फिजूलखर्ची पर कड़ाई से रोक नहीं लगायेंगे तब तक जो हमारी रिक्वायरमेंट है वह पूरी नहीं हो सकती है। और जो आपका उद्देश्य है उसमें कहीं न कहीं खामी रह जायेगी। इन्हीं शब्दों के साथ मैं अपनी बात समाप्त करता हूँ बहुत-बहुत धन्यवाद।

श्री रामजीलाल: (हरियाणा): धन्यवाद उपसभाध्यक्ष जी। वित्त मंत्री जी ने जो जनरल बजट पेश किया है मैं उसका समर्थन करता हूँ। मैं संक्षेप में कुछ फाइनट रख रहा हूँ। अपने वरिष्ठ नागरिकों पर विशेष ध्यान दिया है। इस समय वरिष्ठ नागरिक एक लाख रुपये की आय तक पर 40 परसेंट विशेष कर छूट का लाभ उठाते हैं। आपने इस राशि को बढ़ाकर एक लाख बीस हजार रुपये करने का प्रस्ताव किया है। आपने उन मकान मालिकों को जिन्होंने अपने मकान बनाये हैं उनकी दस हजार की ब्याज कटौती रियायत को बढ़ाकर पन्द्रह हजार रुपये किये जाने का प्रस्ताव किया है। आपने स्वास्थ्य संबंधी बीमा के बारे में आय कटौती के लिए आयकर अधिनियम की धारा 80 (घ) के अन्तर्गत छह हजार रुपये की सीमा को बढ़ाकर दस हजार रुपये करने का प्रस्ताव किया है। आपने पेंशन निधि में अंशदान देने

THE VICE-CHAIRMAN (SHRI TRILOK NATH CHATURVEDI) IN THE CHAIR

There may be many, many reasons which are there, which have made this kind of a disparity for so many years to come. But one of the things which I feel can make some difference in reducing this disparity to some extent is by dispersing the credit institutions, which are today by and large, concentrated in one part of the country. If their head offices are dispersed all over and if they are given the targets to do the lending in a particular way, specially to meet the guidelines of the Reserve Bank of credit-deposit ratio, it would really be of great help. As far as U.P. is concerned, the credit-deposit ratio has been very, very low for the last several years and this has been because not enough proposals have been coming which the banks thought worthwhile for lending in the State of U.P. The same is the case in many other States, I believe. But if the headquarters of a particular bank is located in U.P. and all their funding is done in the State of U.P., I think it will afford a better chance to them because they are going to be very close to that institution and there is a better chance for them to meet the norms of the Reserve Bank of India in relation to credit-deposit ratio rather than what is happening today. So, one of my suggestions is, if possible, the lending institutions which are today concentrated in a part of the country, should be dispersed in different parts of the country—one in U.P., the other in Bihar and the third one in Andhra and so on. Something on that line should be done. This will help in improving the credit flow situation in various States.

One of the other areas which we had discussed in the Standing Committee on Finance, was the direct taxation system where suggestions were made to simplify the taxation system and one of the suggestions which was made that to have some kind of a consumer tax or a consumption tax on white goods owners,

owners of car, owners of flats in large cities etc. etc. because the fact that they possess these white goods or car or scooters or three-wheelers or flats or land in these big cities is indicative of the fact that they have income by which they have been able to possess these goods. So, some kind of consumption tax on these items should be levied.

THE VICE-CHAIRMAN (SHRI TRILOKI NATH CHATURVEDI): But has your Committee submitted its report?

SHRI SANJAY DALMIA: No. The Committee is, I think, finalising their report today. But I am just saying that some of these things were discussed. But what I am saying is that these suggestions were also made independently before the Committee met, to the hon. Finance Minister, by certain other groups. So, it is not something which I am divulging as to what happened in the Committee. I am just saying that this was also discussed in the Committee and the figure which I feel can be collected is to the tune of Rs. 15,000 crores to Rs. 20,000 crores by this method itself which will not have much cost of collection also. Today, the total revenue of income tax, including corporate tax, is something like Rs. 40,000 crores to Rs. 45,000 crores. I think Rs. 15,000 crores to Rs. 20,000 crores can be collected by this method. If you simplify the other areas and give exemption from the minimum level of tax to generate savings. Whatever profit you want to make there, you can make much more profit by having this kind of a tax system. According to my calculation, the total revenue should be something like Rs. 15,000 crores to Rs. 20,000 and the exemption which you give to enhance the savings which we really require, is not going to be more than one thousand crores of rupees or so. This is one thing which the hon. Finance Minister might like to consider.

One more point which I would like the Finance Minister to consider is that we have so many NRIs who are having their

business outside and their earnings are several thousands of US dollars and even if they transfer a portion of it, a lot of money can come by way of NRIs investment. Now, what I am proposing is that since we are trying to develop SAARC as a concept and SAARC as a trading community, my suggestion is that, on a reciprocal basis, if we can extend this definition of NRIs to include residents of SAARC countries, who may be given this special facility to invest in India and this will give the Indians an opportunity and facility to invest in the respective SAARC countries, I think this investment between the SAARC countries will also open up the trade and commerce between the various SAARC countries and we want to develop this as a trading zone. So, I thought that this will not really cost very much. But on a reciprocal basis, it may be a good idea to extend this benefit to the whole region of SAARC.

Lastly, about the stock market, which unfortunately is not in a very, very good state, the BSE at one time had nearly touched, 4,800 or 5,000.

And today it is 3,400 or 3,500. In the last 1½ years it has really become dull to invest in the stock market. One of the suggestions that I would like to make to the hon. Finance Minister is to give incentives to the small investor, to give liquidity to the small investor for investing in the stock market, and for that he has to liberally make available the bank finance to the common man or to the average investor so that he is in a position to use that money for putting in the stock market because I have seen that because of the liquidity crunch the small investor is today not in a position to go and invest in the stock market and that is one of the reasons why the stock market is really not very active. In the last two or three years the investment for capitalisation which had been taking place every year in the stock market, has come down substantially and I feel that if we do not really check this, it may go down further

and I do not want to see a situation where the stock market is going to be activated only when the FFIs come into the picture; otherwise, it becomes dull. I think that we, the Indian investor-community should be given a much bigger role to play in the stock market. With proper constraints, I know that some of the things which are taken care of or which are being done, the depositories and the reforms that are being done in the stock market, will help in protecting the interests of the investors—small, medium etc., but one of the things to be done is to possibly arrange or organise the liquidity for the investor because I think that the more number of people who are active in the stock market, the better the stock market is. Same is the situation in the case of shares of a company. If there is a company which is a closely held company and there are not many shareholders, the stock of that company remains at a low level. This is a universal normal phenomenon; that is why if there are more players in the company's stock, if it is not closely held either by the financial institutions or by the promoters, then the stock goes up. Similarly, in the stock market if there are more players small and medium—because big players cannot be large in number—it will give a fillip to the stock market and it will come to a level which is desired, and that will also generate capital which we require for new investments etc. Thank you very much.

श्री गया सिंह (बिहार): उपसभाध्यक्ष महोदय, सदन में जो यहाँ बहस चल रही है, मैं आपके माध्यम से अपनी पार्टी की ओर से उस पर कुछ खास बिन्दुओं की ओर ध्यान दिलाना चाहता हूँ। इस बार का बजट, जो संयुक्त मोर्चा सरकार के कॉमन मिनिमम प्रोग्राम के तहत पेश किया गया, उस बजट के पेश होने से पहले ही पेट्रोलियम पदार्थों और गैस के दाम बढ़े और इनसे खास तौर से हिन्दुस्तान के मिडल क्लास लोगों के अंदर और मिडल क्लास कर्मचारियों के अंदर काफी खबराहट हुई और ऐसा लगने लगा कि अब रेलवे में भी भाड़ा बढ़ने वाला है, लेकिन उनको रेल बजट आने पर कुछ राहत महसूस हुई। जब वित्त मंत्री ने जनरल बजट पेश किया

तो उससे भी उनको कुछ और रहत महसूस हुई। वित्त मंत्री ने इस बजट के द्वारा काफी वेलफेयर मेज़र्स के बारे में घोषणा की। इस बजट पर इस सदन में जो चर्चा हो रही है, इसमें भाग लेते हुए काफी लोगों ने अपने सुझाव भी दिए हैं और इसकी प्रशंसा भी की है। इस देश के बड़े सरमाएदार भी इस बजट की प्रशंसा कर रहे हैं, विदेशी कंपनियों भी प्रशंसा कर रही हैं और हर क्षेत्र के लोग प्रशंसा कर रहे हैं, लेकिन कुछ सवाल हैं, जिन्हें हम वित्त मंत्री जी के सामने रखना चाहते हैं। वित्त मंत्री जी ने हिंदुस्तान की तमाम ट्रेड यूनियंस से प्री-बजट मीटिंग में सलाह-मशविरा किया था और सभी ट्रेड यूनियंस के लोगों ने यह इच्छा जाहिर की थी कि जो सैलैरीड इम्प्लॉयीज़ हैं, उनकी जो टैक्स लिमिट है उसे 60,000 कर दिया जाए। वैसे तो 75,000 की मांग हो रही थी लेकिन 60,000 पर सबकी सहमति थी। मंत्री जी ने कोई कमिटमेंट नहीं किया था लेकिन यह मैसेज देश के मेहनतकश लोगों के बीच में गया कि कुछ न कुछ इसमें होने वाला है लेकिन बजट में मिली मामूली छूट से लोगों को निराशा हुई है। कम से कम इस सरकार से, संयुक्त मोर्चे की सरकार से यह उम्मीद नहीं थी। लोगों को यह लग रहा था कि जब गैस का दाम आपने बढ़ा दिया, पेट्रोल का दाम बढ़ा दिया, बिजली का दाम बढ़ा दिया तो आप इनकम-टैक्स में जरूर कंपनसेट करेंगे क्योंकि घुमा-फिरकर यह भार हिंदुस्तान के आम लोगों पर पड़ा है। टैपों का किराया बढ़ गया, बस का किराया बढ़ गया, सभी लोगों ने कीमत बढ़ाई है और उसका असर मिडिल-क्लास लोगों पर, मेहनतकश लोगों पर पड़ा है।

महोदय, आपके बजट से एक उम्मीद खास तौर से असंगठित क्षेत्र में काम करने वाले लोगों को थी कि उनको बजट में कुछ रहत दी जाएगी लेकिन ऐसा नहीं हुआ। तो किस तरह से आप उनकी मदद करेंगे जिससे उनके लिविंग स्टैंडर्ड में बढ़ोतरी हो सके? वैसे इसे गरीबों का बजट कहा जा रहा है लेकिन मुझे नहीं लगता कि असंगठित क्षेत्र के लोगों को कोई लाभ इससे होने वाला है। आपकी जितनी भी स्कیم में है, बिचौलियों से नीचे जाते-जाते वे गांवों तक नहीं पहुंच पाती हैं। हिंदुस्तान के जो एथीकल्चरल वर्कर्स हैं उनके लिए कुछ रहतें बजट में दी गई हैं लेकिन कहावत है कि — ऊंट के मुंह में जीरा। इतने बड़े देश में आपका जो एलॉटमेंट है, वह वहां तक पहुंच नहीं पाता और अगर पहुंचता भी है तो उनको कुछ खास मिल नहीं पाता। इस ओर भी आपको ध्यान देना चाहिए।

महोदय, पिछले 5 सालों में मनमोहन सिंह जी की जो लिब्रलाइजेशन की पालिसी थी, उसका साईट-इफेक्ट इस देश पर पड़ा है। आपने भी विदेश से माल आयात करने के लिए काफी छूट दी है लेकिन एक्सपोर्ट तो हमारा होता नहीं है और आप इंपोर्ट का उदारीकरण कर रहे हैं, इंपोर्ट के लिए छूट दे रहे हैं। इसका नतीजा यह हो रहा है कि हमारी जो इंडस्ट्रीज हैं, उन पर इसका भार पड़ रहा है। रेलवे के किराए बढ़ने से, कोयले के दाम बढ़ने से और बिजली के दाम बढ़ने से इंडस्ट्रीज के ऊपर काफी प्रभाव पड़ा है। स्टील अथॉरिटी ऑफ इंडिया लिमिटेड पर ही रेलवे का किराया बढ़ने से, बिजली के दाम बढ़ने से और कोयले के दाम बढ़ने से 500 करोड़ रुपए का भार पड़ा है। इसी तरह से और इंडस्ट्रीज के ऊपर भी इसका भार पड़ रहा है और इससे लोगों को कोई रहत नहीं मिलने वाली है। मेरी आपसे गुजारिश है कि इससे लोगों में बेरोजगारी बढ़ेगी। हमारे देश में बहुत सी सिक इंडस्ट्रीज हैं। कल श्रीमती कमला सिन्हा एच०ई०सी० की चर्चा कर रही थीं। ए०सी०सी० रांची की चर्चा कर रही थीं। अभी कई इण्डस्ट्रीज हैं। स्टील के अंदर इसको है जिसके बारे में पिछले कई साल से हम उसके बारे में चर्चा करते रहे लेकिन दूध बार भी कोई कंटेक्ट आपके बजट में नहीं है कि हम इसका माडर्नाइजेशन करेंगे या नहीं। जहाँ हर साल 100 करोड़ घाटे का बजट हम कर रहे हैं पिछले 20 साल से यह चल रहा है, आज वह इण्डस्ट्री उसी स्थिति में है। लखनऊ का इंडिया स्क्रूटर्स अभी बी०आई०एफ०आर० में है। बी०आई०एफ०आर० ने क्लियर तो किया है लेकिन गर्वनमेंट उसको किस रूप में रिवाइवल करेगी, ए०सी०सी० को भी कैसे करेंगी? दूसरे, फर्टिलाइजर की इण्डस्ट्रीज भी सिक है। उसी तरह से कपड़ा उद्योग के अंदर भी कई मिल्स हैं। कैसे उसमें सुधार करेंगे, इसके बारे में आपकी चर्चा नहीं है। चर्चा है डिस-इंवेस्टमेंट पालिसी के बारे में। आपने कमीशन तो बनाया है। अभी हमारे बिरला जी बड़े गौरव के साथ इस बात को रख रहे थे और मैं सब सुन रहा था आज इस देश के टाटा, बिरला इस बजट से इतने खुश हैं तो लोगों ने रेडियो और टेलीविजन पर सुन करके समझा कि यह बजट आम लोगों के फायदे का है, तो आम गरीब भी खुश हो गए। लेकिन जैसे-जैसे उनके ऊपर महंगाई का बोझ बढ़ रहा है, उनके रोजगारी के लिए कोई साधन नहीं आने वाला है। दूसरी ओर हिंदुस्तान के पब्लिक सेक्टर में यह जो सरकार घोषणा कर रही है, एक कमीशन भी बनाया है। फर्दर उनके शेयर को बेचकर आप क्या करना चाहते हैं? इसके पिछले पांच साल के

के लिए कर योग्य आय से प्रति वर्ष दस हजार रुपये की सीमा तक कटौती किये जाने की अनुमति देने का प्रस्ताव किया है और भारतीय जीवन बीमा निगम में ऐसी पेंशन निधि की आय को आयकर से छूट देने का प्रस्ताव किया है। व्यक्तिगत आयकर की सीमा 40,000 रुपये से बढ़ाकर न्यूनतम 60,000 रुपये कर दी जाये, इसकी मांग पिछले कई वर्षों से की जा रही है, परन्तु मंत्री महोदय ने इस बात को यह कहकर टाल दिया कि इस वृद्धि से राजकोष में 150 करोड़ रुपये का घाटा हो जायेगा और इसमें 110 लाख व्यक्ति आते हैं। मैं समझता हूँ कि यदि मंत्री महोदय इस 40,000 रुपये की सीमा को बढ़ाकर 60,000 रुपये कर देंगे तो 110 लाख व्यक्ति ही नहीं, इसमें 150 लाख व्यक्ति आयेंगे। हर एक मानव सदन का हर एक मेम्बर अपने गिरेबान में मुंह डालकर देखे कि टैक्स का मामला देश के अन्दर क्या है? यह टैक्स का मामला बड़ा विचित्र है और इसकी सीमा बढ़ाना बेहतर होगा। टैक्स की चोरी बहुत लोग करते हैं चाहे वह छोटे से छोटा या बड़े से बड़ा आदमी क्यों न हो। लोग टैक्स की चोरी करना अपनी मर्यादा समझते हैं। वे इस बात की शर्म बिल्कुल महसूस नहीं करते हैं कि वे टैक्स की चोरी कर रहे हैं। इसलिए मैं आपके माध्यम से माननीय मंत्री जी से प्रार्थना करूंगा कि बहुत सालों से यह मांग चली आ रही है कि 40,000 रुपये की आय सीमा को बढ़ाकर 60,000 रुपये कर दिया जाये। मैं आपको उदाहरण दूंगा कि कई केस ऐसे हुए हैं। हरियाणा में 1960 से पहले जो कपड़े पर कर लगता था वह वहां से हटा दिया गया और उसे मिलों पर लगा दिया गया तो टैक्स बढ़कर आयात आप जहां पर भी टैक्स कम करेंगे, टैक्स कम नहीं आयेगा बल्कि टैक्स बढ़कर ही आयेगा। पिछले सालों में हरियाणा में भजन लाल जी की सरकार थी तो उन्होंने बाईरों पर से सारे बैरियर हटा दिये। इसका नतीजा यह हुआ कि बैरियर हटाने से आमदनी और बढ़कर आई। लोग बन्धन से छुटकारा पाना चाहते हैं। यही नहीं, आपने कम्पनी कर में भी अधिभार को 15 परसेंट से घटाकर साढ़े सात परसेंट किया है। राहत के जिन उपायों का वित्त मंत्री जी ने जिक्र किया है, वे निम्नलिखित हैं:

कैंसर और एड्स जैसी लम्बी बीमारियाँ, जिनके उपचार में काफी खर्चा आता है। रोगी या उनके संरक्षकों को 15 हजार रुपए की विशेष कटौती की गई है। देश की सशस्त्र सेनाओं द्वारा स्थापित की गई जिन निधियों को दान का जिक्र किया गया है उनके नाम इस प्रकार हैं:—

1. सेना केन्द्रीय कल्याण निधि
2. भारतीय नौसेना हितकारी निधि
3. वायु सेना केन्द्रीय कल्याण निधि

ऐसा करके आपने बहादुर अफसरों और जवानों का अभिनन्दन किया है।

मान्यवर, सार्क के प्रति अपने दायित्व के एक भाग के रूप में क्षेत्रीय परियोजनाओं की सार्क निधि एस०एफ० आर०पी० को आयकर से छूट दी है। इसके लिए मैं आपको मुबारकबाद देता हूँ। इन प्रस्तावों के कारण निगम के अन्तर्गत राजस्व में वृद्धि होने की संभावना है जिसका अनुमान 912 करोड़ लगाया गया है।

पिछले कुछ वर्षों में दरों की संख्या घटाकर तथा मूलानुसार दरों में भारी परिवर्तन करके हमारे अप्रत्यक्ष कर ढाँचे को सुधारने के उपाय किए हैं। सीमा शुल्क से 1995-96 में शुल्क की उच्चतम दर को घटाकर 50 परसेंट कर दिया गया है।

महोदय, इसके साथ ही एक बड़ी गम्भीर समस्या कपड़े में आई है। मेरे से पहले भी माननीय सदस्य ने उस ओर इशारा किया था। मुझे खेद के साथ वित्त मंत्री से कहना पड़ रहा है कि बजट में देश के विकेन्द्रित कपड़ा उद्योग पर घोर आघात किया गया है? यह उदारीकरण की जो प्रक्रिया कांग्रेस ने पांच साल से शुरू की थी उसके अनुसार हर वर्ष देश के प्रत्येक उद्योग पर एक्साइज ड्यूटी और कस्टम ड्यूटी घटाई जा रही है इससे सरकार की आमदनी घटी नहीं बल्कि बढ़ी है। इस वर्ष के उद्योगों पर एक्साइज ड्यूटी घटाई नहीं बल्कि बढ़ाई है। लेकिन पोलियेस्टर कपड़ा उद्योग में प्रोसेस किये गये कपड़े पर महोदय, आपको सुनकर हैरानगी होगी कि गरीब लोग सस्ता कपड़ा पहनते हैं लेकिन यहां पर 100 रुपये पर मीटर से ऊपर वाले कपड़े पर ड्यूटी 20 परसेंट की बजाए 10 परसेंट कर दी गई है और जो 100 रुपए से नीचे का कपड़ा है उस पर 10 परसेंट की बजाए 20 परसेंट ड्यूटी कर दी गई है। मैं वित्त मंत्री जी से प्रार्थना करूंगा कि 100 रुपए से ऊपर के कपड़े पर 20 परसेंट ए० ई० डी० थी उस पर 10 परसेंट ए० ई० डी० कर दी है और 100 रुपए के कम कीमत के कपड़े पर 10 परसेंट की बजाए 20 परसेंट ए० ई० डी० कर दी है उसके सामने मोडवेट क्रेडिट प्रथा लादकर यार्न पर मोडवेट क्रेडिट लेने को कहा जा रहा है। मैं इस सदन का ध्यान इस ओर भी आकर्षित करना चाहूंगा कि एक्साइज ड्यूटी सिस्टम विकेन्द्रित छोटे कपड़े उद्योगों पर

ऐसा कर रही हैं जो कि इस उद्योग को नष्ट कर देगी। इस के असर से बड़ी कपड़ा मिलें 9.35 परसेंट से 15.75 परसेंट मोडवेट लाभ लेगी। बड़ी मिलों को 9.35 परसेंट की बजाये 15.75 परसेंट मोडवेट लाभ मिलेगा। जबकि छोटे-छोटे पावरलूम पर आधारित कपड़ा उद्योग जिसे लूम बनाती है, जिससे छोटे-छोटे पावरलूम कारखाने कच्चा माल बनाकर बाजार में बेचते हैं। प्रोसेसिंग करने वाले कारखानों में काम करने वाले मजदूर रंगाई, प्रिंटिंग और फिनिशिंग करते हैं। ऐसे काम पर आधारित छोटे सिंथेटिक उद्योगों को केवल 5 परसेंट मोडवेट लाभ मिलेगा। इससे यह उद्योग बड़ी स्वतंत्र मिलों के आगे नष्ट हो जायेगा।

मैं आपका ध्यान इस ओर दिलाना चाहूंगा कि पावरलूम उद्योग देश के कुल उत्पादन का 72 परसेंट कपड़े की सप्लाई करता है। एग्रीकल्चर को छोड़कर पावरलूम देश के सबसे ज्यादा गरीब आदमियों को मजदूरी देता है। यह सबसे ज्यादा इम्प्लॉयमेंट देने वाला उद्योग है, इसलिए मेरा सरकार से अनुरोध है कि इससे पहले कि यह उद्योग बीमार होकर बंद हो, सरकार चलेया कमेटी की रिपोर्ट के मुताबिक कदम उठाये।

उपसभाध्यक्ष (श्री त्रिलोकीनाथ चतुर्वेदी): आपकी पार्टी के 6 और सदस्य बोलने वाले हैं और 6 बजे मुझे हाउस एडजर्न करना है।

श्री रामजीलाल: एं ईं डी० और बेसिक एक्साइज 10 परसेंट से कम करके 2 परसेंट किया जाए। पावर लूम के कपड़े पर मोडवेट कितना पड़े यह बड़ा उलझन भरा और कठिन काम है। मोडवेट को गिनने के लिए यार्न की कीमत लगाने की जरूरत नहीं है क्योंकि विवेक्षित उद्योगों में प्रिंटिंग की मजदूरी करने वाले कारखाने कच्चा कपड़ा नहीं खरीदते। लेकिन जो खरीदते हैं जैसा कि क्लर, कैमिकल एंड मशीनरी है उन पर यह दिया जाए। वास्तव में गिनती करने वाली बात जो है वह ज्यादा समझने की आवश्यकता है। इससे पहले कि ये उद्योग नष्ट हो जाए सरकार को इस बारे में कदम उठाने चाहिए। यह उद्योग जो सूरत, मुंबई, हैदराबाद, बंगलौर, इन्दौर, अमृतसर, वाराणसी जैसे अन्य अनेक स्थानों में फैला हुआ है, उन पर इसका असर पड़ेगा। इसलिए इस पर बड़ी गंभीरता के साथ विचार करने की आवश्यकता है। मेरा आपसे अनुरोध है कि इसके लिए एक कमेटी का गठन किया जाए और जिसमें कपड़े के सूरत, अहमदाबाद और मुंबई आदि के व्यापारियों को सुना जाए और उनको विश्वास से लेकर अगले वर्ष के बजट में इस पर विचार किया जाए। इस बारे में वे 26.8.96 को

प्रधान मंत्री जी से मिले थे और शायद वह कपड़ा एसोसियेशन का डेलीगेशन वित्त मंत्री जी को भी मिला होगा।

इसके अलावा वित्त मंत्री ने इंडस्ट्री, एग्रीकल्चर, रूलर डेवलपमेंट, इंदिरा आवास योजना, जवाहर रोजगार योजना, पावर की सभी योजनाओं की ओर ध्यान दिया है। मुझे पूर्ण विश्वास है कि पिछली सरकार ने जो ये जो सभी योजनाएँ चलाई थीं, वह उन सभी योजनाओं को आगे बढ़ायेगी। एग्रीकल्चर के अंदर, जैसा कि इसके अंदर है, सेंट्रल, प्लान आउट ले में 95-96 में यह 3200 करोड़ रखा गया था और 96-97 में 2836 करोड़ है, मैं समझता हूँ कि यह बहुत कम है, इसको बढ़ाया जाए।

बिजली के मामले में, पावर के मामले में देश में बड़ी भारी दिक्कत है। 1995-96 में इसके लिए 23795 करोड़ रुपए और 1996-97 में 24270 करोड़ रुपए रखे गए हैं जो कि 475 करोड़ रुपया ज्यादा है। इन शब्दों के साथ मैं वित्त मंत्री जी से चाहता हूँ कि जो मांगें मैं रखी हैं उन पर विचार करेंगे। बहुत-बहुत धन्यवाद। उपसभाध्यक्ष महोदय, आपने इस पर मुझे बोलने का अवसर दिया इसके लिए मैं आपका आभारी हूँ।

THE VICE-CHAIRMAN (SHRI TRILOKI NATH CHATURVEDI): Thank you, Mr. Ramjilal. Hon. Members, we have now three minutes. If the House so agrees...(interruptions)....

SHRI SATISH AGARWAL (Rajasthan): In any case, the House has to be adjourned because the debate is not going to be over. It has to be carried forward by one more day. The Finance Minister's reply will be on Monday.

SHRI P. CHIDAMBARAM: Sir, I am told that four more hours remain. If the debate can be fitted into Monday between 2.00 p.m. and 6.00 p.m. and if I am not replying in the Lok Sabha, I will reply here at 6.00 p.m. on Monday. If the debate is fitted here between 2.00 p.m. and 6.00 p.m. and I am replying in Lok Sabha, then I will reply here on Tuesday.

SHRI SATISH AGARWAL: Tuesday morning. We don't mind. I would welcome it very much. I must apologise because I shall not be available on Monday.

SHRI P. CHIDAMBARAM: Satishji, I requested the Secretary-General to consult the Chairman. If the debate is over here by 6.00 p.m. on Monday and if I am not replying in Lok Sabha, I will reply here. Otherwise, I will reply on Tuesday morning.

SHRI SATISH AGARWAL: We will not object to it. We agree with him.

THE VICE-CHAIRMAN (SHRI TRILOKI NATH CHATURVEDI): The House is adjourned till 11.00 a.m. tomorrow.

The House then adjourned at six of the clock till eleven of the clock on Friday, the 30th August, 1996.