

AN HON. MEMBER: We can pass without a discussion.

SHRI N. K. P. SALVE: If this is to be passed without discussion, then let both of them go without a discussion... (Interruptions). How does it change the situation if the two are clubbed together? What I submit is that both can go together.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): If the House agrees...

SHRI SUKOMAL SEN: With regard to Finance Bill, his proposal is acceptable because already the speakers from different parties have spoken. But it cannot be accepted in case of Voluntary Deposit Scheme Bill. So, these Members will have to speak again. I would request that these two Bills be taken up separately, as we have been doing.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Because you see the schedule...

SHRI SUKOMAL SEN: Let the Treasury bench reduce the number of speakers and the time will be saved.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): You have no objection to the proposal of Mr. Salve?

SHRI SUKOMAL SEN: I opposed it because some speakers have already spoken on the Finance Bill and they should be able to speak again on this Bill.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): The names of those Members which are already there, they will be allowed to speak on this Bill.

SHRI JAGESH DESAI: At this stage, it can't be done because some Members have already spoken but they have not spoken on this subject. So both the Bills should be taken up separately. It should have been decided earlier.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): What does the Finance Minister say?

THE FINANCE MINISTER (SHRI MANMOHAN SINGH): The scheme on the Voluntary Deposits Bill was a part of my Budget Speech. I have no objection to the Finance Bill and the Voluntary Deposits Bill being discussed together.

SHRI M. M. JACOB: Now there is no harm. It is up to the Finance Minister. The only point raised by Shri Sukomal Sen was that if any Member wants to speak, he must be allowed to speak. That is all. I agree to that.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): I think the consensus is that we can take both the measures together. I will give time to those who want to speak on this Bill. That is agreeable. Now, the Minister to move the Voluntary Deposits (Immunities and Exemptions) Bill, 1991.

I. THE FINANCE BILL (NO. 2) BILL, 1991—contd.

II. THE VOLUNTARY DEPOSITS (IMMUNITIES AND EXEMPTIONS), BILL, 1991

THE MINISTER OF STATE IN
THE MINISTRY OF FINANCE
(SHRI REMESHWAR THAKUR):
Sir, I beg to move:

"That the Bill to provide for certain immunities to persons making voluntary deposits with the National Housing Bank and for certain exemptions from direct taxes in relation to such deposits and for matters connected therewith or incidental thereto, as passed by the Lok Sabha, be taken into consideration."

In the Budget Speech for 1991-92, the hon. Finance Minister had announced that the Government would

like to give a last opportunity to tax-evaders to come clean by making a deposit under a Scheme to be instituted for the purpose. It was also announced that the black money to be mobilised will be utilised for achievement of social objectives such as slum clearance and low-cost housing for the rural poor. I shall avail of this opportunity to explain the main provisions of the Bill.

Complete immunity from disclosure of the nature and source of the deposit as well as from enquiry and investigation under any law is proposed to be provided. No enquiry or investigation would be commenced against the depositor under any law on the ground that he has made a deposit. The fact of deposit shall not be taken into account and shall be not admissible as evidence for any proceedings relating to any offence or for imposition of any penalty, under the law.

Offences punishable under Chapter IX of Chapter XVI of the Indian Penal Code, the Narcotic Drugs and Psychotropic Substances Act, 1985, the Terrorist and Disruptive Activities (Prevention) Act, 1987, the Prevention of Corruption Act, 1988 or any offence for the purpose of enforcement of any civil liability are kept out of the purview of the proposed immunities.

The depositor, however, cannot claim any set-off or relief in proceedings under the Income-Tax Act on the ground of having made a deposit under the Scheme. Any Income arising out of the application/utilisation of the 60 per cent of the deposit, i.e. the amount available to the depositor will be subject to income-tax as usual.

Deposits under the Scheme will be exempt from the application of Wealth Tax Act, 1957 in respect of assessment year commenced before 1st April, 1992. The provisions of the

Gift Tax Act, 1958, shall apply as usual.

The Bill provides for institution of a scheme by the National Housing Bank to accept voluntary deposits from persons in possession of black money and withdrawal of 60 per cent of the same by them for any purpose of their choice. The scheme shall be prepared by the National Housing Bank and notified by it in the Official Gazette. A copy of the scheme so notified shall be placed on the Table of the House.

In the Budget speech, the hon. Finance Minister had indicated 30th November, 1991, as the cut-off date for this schemes. In order to have some flexibility in this regard, it has now been proposed in the Bill that scope may be provided to enable the Central Government to extend the life of the scheme to any later date by a notification.

I hope this Bill will have the approval of the hon. Members of this august House and will be passed, to enable the country to achieve the two-fold objectives of bringing the black money into productive use and provision of low-cost housing to the poor and slum clearance. Therefore, Sir, I trust this Bill will get the unanimous support of the House.

The question was proposed.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): As we decided, this Bill and the Finance Bill will be discussed together. Now, I will call the speakers who want to speak on both the measures. Shri A. G. Kulkarni.

SHRI KAMAL MORARKA (Rajasthan): Sir, Shri Raghavji was on his legs.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Shri Raghavji to continue his speech.

श्री राघव जी (मध्य प्रदेश) : उपसभाध्यक्ष जी, धारा 28 के द्वारा क्लोन 80 एच०एच०सी० में संशोधन किया गया है जो इस प्रकार से जोड़ा गया है—

“(aa) ‘export out of India’ shall not include any transaction by way of sale or otherwise, in a shop, emporium or any other establishment situated in India, not involving clearance at any customs station as defined in the Customs Act, 1962.”

उपसभाध्यक्ष जी, मैं इस संशोधन का विरोध करता क्योंकि इसके माध्यम से जो हम को विदेशी मुद्रा मिला करती थी उसमें कमी आएगी। हमारे छोटे छोटे व्यापार, जो काउंटर सेल हुआ करती थी जिसमें कनवर्टिबल फारेन एक्सचेंज मिला करती थी, इस संशोधन के बाद से वह आना बन्द हो जाएगी। यह बड़े दुर्भाग्य की बात है कि यह संशोधन 1-4-86 से जोड़ा गया है। जिन लोगों का व्यापार पिछले चार सालों में हो चुका है, जिनको पता था कि टेक्स लगने वाला नहीं है या इस पर सुविधा मिलने वाली है, उनको 1-4-86 से यह सुविधा खत्म हो जाएगी, यह बड़ी विसंगति है। कामर्स मिनिस्ट्री ऐसी सब ट्रांजिक्शंस को एक्सपोर्ट मानती है और उनको आर०ई०पी० लाइसेंस एक्सपोर्ट प्रमोशन के अन्तर्गत जारी होते हैं। लेकिन यह दुर्भाग्य की बात है कि वित्त मंत्री जी इसको एक्सपोर्ट मानने के लिए तैयार नहीं हैं। जैसे अन्य वस्तुओं पर 80 एच०एच०सी० के अन्तर्गत छूट मिलती है तो इनको क्यों नहीं मिलनी चाहिये। अभी इन्हीं दिनों में हाल ही में फेडरेशन आफ आल इण्डिया एक्सपोर्टर्स जो एक अखिल भारतीय संस्था है, उन्होंने इसका कड़ा विरोध किया है और यह कहा है कि इस प्रकार का प्रावधान होने से विदेशी मुद्रा का नुकसान होगा। इसलिए 80 एच०एच०सी० में जो इस प्रकार का संशोधन जोड़ा गया है, वित्त मंत्री जी से आपके माध्यम से निवेदन करना चाहूंगा कि इस संशोधन को वापिस लेने का कष्ट करें।

उपसभाध्यक्ष महोदय, इसके बाद वित्त विधेयक की धारा 51 के अन्तर्गत जिन

व्यक्तियों को बैंकों से व्याज मिलता है, उनके ऊपर टी०डी०एस० लागू कर दिया गया है। इस के पहले बैंक से मिलने वाले व्याज पर यह टी०डी०एस० लागू नहीं हुआ करता था। जो बैंक से व्याज प्राप्त करते हैं, वह केवल करता है, ऐसी बात नहीं है। बहुत से लोग जो ग्रामीण अंचल में रहते हैं जिनकी कृषि से आय हुआ करता है वह भी बैंकों में अपना पैसा डिपोजिट करते हैं। और उनको भी व्याज मिलता है और उनके भी व्याज में से अगर टी०डी०एस० कर लिया जाए तो बात सी पैसा सरकार के पास रह जाएगा। उन लोगों को यह पता नहीं होता कि कोई घोषणापत्र आर करके इससे से छूट प्राप्त की जा सकती है या फिर आयकर रिटर्न भर करके छूट प्राप्त की जा सकती है। इसलिए वे व्यक्ति जिनकी कर योग्य आमदनी नहीं है जिनकी शुद्ध आमदनी कृषि या अन्य साधनों से है जिसमें कोई टेक्स नहीं लगता, ऐसे लोगों का भी टी०डी०एस० हो जाएगा और उनका घाटा होगा। इसलिए मैं माननीय वित्त मंत्री जी से निवेदन करूंगा कि वह क्लोज 51 वापस लें।

इसी प्रहार से वित्त विधेयक का क्लोज 53 है जिसमें कि एन०एस०एस० के ऊपर 20 प्रतिशत का टी०डी०एस० लगाया गया है। इससे भी एन०एस०एस० में डिपोजिट करने के लिए लोग हतोत्साहित होंगे और बहुत से ऐसे लोगों का आगकर कट जाया करेगा जिनको बैंक आगकर नहीं चुकाना है होता है। इसलिए इस प्रावधान का भी मैं विरोध करता हूँ। माननीय वित्त मंत्री जी से निवेदन करूंगा कि वे इसे वापस लें।

एक प्रावधान 55 है जिसमें ऐसी व्यवस्था की गयी है कि लाटरी के व्यवसाय में जो कमीशन मिलता है जो रिवाइड मिलता है जो व्यक्ति इसका मूगदान करेगा उन सब को टेक्स की कटौती करनी पड़ेगी यह एक स्थान से नहीं कटता है। सरकार होलसेल डिस्ट्रीब्यूटर को देती है, होलसेल डिस्ट्रीब्यूटर को होलसेल देगा।

फिर हमी होलसेलर को देगा, बाद में रिटेलर को देगा और प्रत्येक से कमीशन या रिवाइंड या जो भी राशि निकलती है, उस हर स्थान पर अगर यह कटौती की जाएगी तो लाटरी व्यवसाय के ऊपर भी यह एक प्रकार से चोट होगी। इसलिए इस प्रावधान की कोई आवश्यकता नहीं है। इसलिए इसको भी वापस लेना चाहिए।

कमीशन और दलाली आदि पर भी जो ढाई हजार से अधिक होती है यह आयकर कटौती का प्रावधान लागू किया गया है। यह गलत है। या तो इसको बस हजार रुपए से अधिक करें या फिर पूरी तरह से समाप्त कर दे तो ठीक रहेगा। मुझे लगता है कि वित्त मंत्रालय और उसके अधिकारी अपनी तरफ से कोई चेहनत नहीं करना चाहते हैं। उनके पास इस्तेमाल हुआ करते हैं, वहाँ सर्वे हुआ करते हैं। उनके पास आमदनी पता करने के साधन हुआ करते हैं लेकिन अब उनकी कुछ करने की आवश्यकता नहीं। हर जगह से अगर स्रोत पर ही आयकर कटौत रहेगा तो वे आराम से मौज करेंगे, उनके कुछ करने की आवश्यकता ही नहीं है। सरकार की ऐसी नीति बनी है। यह नीति सही नहीं है। इसलिए इस नीति का मैं विरोध करता हूँ।

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):
Please, conclude now.

श्री राघव जी : मेरी मेडन स्पीच है। मैं कल तो बोल नहीं पाया था। मेरा सारा समय तो दूसरों ने ले लिया था।

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):
Do not argue. Please conclude.

श्री राघव जी : अब मैं थोड़े महत्वपूर्ण सुझाव वित्त मंत्री जी को देना चाहता हूँ। क्लॉज 66सी में एक संशोधन प्रस्तावित किया गया है जिसमें 272ए का जर्माना 1-10-91 से संशोधित करके उसमें अधिकतम जो रखा होता है। उस पर ही उन्होंने लागू किया है। इसके लिए पिछले दो वर्ष में लगातार आंदोलन होता रहा है।

1-4-89 से इसको लागू किया गया था और इसमें दो सौ रुपए प्रतिदिन का जुमना केवल एक छोटा सा फायदा 26ए और 27ए का न देने पर लगता था और जब साल भर बीत जाता था तो गरीब जुमना कोई 70-70, 72-72 हजार हो जाता है। जिसकी आमदनी 50 हजार रुपए भी नहीं है उसको 72 हजार रुपए का जर्माना देना पड़ रहा है। यह किसी भी प्रकार से उचित नहीं है। इसलिए यह मांग होती रही है कि इसको रिट्रोस्पेक्टिव इफेक्ट देकर के अमेंड किया जाए। इसलिए मेरा निवेदन है कि जो 1-10-91 से संशोधन लागू किया गया है इसको 1-10-91 के बजाय इसमें सुधार करके 1-4-89 से संशोधन को लागू करें क्योंकि भोपाल जैसे अनेक एक डिवीजन में निरपराध लोगों को, जिनका कोई कपूर नहीं है, 60-70 हजार रुपए का जुमना अदा करना पड़ रहा है। 5-7 करोड़ का जुमना केवल एक अधिकारी ने सारे लोगों के ऊपर यह प्रावधान लागू करके लगाया है जो लोगों को भूगर्भाना ना पड़ रहा है। इसलिए माननीय वित्त मंत्री जी से मेरा निवेदन है कि यह संशोधन अगर 1-10-91 से ठीक हो सकता है तो 1-4-89 से भी ठीक हो सकता है इसलिए उसको 1-4-89 से लागू करें। इसी प्रकार से कुछ अन्य अनिवार्य और अन्यायपूर्ण प्रावधान आयकर कानून के अंतर्गत हैं। उदाहरण के लिए ग्राडिट का हिसाब किताब है। 40 लाख से ऊपर बिक्री होने के बाद अगर उसने ग्राडिट नहीं कराया है तो उसके ऊपर एक लाख रुपए तक का जुमना हो सकता है। आधा परसेंट टर्नओवर से लेकर एक लाख तक का जुमना छोटी-मोटी भूल-बुल या गलती से या उसको यह प्रावधान पता नहीं होने के कारण पहली बार जब उसकी चालीस लाख से ऊपर टर्नओवर हुई है, इसके कारण से अगर यह गलत हुई है, तो उसके ऊपर एक लाख रुपए का जुमना हो, यह प्रावधान ठीक नहीं है।

इसके बाद धारा 269 (एसएस) य 69(3) इनके अंदर भी जो जुमना

प्रावधान किए गए हैं, जितनी राशि का बगैर चैक के भुगतान किया गया है, उतनी पूरी राशि जुमाने के रूप में वसूल करने का, अगर भूल से किसी व्यापारी का पता नहीं हो और एकाध साल में ऐसी ट्रान्जैक्शंस हो जाए, दो-चार लाख रुपए के, तो समझ लीजिए कि वह निकट गया तो इस प्रकार का प्रावधान भी गलत है और यह समाप्त किया जाए। (समय की घंटी)।

इसी प्रकार आडिट करने की जो लिमिट आज से चार साल पहले चालीस लाख की निर्धारिती की गई थी, आज के समय में यह अव्यहारिक है। इसलिए चालीस लाख से बढ़ा कर इसे 75 लाख किया जाए। यह मेरा माननीय वित्त मंत्री जी से निवेदन है।

मैं एक महत्वपूर्ण सुझाव देने जा रहा हूँ कि इंट्रेस्ट टैक्स, यह पहली बार वित्त विधेयक में लागू किया गया है और इसकी माननीय वित्त मंत्री जी ने कहा है कि यह डायरेक्ट टैक्स है। इंट्रेस्ट टैक्स कोई इंडिरेक्ट टैक्स नहीं है। इसका कुल मिला कर जो बोझ है, वह उपभोक्ता के ऊपर जाने वाला है। इस संबंध में जो यहां का लीडिंग दैनिक व्यावसायिक समाचार-पत्र है, उसमें दीपाकर चैटजी ने ठीक कहा है। मैं उसको यहां कोट करना उचित समझता हूँ।

"The immediate effect of this tax will be a rise in the cost of bank/institutional credit. This rise in the cost of credit would be treated in the same way by trade and industry as other increases in input costs and would lead to inflationary pressures."

और इसलिए इससे इन्फ्लेशन बढ़ेगा। यह इंट्रेस्ट टैक्स बिलकुल वापिस लिया जाना चाहिए।

उपसभाध्यक्ष (श्री भास्कर अनाजी मासोवकर) : अब आप कंपलीट कीजिएगा।

श्री राघव जी : उपसभाध्यक्ष जी मलिए मैं इसकी वापिस लेने के लिए

वित्त मंत्री जी से आग्रह करना चाहता हूँ। इसी तरह से एक्सपेंडिचर टैक्स 5 परसेंट रेस्टोरी पर बढ़ाया गया है, उससे भ्रष्टाचार बढ़ेगा। और इसे रोकने के लिए सरकार के पास कोई मशीनरी नहीं है। इसलिए एक्सपेंडिचर टैक्स भी वापिस लेना चाहिए।

मैं एक सुझाव देना चाहता हूँ कि इतने दिनों के बाद भी अभी तक इस देश में आक्रांथ ड्यूटी समाप्त नहीं की गई है। आक्रांथ ड्यूटी जगह-जगह पर ट्रामपोर्ट में व्यवधान पैदा करती है और इसका समाप्त न होना दुर्भाग्यपूर्ण है। हिन्दुस्तान में केवल मध्य प्रदेश ही एक ऐसा भाग है जहां आक्रांथ ड्यूटी नहीं लगती है, लेकिन ऐसा प्रावधान पूरे हिन्दुस्तान के लिए नहीं किया गया है। मैं माननीय वित्त मंत्री जी से निवेदन करना चाहता हूँ इस अवसर पर कि आक्रांथ ड्यूटी को समाप्त करे और इस प्रकार की कोई और व्यवस्था करें और उसके स्थान पर कोई अन्य व्यवस्था लागू करें।

अंत में मैं एक बात कह कर अपनी बात समाप्त करना चाहता हूँ कि सेल्स-टैक्स कुछ वस्तुओं पर एडीशनल एक्साइज ड्यूटी लगाने के बाद उन पर विक्रय कर नहीं लगता। एडीशनल एक्स-ईस ड्यूटी का यह जो दायरा है, अब तक केवल शक्कर पर है, तम्बाकू पर है, सिगरेट पर है, ऐसी कोई पांच-सात वस्तुयें हैं, जिनके ऊपर एक्साइज-ड्यूटी लगती है, जो वस्तुयें मिल से पैदा होती हैं और उन पर सेल्स-टैक्स किसी भी प्रदेश में नहीं लग सकता है।

मैं माननीय वित्त मंत्री जी से निवेदन करना चाहता हूँ कि आज के युग में विक्रय-कर जटिलतम होता जा रहा है और इसके कारण से काला धन पैदा होता है। इसलिए मेरा उनसे अनुरोध है कि इसका दायरा थोड़ा अधिक बढ़ाये। बहुत सी वस्तुयें हैं जो केवल कारखानों में पैदा होती हैं। सरलता से इस पर एक्साइज ड्यूटी लगाई जा सकती है। इसका दायरा सी-दो सी वस्तुओं पर लागू करके सी-दो सी वस्तुओं पर लगा करके और उनके ऊपर विक्रय-कर आप लगा देंगे, तो पूरे देश के लोग जो इन श्रधों

[श्री राघव जी]

में लगे हुए हैं, वह आपको दुआ देंगे। हमारे काले धन की उत्पत्ति भी कम होगी।

अंत में मैं एक बात कह कर अपनी बात समाप्त करना चाहता हूँ। काले धन के लिए हम प्रति विवेक में व्यवस्था की गई है नेशनल हाऊसिंग बक में कि अगर यह राशि जमा करेगे, तो 60 परसेंट उसको वापिस मिल जाएगी और 40 परसेंट धरो जमा हो जाएगी। परंतु मुझे लगता है कि यह कोई आकर्षक योजना नहीं है। अगर 40 परसेंट उसका पैसा आपने रोक लिया, तो आयद बहुत जगह से वह पैसा आपको मिलेगा नहीं और इनसे कोई बहुत फक नहीं पड़ने वाला है। अगर इसकी वास्तव में आकर्षक बनायेंगे, आप काले धन को एक बार अक्षिप्त करके सीका देना चाहते हैं कि यह बाजार में आ जाए, सर्कुलेशन में आए, तो इसको 40 के बजाए 25 की दर से रख कर और बाकी 75 फीसदी वापस करेंगे तो मैं समझता हूँ कि आपको बहुत सी समस्याएँ इससे हल होंगी और जो इतना बड़ा आपके अंतरकर्म का बोझ है वह कम होगा।

अंत में, मैं एक निवेदन कहूँगा कि जो श्री घटन बिहारो बाबोरी जी ने जो मोल्ड बांड योजना देश के सन्धा प्रस्तुत की है, यहाँ खास करके इसका प्रयोग करके देखिए, देश के लोग इस गंभीर आर्थिक संकट से देश को उबारने के लिए आगे आगे, आपको सौदा दें और उससे आप निदेशी और देशी कर्ज समाप्त कर सकते हैं और बहुत बड़े संकट से देश को उबार जा सकता है। इसलिए मैं आपसे यह अनुरोध करता हूँ कि मोल्ड बांड योजना के बारे में आप गंभीरता से विचार कीजिए।

आपने मुझे बोलने के लिए जो समय दिया उसके लिए धन्यवाद।

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):
Shri A. G. Kulkarni. Not present.

Shri Jagesh Desai.

After him, I am calling out of turn Shri Karanjia. Other parties will please bear with me.

SHRI JAGESH DESAI (Maharashtra): Mr. Vice-Chairman, Sir, I rise to support the Finance Bill. While supporting the Bill, I want to make some observations and give some suggestions. What happened to our economy when the Janata Party was in power in 1978-79, 1979-90 and 1989-90 and how they shattered our economy, I would like to highlight those issues also.

Sir, when the Janata Party came to power in 1978, it was in power up to 1979 December. They completely shattered the whole economy. Inflation was there. Separate sets of views were there because they were supported by extremists like the BJP which was formerly the Jana Sangh, and some socialists who wanted progressive policies. But they were not able to come to any kind of economic conclusions. The whole economy was shattered.

To what extent, Sir? Never have I seen in the history of India that the GDP was minus. In the year 1979 the GDP was minus 4.9 per cent. That means that the gross domestic product in 1979 was less by 4.9 per cent as compared with the earlier year. The agricultural production went down by 15.2 per cent as compared with the earlier year. Similarly, the foodgrains production also went down by 16.8 per cent. The industrial production also went down by 1.7 per cent. What was the inflation? It was a horrible figure of 21.4 per cent. Similarly, the electricity generation went by only 2.1 per cent, whereas in the earlier year when Indiraji was in power, it went up by 12.1 per cent. The imports went up by 34.2 per cent.

When the Congress came to power, it took two years to redeem it. When Rajivji was the Prime Minister in the year 1988-89, the wholesale price

[Shri Jagesh Desai]

went up over by 5.7 per cent. The GDP was the highest ever; it was 10.6 per cent. The agricultural production went up by 21 per cent. The foodgrains production went up by 21 per cent. The industrial production went up by 8.7 per cent. The electricity generation also went up by 9.5 per cent. That was the position in all the spheres of infrastructure and foodgrains. This was what we had given to the V. P. Singh Government when they came to power. What did they do in one year in which they were in power? The wholesale price went up by 12.1 per cent. The GDP went down and was only 5 per cent.

The foodgrains production 3.00 P.M. increased by only 3.9 per cent. You know what was our foreign exchange position at that time. This type of thing was again repeated by the present Government. I know the difficulties in which they were placed in regard to the balance of payments and the price rise. I still have hope in this Government and I do hope that they will take stern action to see that the price rise is checked. At present our experience is when we go to buy something in the market, the prices are continuing to go up day by day. When the prices of food articles used by the common man go up beyond a limit, which is not bearable by them, we feel the pinch. From 1st August to September, weekly increase in the food prices is one per cent. That means the increase will be 52 per cent in a year. Here we have to take action to stop this increase in the prices. Therefore, I urge upon the hon. Minister to see that the public distribution system works well. It is only by this method we can control the increase in prices which is at present at a horrible position.

As regards the tax department, I urge upon the hon. Minister to have some monitoring cell in his own Ministry. Whatever has been reported in the report of the Comptroller and Auditor General for the year 1989-90 is very revealing. Sir, you were not here on that day when I had given

some figures. During the year 1989-90 they say there were 8,000 cases where there was under-assessment totalling Rs. 768 crores in both income-tax and corporation tax. That means per assessment under-assessment was for Rs. 9/- lakhs. Such big cases are being decided not by ordinary officers, but by higher officers, who may be Commissioner or Assistant Commissioner. If such a colossal amount of under-assessment is done in the tax department, what action has the Government taken? What punishment has been awarded against those erring officers? I was surprised to see the Report of the Finance Ministry today. I still feel that figures are wrong. I tried to enquire from the department today, but I have not yet got an answer. In the report of the internal audit and the special audit for the year 1990-91, in 8,126 cases a colossal amount of Rs. 2,790 crores as tax defecot has been found in one year. I have to take the report of your Ministry as it is. But if this is so, then you have to look up your department. If it is correct that means per case we have lost Rs. 30/- lakhs. I would like to know whether this amount has been recovered. What action has been taken by your department against the erring officers? I want to see, whatever revenue is due to the Government, it must come into the coffers of the Government so that you are not to touch those persons who cannot pay taxes. If this colossal amount is collected, you should not come for the expenditure tax which you have levied now. I am very sorry to say that. Whom are you taxing? You are taxing those people who have to leave their houses daily at 9 o'clock in the morning reach their home at 8 or 9 o'clock. They have to take their meals or snacks in the afternoon. If they take their meals or snacks in some restaurant, you want to tax them. I am very much agitated over this issue. I talked to the Finance Minister personally; and I also talked to the Prime Minister about this matter. Instead of giving some relief on the other day you have announced in the Lok

[Shri Jagesh Desai]

Sabha that only air-conditioned hotels will have to pay 15 per cent tax. Earlier in the AC hotels if there was no telephone or no toilet, no tax was levied. Now, you say AC restaurants have to pay 15 per cent tax. You said "I want the hotel business should be encouraged." You have made a provision in the Bill that hotels in the hilly areas, pilgrim centres of rural centres, where the room rent per person per day would be Rs. 400, or more are exempted from tax for ten years. Is it not wasteful expenditure? If the persons by force take their meals in restaurants you are taxing them. Earlier there were no air-conditioners in restaurants. For many years I was taking my meals in restaurants. Now they have been airconditioned because times have changed. One can find big queues at restaurants because people have to take their lunch within half-an-hour or 45 minutes and immediately go to their offices. Now you are taxing such persons. I know that you cannot do anything now because the Finance Bill has already been passed by the other House. At least when you come in the month of February, please look into this aspect. Recently I was in Baroda, there people were very much agitated over 15 per cent tax. They told me in order to evade from 15 per cent tax they will pull out air-conditioners and put up air-coolers. So what is our concept? What is the result? The five-star hotels are in the hilly areas, only rich people would go there. Who can afford to pay more than Rs. 400 rent per day for a person? There you have exempted them from the tax for ten years. Clubs will be exempted from 15 per cent tax. You know that in a marriage hall, lavish parties are given. Now they will be exempted. Clubs are meant for the rich people. They have enough money and they will not pay any tax. But ordinary persons who have to take their meals by force, they have to pay tax. I remember having administered sales tax in Maharashtra State. At that time, in hotels for sales tax purpose, if the bill per person was less than

Rs. 10, no tax was levied. In Gujarat also it was Rs. 10. But I think last year they have amended it and made up to Rs. 25. If you take meals or aerated water up to Rs. 25, you are exempted from the tax. Please see that common people who take their meals in A.C. restaurants are not affected. It is not a luxury hotel. You have under-estimated the revenue that you will be getting out of this tax. To my mind, after some data checking, I think, your revenue will not be less than Rs. 500 crores because from five-star hotels you were getting Rs. 150 crores. Now lakhs and lakhs of people have to pay this tax. So it will be a colossal amount. Again I request you to look into it and do justice to the common people who take their meals in AC restaurants.

The other aspect which I would like to touch is regarding the Income-tax and depreciation. You have rightly said that it should be done on time-basis because many industries have purchased machinery only last month and they got full depreciation. You have done it in a scientific way. At the same time we should modernise and have technological upgradation and for that purpose they have to buy the machinery and other things from foreign countries.

[The Vice-Chairman (Shri Shankar Dayal Singh) in the Chair]

We want to see that our industrial production goes up. But how can we achieve that by reducing the depreciation allowance? I fear that most of the capital-intensive industries are in the public sector. Infrastructure industries are capital-intensive and most of them are in the public sector. They will suffer more because of this reduction than multi-national companies like Cadburys or Palmolive which require far less capital as far as machinery are concerned. So in order that our industrial production may go up we want that the technologies and processes involved should be brought into our country. This kind of depreciation allowance reduction will not help us achieve that.

[Shri Jagesh Desai]

Earlier, we were giving investment allowance and initial depreciation also. But now they have all been removed. The hon. Minister may kindly look into this.

Sir, I will again talk about corporate tax. For the first time in the history of our country, the collection of corporate tax was less than that of income-tax in 1989-90. And this year also, revised estimate was Rs. 6300 crores and collection fell far short of by about 1,000 crores. Why has this happened? What are the reasons? Out of the 1,08,000 joint-stock companies that are there, 38,000 are not paying any tax. Has the department gone into it? Year by year, the number of companies is increasing. In the year 1989-90, 10,000 new companies came into existence. But the collection of corporate tax was less than that of income-tax. Why has this happened? I gather from the report of the Comptroller and Auditor General of India that most of the companies conceal their income. Top industrial houses conceal their income year after year. In the report it is stated that in the year 1990-91, the concealment of income was to the tune of Rs. 200 crores. How? They have shown bogus expenses. But, as if they are honest people, we are thinking of giving them concession once again. You are showing concession to those persons who have not declared their full income in a year. You declare waiver of penalty and reduction of penalty. You are giving them a privilege again. I am happy that you want to end this concession. I compliment you for deciding that this kind of facility will be given only up to 31.3.1992 and after that it will not be given. But my own experience about this is different. Those who want to conceal are going to conceal whatever incentive you may give them, even if taxes are reduced. All the earlier schemes regarding black money have failed. They have not evoked much response. Under one scheme, you said, "Declare the

income and that will be treated separately and will not be added to the other income." What did they do? All of them declared Rs. 15,000/- as income in the names of their children and so on and they did not pay any kind of tax. They divided it.

Sir, now I would like to give some suggestions. We want that incentives should be given for savings. And I have read today that in the Eighth Five-Year Plan, they want that private savings should be increased. In this connection, I would like to draw your attention to one aspect. Earlier, on National Savings Certificates, under both section 80L and section 80C, exemption was given. Now, for the last two years, only Section 80C applies to the VIII series of NSCs. Section 80L has been taken away. Now, who will lose? Not Jagesh Desai; he is already getting interest of Rs. 7000/-. I have already exhausted that. I am not going to get any benefit. But those who are new comers and who want to invest in the National Savings Certificates, will not invest in that Under 80-L, exemption up to Rs. 7000/- for interest is given. For dividend, another extra Rs. 3000/- is given. But all the interest together is Rs. 7,000/-. Even if it is above that, you will only get up to Rs. 7,000/-. So those who have already invested over Rs. 60,000/- on the National Savings Certificates, they are not going to get that advantage. But if you want to attract new persons for the National Savings Certificates and do not give this kind of a benefit to them, then why they will invest in it? I am not going to get benefit because already my income from interest is more than Rs. 7000/-. Please revise it so that you can generate more resources from the National Savings Certificates. The States will also get 75 per cent share. By doing that, the States are also deprived of that share because the collection from the National Savings Certificates is falling. That is why I want that to be considered by you.

[Shri Jagesh Desai]

So far as the tax collection machinery is concerned, you have to tighten it. There is a colossal amount of money which is being evaded by way of under-assessment and the big industries which are evading the tax year after year—I am raising this issue not for the first time—earlier the names of those industries were given in the report. Who are those industrialists who are evading the income-tax like this? What action has been taken against them? How many of them have been punished? Now the names of those industrialists are not given in the report. Earlier the names were given. This practice should be revived so that they will have some shame that now even the people know about this thing that they are tax evaders. So again start giving the names in the report which you have been giving earlier. I do not know why this practice was stopped. This should be revised.

Then I come to foreign exchange aspect. I do feel very strongly that if we always go on saying that the non-resident Indians are taking away the deposits, it creates a fear psychosis. Even if I do not want to withdraw it, I withdraw it. We have to dispel that fear psychosis which has been created. Probably, most of them must have withdrawn it because of fear psychosis. You have taken a very correct decision about what you call exchange rate adjustment. Exchange rate, we have done according to the requirement. I would like to ask you one question. Why for eight or nine months the rates of currency were not revised by that Government? Was it not the Reserve Bank of India was daily announcing the rates of pound, sterling, dollar and yen? Why for nine months, they have not done it? If the Reserve Bank had not done it, the Reserve Bank of India was at fault. If at that time, the then Government had given instructions to the Reserve Bank of India not to do it, then, Sir, this should be investigated. At one stage, we have been in difficulty because

we had to make it 20 per cent which was a correct decision. But those who were involved in asking the Reserve Bank of India not to have the correct rate of buying and selling of pound and sterling, they should be exposed. What has happened? At a stretch, the value of the import will be increased by 20 per cent. Now I am told—I may be right or I may be wrong—from the textiles, there is a demand that we should reduce the prices because dollar now will fetch Rs. 26 or Rs. 27. Though I believe that it was a correct step, I also feel—I may be wrong—that we are not going to export more in terms of foreign exchange by this. Now I come to market economy. America talks about market economy and there the quota is fixed. In other countries also, quota is fixed.

उपसभाध्यक्ष श्री शंकर दयाल सिंह :

जोश जी, अब दूसरों को भी मौका दीजिए

SHRI JAGESH DESAI: Sir, this is my last point and I will finish it. That is why we have to see what surplus we shall be able to generate, but I do feel that they are giving the same concessions for the commodities and manufactured goods. I think that is not the correct stand. There should be some weightage for the manufactured goods. We are able to employ more labour here. They are going to export raw materials, finished goods. That is what is going on now. This is my information. May be, my information is wrong. When the commodity prices are very, very sensitive, you should see that they do not increase further. We have the experience of export of oilseeds (Sing dana) because of which the prices of groundnut in the domestic market went up. Please see that this does not happen and also see to what extent we can have some restraint.

As regards the customs duty, I will give some figures of how the previous Government had completely shattered it. I must say something. Let them also know it; probably,

[Shri Jagesh Desai]

they might not be knowing it, but it is my duty to place it before the House. As regards the Central Excise Anti-Evasion drive in the year 1988-89, when we were in the Government, 5,207 such cases were detected and the amount of evasion found was Rs. 862 crores. In 1990, 4,620 cases were detected and the amount of evasion was Rs. 517.89 crores. That is what those who were claiming that they wanted to bring out black money that they wanted to stop this kind of evasion, had done. They did not do anything sincerely; that is why this situation has arisen.

Now I want to quote the figures of Customs duty on baggages. In the year 1986, 29.4 lakh passengers were there and from them Rs. 315 crores of Customs Duty was collected. In the year 1990, up to November, 32 lakh passengers were there and only Rs. 188 crores were collected from them. We have to see that in spite of the increased number of passengers why this revenue has gone down by 50 per cent. What are the reasons for this? We have to find out the reasons and we have to properly investigate them and see that that revenue which is due to the Government is also collected. I can't answer here why it has happened.

As regards the Excise Duty Collection, in 1989-90 the same thing had happened. The estimated amount was Rs. 22,602 crores, but the actual amount collected was Rs. 22,196 crores. On all the fronts, whether it is Income Tax, Corporate Tax or Customs Duty, they were not able to deliver any goods; that is why the deficit was more and now that has been handed over to you. Please improve it now and see that the common men are not put to any further difficulties and they are given some kind of relief. I hope the Finance Minister who has an open mind will ponder over my suggestions.

THE VICE-CHAIRMAN (SHRI SHANKAR DAYAL SINGH): Shri R. K. Karanjia. The hon. Member is

going to deliver his maiden speech... (interruptions)... Mathurji, he is going to deliver his maiden speech though in a Special Mention he has already participated.

SHRI R. K. KARANJIA (Nominated): Hon. Chairman, hon. Members, I welcome the Finance Bill as a mini-revolution provided one or two conditions,—imperative conditions, are observed. If properly handled in its larger and all-embracing dimension of an outright, wholesale system change—I mean an outright, wholesale system change—it could be the small beginning of the resurrection of the nation from a dead and dying order. On the other hand, if distorted or scuttled it could lead to a tragedy of the kind that the Soviet Union is today experiencing. There is, of course, a controversy over the IMF trap with its conditionalities. But since Mr. Manmohan Singh believes that it is we who have trapped the IMF into a loan on our conditionalities, rather than the IMF trapping us on its conditionalities, I would suspend the judgement till we see the results.

Meantime, one can only be happy at the prospect of this so-called tiger of Indian industry and finance being released from captivity. I hope he will go about the conquest of the global market in the aggressive, predatory way everybody seems to expect. Still, I cannot help recounting a personal experience of the tiger.

In the old days, Indian princes used to take their British guests out for hunting and, more often than not, the tiger accompanied the royal train in a cage. He was either recruited from the local zoo or a circus. When we arrived at a jungle and perched ourselves on the machans with our guns ready to shoot, the tiger was pushed out of the cage. But the poor animal had grown so used to his protected existence that he walked out mewed, yawned and crawled back into it. I sincerely hope that our tigers released from the captivity of

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the licence permit raj will behave in a more spirited, predatory manner.

The gut issue, as I see it, is not only to release our economy from captivity but to firmly secure the new economic policies against scuttling by a lethal combination of bureaucrats, politicians and businessmen who have acquired a corrupt, vested interest in the old system. To overcome this obstacle I would like to recommend a few imperatives.

First of all, the imperative of social unity and economic justice. The excuse for a sick economy based on a rotten system was the creation of an egalitarian society with all priority given to health, literacy, employment and the fight against poverty. These priorities have been observed only in their breach during the past 44 years.

In my opinion, the first priority concerns land reforms. It is also our biggest default to the majority rural community. It has been scuttled in all States except West Bengal where the liberated peasant has shown his gratitude for his land by returning the Left-Front to power for the fourth time in succession. As I do not see any reference to this fundamental reform in the new economic policy I would like to remind the Government that this default is the father and mother of all our failures in the rural sector, like the so-called panchayat raj. Coming next to the imperatives of social equity and economic justice, here are some facts and figures collected at random. While the Government costs more than Rs. 1,50,000 crores annually nearly half of our countrymen live below the poverty line. They haven't enough to eat! And the Government's excuse is that they have no resources, no money to spare. Naturally. Our military expenditure is Rs. 16,000 crores; add to it another Rs. 5,000 crores on police—far more than on education, health, sanitation and other priorities combined. The United Nations

Human Development Report of 1990 which measures the quality of life in different nations, ranks India 123rd amongst 160 countries of the world, much below Sri Lanka which ranks 75th. Even Pakistan beats us as the 120th.

We have 35 million unemployed registered at employment exchanges. We claim the world's largest army of illiterates: 350 million rising to 500 million by 2000 AD, beating the record of the rest of the world put together.

Healthwise, we have 10 million TB patients, almost 15 million lepers and 1.5 million babies dying of water borne diseases every year. Infant mortality in India is 170 per 1000, while it is as low as 41 in China.

All this and more, honourable Chairman and honourable Members. Despite an excellent industrial base supported by the world's largest agricultural land expanse, backed with vast water resources, sunshine round the year and super-abundance of skilled labour.

The second imperative is of a national consensus between all parties on all controversial issues. This could be an initial step to coalitions leading up to national governments. That is the verdict of the electorate which has decreed "hung" parliaments that have "hanged" two governments, one after the other, in a short period of 18 months.

Thirdly, I would recommend an outright, wholesale system change. That is what my speech is all about. The economic revolution we are contemplating must be extended to cover all aspects—political, social as well as economic—of an outdated and counterproductive system. You may well ask: Why? What is so wrong with the system? Well, I call it a black market system—of the black market, for the black market, run by the black market. It has been proved utterly false, bureaucratic, status-quoist, casteist, reactionary and wasteful, frozen against social

change and corrupt to the bone, because it is built on vested interests in wrong policies and actions.

You see the evil brood of its failures crawling all round the country like snakes and scorpions. Look at our frustrating relations with neighbours like China, Pakistan, Bangladesh and Sri Lanka. Remember, we liberated Bangladesh only to be kicked in our back side. If our most precious son was butchered by the LTTE's 'human bomb' remember, we played no minor role in the fabrication of this monster. Consider the heavy burden of maintaining two costly fronts against Pakistan and China. Can we afford to continue this enormous waste?

The changes I am suggesting must include both the form and functions of the Government, Centre-State relations, our neighbourhood policies distortions in our stand on non-alignment, socialism, even secularism, above all, the imperatives of accountability and responsibility besides, of course, the economic policies already under review. Take Centre-State relations as an example. Our liberal federal Constitution has been distorted into a unitary dictatorship. This is the main cause of the upsets, insurgencies and separatist movements in the States. The liberalisation of our economic policies must be followed by greater autonomy for the States in a genuinely federal system. That is the only solution I can see for the insurgencies in Jammu and Kashmir, the Punjab, Assam and other places all over the country. I would urge the Government and Parliament to read the writing on the walls of the Kremlin before it is too late. In my humble opinion, all insurgencies in Kashmir, the Punjab, Assam, whatever, wherever, can be resolved by de-centralisation and devolution of power to the States and local bodies like the Panchayats and Zilla Parishads.

Finally, we must institute a serious *modus operandi* for thinking, evolving, planning and activating the new policies based on a new system, may

be a new Constitution to replace the present hotchpotch based on the Government of India Act of 1935. This has to be a high level statutory body, like a panel of leaders of all parties. In fact, the new Parliament might convert itself into a constituent assembly for this high and urgent purpose. Mr. Vice-Chairman and Members, I am not suggesting anything impossible. I am recommending the only possibility of saving the new economic policies from sabotage by a counter-productive system. For the past 44 years, we have been blindly rolled round and round and up and down in a roller-coaster without any time or pause to think and find out whether we are going in the right or wrong direction only to discover the very foundation of our polity—that is, our socio-economic ideology—blown into a shambles. All I urge is an intermission for some thinking or may be re-thinking, for what the Americans call an "agonising re-appraisal". The discovery of our economic blunders all along the roller-coaster side is just the tip of a Himalayan iceberg of bungles underneath. I seriously recommend a pause to consider their awesome consequences and to take corrective action before it is too late.

SHRI VISHVJIT P. SINGH (Maharashtra): Mr. Vice-Chairman, Sir, I would like to congratulate the hon. Member for the excellent speech he has made and for the ideas which he has put forward. While congratulating the hon. Member, I would like to appeal to my own party Members and the hon. Members of the Opposition not to take any objection to certain things which the hon. Member has said... (Interruption)... I am just anticipating... (Interruptions)...

SHRI KAMAL MORARKA: This shows that he has some objection... (Interruptions)

SHRI VISHVJIT P. SINGH: I appreciate the sincerity I am just cautioning... (Interruptions)...

SHRI R. K. KARANJIA: Sir, all through my life I have welcomed objections and I will continue to wel-

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come them as long as I have legs to stand upon.

SHRI KAMAL MORARKA (Rajasthan): Sir, I am glad that the Finance Minister is here today when I am making my submission on the Finance Bill. When I was speaking on the Budget, unfortunately, I did not have the honour of his hearing it in person. And unfortunately when he replied to the Budget debate, I was not present. I do not want to waste the time of the House again in going over what I said in my Budget speech. But, before I begin my submission on what I have to say on the Finance Bill, I must express my deep anguish at one part of the Finance Minister's reply to the Budget debate. I had said in my speech that we have a non-political person as the Finance Minister. This is a statement of fact. I thought it was a compliment. I said, it was a coincidence that only twice the country has had devaluation and at both the instances, there was a non-political person as the Finance Minister. That is what I said. But I see from the record, I read in the press that the Finance Minister apparently thought that I have said something unpleasant. And he had the occasion to say in his speech that he is a non-political person and he would not like to practise the type of politics that many of us did. And he used various phrases, the most charitable word I can use for that is innuendoes. But I did say in my speech that it appears from the time that he took over as the Finance Minister and by the time he delivered his Budget speech, he has made great strides in politics. I have to add forcefully that in the last seven weeks that I have seen him functioning, it appears, that not only he has picked up politics in the way he replied to my Budget speech, instead of replying to my points, he has done exactly what a typical politicians does; when you do not have arguments to answer, you take the help of innuendoes. I am really sorry that the worst trait of politicians he wants to pick up first. In

three years, I have tried my best never to cast aspersions or pass value judgments on colleagues. And I would expect that, at least from this Finance Minister, for whom I have great personal regard, I may differ on the policies that he has pursued. I strongly feel that many of the things that this Government is doing will lead us to economic disaster. But that is an objective assessment.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): If I had said any words unintentionally casting any aspersions on his character, ability and integrity, I seek his forgiveness. That was not my intention.

SHRI KAMAL MORARKA: Thank you so much.

डॉ० रतनकिर पाण्डेय : (उत्तर प्रदेश) :
40 साल बनाम 4 महीने का क्या होगा ?

SHRI KAMAL MORARKA: Sir, at the outset, I must say that the biggest problem facing the country, which is under discussion, is the balance of payment problem. And most of the policies that this Government has announced are purportedly to help solve that problem. Sir, I feel that the balance of payments in the long term, can be solved only by a favourable balance of trade. Over the last ten years, we have had an increasing deficit in the balance of trade and that is why the balance of payment position is bad. Sir, we have the figures given by the Reserve Bank of India. And now we have the figures given by an International body, the Organisation for Economic Co-operation and Development (OECD), which carried out a study on the debt of various countries. Sir, on an objective analysis, it is very clear that 1987 was the watershed year for the Indian debt to go out of control. The figures are very clear. In 1986, the total short-term debt by the Government of India was 2.9 billion dollars. In 1987, it went up to 4.9 billion dollars. We increased our short-term debt by 2 billion dollars in one year—1987. I am surprised that my friend, Mr.

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Jagesh Desai wants us to believe that everything was hanky-dory between 1985 and 1989, when their Government was in power, and the economy started drifting after the National Front Government took over and later on when our Government came to power. Sir, if it is only a question of polemics or political argument, I have nothing to say. But if the hon. Member seriously believes it to be an economic analysis and if this Government seriously believes that what has happened between 1985 and 1989 was good for the country, then Sir, we are in serious problems. We must understand that what we have to reverse is what happened between 1985 and 1989. Between 1985 and 1989 the country might have developed. There might have been good development. But two things that have happened between 1985 and 1989 definitely need to be reversed. One is, we have obviously taken loans, short-term loans, for long-term purposes. A lot of Indian companies do that. They become sick and step into BIFR. India's economy cannot go to that. We are in a soup precisely because you have taken short-term loans to use it for long-term purposes. All that is required is to objectively discuss it. It is no use blaming who did it or why he did it. The question is, it has been done. It is the country's debt. What is the best way to organize this debt into long-term? It is short-term again. Taking an IMF loan and repaying this debt is a good strategy in the sense that the IMF loan will be a long-term loan but the debt will have to be repaid by generating your own surplus.

So, we come back again to export-import deficit or surpluses. Nobody should be under the impression that the IMF loan can solve our problems. If the problem of the country is that we have taken too much loan, the solution cannot be to take more loans. It should be apparent to everybody. But if the IMF loan is essential today, let us use it to extinguish this short-term debt. Let us bring this short-term debt back to manageable proportions.

Otherwise, we will not be able to run this economy on an even keel.

Sir, talking about the import-export surpluses, Exim-scrip is a welcome move. It could have been done five years ago. If five years ago we had a link between import and export, we would not have come to this situation today. I would request the hon. Finance Minister to use his clout to see that non-oil export-import balance should generate a minimum surplus as fixed by him. And that can be easily done by monitoring the Exim-scrip ratio. As you know, in India those who are in exports today are having a bonanza. They want this to be increased from 30 per cent to 40 per cent. Knowing my friends—I am also from the background of trade and industry—they will come and give all sorts of stories and want to bring it to 50 per cent or more. No. We should have a very tight control over the export-import situation and the non-oil trade balance should be fixed by the Finance Ministry and ensured.

Then the question comes of oil imports. Whatever surplus is available in the non-oil import-export, other than that whatever is the deficit is the real problem of the country. And, Sir, I would again request the Finance Minister. Oil is a subject under the Petroleum Minister. The most unfortunate thing is that over the last four or five years in the country the indigenous oil output is not going up. On the contrary, it is going down. Now, oil will always be required in the long run. So instead of giving into the IMF or the World Bank, let us have the US oil companies coming and exploring oil and at least let us guarantee that in the next five or six years we will have another 10 million tonnes of oil of our own.

Sir, the second point is about the fiscal imbalance. Though the Finance Minister is trying to stick to 6.5 per cent of the GDP, as Mr. Yashwant Sinha had announced in Feb.

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ruary, and if he finds it difficult because of his fertilizers subsidy—all my sympathies are with him for this—but unfortunately again we are taking to soft option. There is absolutely no effort to cut down Government expenditure. We are only talking of retaining the fiscal deficit to 6.9 per cent by other methods, by selling public sector shares, by corporate taxation, which is welcome, but not by cutting Government expenditure. Government expenditure, even to the layman, is absolutely wasteful and has gone out of all proportions. Take Police, for instance, security to VIPs. There are so many obsolete projects being run by various Ministries which serve no useful purpose. But I understand that the Finance Minister would find it very difficult, because every Ministry will come and say: We cannot cut it because this is essential and they will give reasons for everything. This is where the surgeon's knife should be converted into the butcher's knife. And it should ruthlessly cut down the expenditure over the next three months. Before the discussion on the next Budget begins, there should be a serious effort to cut down wasteful Government expenditure. We are a poor country. We must learn to live within our means. The Government should set the pace. Today the common man's impression is that the Ministers and the politicians are living like a lord. This is a very bad impression even for the socio-economic conditions of our country to which I will come in a few minutes. But purely on economic ground there is no justification.

Government expenditure should be cut at least by one thousand crores. It should be cut mercilessly and ruthlessly. And nothing is going to happen. There are projects which never materialise, they are not going to materialise. It may be giving employment to a few people. Please cut it off.

Then I come to the defence expenditure. Defence is the holy cow. At one time when the Congress party was in the opposition, they started saying that if you cut defence expenditure, you are against the security of India. Sir, it is not so. Within the Defence Ministry there is a lot of wasteful expenditure. After all the Defence Ministry is a part of the rest of the country. These people have not come from abroad as a special case. They have got the same psychology as the rest of us. Moreover because they are not scrutinised, and they are treated as special. There is mere a tendency of waste. Whatever is required for the army, air force, navy, equipment, for morale of the officers, that should be ensured but there is a lot of civilian expenditure within the Defence Ministry. The Defence Ministry is spending a lot of money, lot of wasteful expenditure which can be easily controlled. We have seen in the Iran-Iraq war, a modern warfare. It is not a question of the number of men, they require, it is the type of equipment and strategy. We are spreading too thin. We have a very large army. Probably in modern times. I am not saying you reduce the army, but certainly you can put a curb on increasing the army. What you need is good quality equipment. You need modern weapons.

Again I come to a very sensitive subject. In buying armaments there should be no politics. If you are buying armaments you must buy the most armaments which are suitable to the army. There is no use trying to saddle them with armaments which they cannot use, when, God forbid, the need may arise. So far defence again there is a need. There was a committee under Mr. Arun Singh set up by Prime Minister V. P. Singh. I don't know what has happened to the report. But I am sure Mr. Arun Singh being what he is, he must have made some useful suggestions. If defence expenditure can be curbed, all efforts should be made to do that.

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The third thing is for augmenting income and correcting fiscal balance. Everybody agrees that public sector is not doing well. Sir, public sector unfortunately has been elubbed as if it is one company. It has about 270 to 280 companies. I don't agree with either view. I don't agree that public sector is a holy cow. If it makes losses you go on tolerating it, because it is good socialism. It is bad socialism. I don't agree with the viewpoint that if you privatise it, it earns better. In India in the functioning of the public sector and the private sector, the empirical data suggests that there is not much to pick and choose. It is the sector that counts. The oil sector, petro-chemical sector, electronics sector selectively are doing well, whether they are in the public sector or in the private sector. IDPL is doing equally well compared to private sector companies. Where there is sickness, there is sickness. The textile sector is sick. The public sector textile is also sick. The private sector is sick. In fact the public sector textile has grown out of the private sick sector. So, the ownership by itself cannot guarantee or cannot affect the functioning of the unit. It is the management, it is the market condition and management of the unit. It is totally irrelevant who owns it. Here I want to add originally the public sector in India was in key areas of economy like oil, steel, shipping, defence, atomic energy.

Sir, in 1970s when Mrs. Indira Gandhi came to power with the Garibi Hatao programme, there were two shifts. One was the public sector should enter the consumer industry. Because that was a profitable industry, why should private sector make profits? The public sector should also make profits. So, Government entered into that area. ITDC hotels were expanded, Modern bakeries making bread and soft-drinks. Then the Government went to trade, State Trading Corporations, MMTC etc.

All this is post-70 development. Then there is also the takeovers, that whatever is sick in the private sector, you will take over. In the textile sector, you have taken over 120 sick units; then so many engineering units in Calcutta—I don't name them—have been taken over, which were made sick by the erstwhile foreign companies and other Indian companies in the country. Now, if we have come to the conclusion that it is not possible to run such an unwieldy public sector, my first submission to the Finance Minister is that he must shed excess baggage instead of privatising ONGC or the Steel Authority or the Indian Oil, which is very easy to privatise because they are making money and anybody can get up and say he will run it. So, shed the excess baggage of these units. Then about the sick textile mills, auction them out. Taxpayers' money need not be paid to them to suffer losses on these undertakings. Not that all the 120 mills are not required; you ask NTC which are the mills which can be made viable during the next 2 or 3 years; they are not more than 40. For the remaining 80, please auction them out and sell them at whatever the price they fetch, even on one rupee. But from the next day, it is the liability of the private entrepreneur to run it. We have got entrepreneurs in India compared to other developing countries, like Nigeria etc. where they have even to get entrepreneurs from outside. India is a country which is well-placed in entrepreneurship. That is one thing in this country. Even take a cobbler on the street. You go to him and after three visits you will find he has made some gadgets to make his job easier. Technology development is very natural in this country; may not be hi-tech; but people develop their own. So, if this way these mills are handed over, somebody will run them and run them reasonably profitably. May be he cannot employ all the labour. That brings me to the next point.

With all this industrial policy that you have announced, private sector

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is saying about the exit policy. What does this exit policy mean? If we are going to put 500 thousand workers out of employment, it will create a socio-economic unrest which this Government will not be able to tolerate. Please don't do it; don't be under the impression whatever your partymen or your supporters may tell you; please take my word for it; I mean well for the Government; please don't start a socio-economic unrest in the organised labour as you will not be able to withstand it. The present policy is good enough. There is the BIFR which itself is a good exit mechanism. They examine a project and whenever they find that labour has to be reduced, they call the labour union, and my knowledge is—and I don't think I am wrong—most of the labour unions are co-operating in the rationalisation programme. So, there is the exit policy already. What probably the industrialists want is the blanket exit policy that they may just close down the unit and put 3000 workers out of employment. In a welfare State—and I don't know whether it is a Socialist State; it is a Welfare State—like India, it is totally out of question. We should not even think of allowing the so-called exit policy; it should be banned. Government should not even use such words. You can't think of putting lakhs of people out of employment. But if the excess baggage of the public sector is unloaded and selectively you get out of the consumer industry, I am sure, core sector can be well run by public sector. We have good sets of managers in the public sector. Given proper authority and autonomy, where Government should be like the owner, like in private sector, they should show better results. After all, private big houses also employ managers to run their companies; it is not the family members of those houses who run them. They remain only the owners. They appoint managers; give them proper authority and responsibility and proper remuneration

and they get results. Government should do the same. I see no reason why Government companies cannot be run as well provided proper work culture is developed. Dr. Vikram Sarabhai—I pay my tributes to him; he is no more; he died 20 years ago—made a study on control and management of public sector undertakings. It was a very valid document in which he alluded how public sector management can be made autonomous while control can be retained by the Government. Control and management are two different things. Unfortunately, in our system, the Government itself starts managing, or interfering in day-to-day activities and it becomes an *alibi* for the manager. When he cannot perform he says what can he do; it is the Government which directs. It is the work culture that counts. Business is business. It has to be run like business. Profit will go to the owner's i.e. the Government, as happens in the private sector.

My final point is on taxation and banking. I have nothing much to say on the tax proposals which the Finance Minister has brought. In fact, I feel that this must be only an *ad hoc* taxation. He has set up a committee, the composition of which gives me great confidence because that committee is supposed to propose taxation reforms. I do not know what the committee will do. I will just give a few suggestions. For instance, if you take the expenditure tax, which Shri Jagesh Desai criticised, apart from the logic whether airconditioned restaurants should be taxed or not, I feel that with the present tax system, it is not possible for you to administer the collection of taxes at so many points. The entire system has become corrupt. I may be pardoned for saying this. I am not passing judgement against anybody. But the fact is that, in the system as it exists today, unless the points of collection are reduced, you

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will find it difficult. At the same time, you will have to widen your tax base. The correct method is to go in for presumptive taxation. Even small restaurants, laundries, eating houses, even panwallas, all of them have their income beyond the exemption limit. My friends keep on asking for an increase in the exemption limit, which you are not increasing. Who is paying this tax on income beyond Rs. 18,000? Except the salaried class—pardon me for saying this—no self-employed man is honestly paying his tax. So ultimately, the crushing burden falls on the salaried man. Inflation affects only the salaried man. The person who is self-employed manages his affairs in a manner that he does not need to pay tax. So, the correct answer is, you must put presumptive taxation on self-employed people. Every person who is self-employed must pay tax. It may be Rs. 500 every year. It may be a flat rate. The previous Finance Ministers have done it in some cases like timber, liquor, etc. In a very small area, there is presumptive taxation. This principle needs to be multiplied. All the small business people must pay a fixed tax irrespective of their income, because you will never be able to monitor their income.

On the banking side, I must congratulate the Finance Minister. Some of the actions he has taken really create confidence in the honest man. If a bank's Chairman's performance has been bad, he should be sacked; he should certainly not be given extension and should certainly not be put in a bigger bank. In our system, lots of pressures are there. We are all familiar with those kinds of pressures. I think, the Finance Minister should be firm. Please clean the banking system. The State Bank of India is the premier banking institution of this country among all the banks and institutions that we have. Still it stands different as a bank which has at least 50 to 100 officers, at a given time, who are competent

to run a bank itself. It is surprising that the last two or three Government; thought it fit to appoint as Chairman of the State Bank a person from outside the State Bank. At the same time, for other banks, State Bank officers are sent as Chairmen. It is an irony. It happens due to various pressures which I need not explain here. So, what is required is that the State Bank of India, since that is the best we have at the moment, should be utilised as a premier institution. Choose the people from that. The Finance Minister has himself been a bureaucrat for more years than I can remember. He can choose a competent person. Please send them to different banks as CMDs. It is not possible to eliminate corruption. Please make a start. Please give a signal to the small creditors, small depositors and the small persons who deal with the bank, that the bank means business. The Committee that has been set up under Mr. Narasimhan, what is it for? I do know what kind of instructions he has given. Restructuring, in India, is not easy. Even in regard to the seven subsidiaries of the State Bank of India, how many times have I asked for their merger into one bank or two banks? But it is not possible to do it. I do not know whether all the nationalised banks will merge into three or four banks. And I don't know what the Committee will suggest in the first place. But please make an effort to see that competent people are put in the correct place and that can be easily done. You do not need any committee or anybody for advice. The Finance Minister himself can do this.

THE VICE-CHAIRMAN (SHRI SHANKAR DAYAL SINGH): Please conclude.

SHRI KAMAL MORARKA: I am finishing with just two suggestions. One is on the wealth tax. There is a lot of discussion. Prof. Kaldor came to India and he had given a report on which the whole taxation structure is working today. Wealth-tax

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was not meant as a tax for revenue. It was meant to cross-check if a man has evaded tax over the years. His idea was, if you have to show the assets and liabilities year after year for wealth tax, the Income-tax officers can see whether that person is not adding too much wealth on which he has not paid tax. Sir, over the years, as it usually happens in a deficit economy, it has become a source of revenue. When it becomes a source of revenue, it becomes a source of tax evasion. Now, there is some reduction in the wealth-tax. I think, in a progressive taxation a signal should be sent. There should be a differential wealth-tax. Wealth which generates income should be exempt from tax. Wealth which does not generate income should be subjected to wealth-tax. There should be a signal sent. Those who hold jewellery, hold gold, hold cash, should be taxed, because they are just keeping it and it has no relation with the economic activity of the country. But people who are investing money in business, in shares, depositing it in banks, etc., are getting income from this and it is taxed. Therefore, you should not tax them again. You should exemption them from wealth-tax. Of course, they will have to fill in the necessary form for the purpose of cross-checking. But wealth-tax on all income-bearing investments should be totally abolished. This will be a proper signal, this will be a correct signal, to the taxpayers, and the money will be channelised into investment and production, which is the aim of this whole exercise. (Interruptions)

SHRI JAGESH DESAI: You can give some relief in respect of the shares, bank deposits, etc.

SHRI KAMAL MORARKA: The time has come. There are many points made by Jageshji which I wanted to touch upon, like GDP, etc. There is a big shift in the GDP to the services sector without any corresponding in-

crease in employment. This kind of GDP growth is a phoney growth and we should not be misled by it. There is no time to deal with the other points. Maybe, on some other occasion, I can do so. Thank you very much, Sir, for bearing with me. I hope the Finance Minister will consider the points made by me.

DR. YELAMANCHILI SIVAJI: (Andhra Pradesh): Sir, there is a difference between Part A and Part B of the Budget presented by the Finance Minister. The objectives contained in Part A of the Budget are well-directed and, to some extent, Members from both sides, cutting across party lines, have supported them. But what about Part B? I donot know whether, wittingly or unwittingly, the learned Finance Minister has fallen into the trap of the draftsmanship of the bureaucrats.

SHRI KAMAL MORARKA: He was himself a bureaucrat.

DR. YELAMANCHILI SIVAJI: That is why I say this. Sir, the Finance Minister, during the last three-four days, has been reiterating his stand that in the coming month and a half, the prices are going to come down. It is self-contradictory. For the prices to fall by the middle of next month, we have to import edible oils, fertiliser and other things. At the same time, we are having the balance of payments crisis. Even according to the annual report of the Reserve Bank of India, the balance of payments position is to the tune of Rs. 15,000 crores. It is contrary to the assertion of the Minister that it is less than Rs. 10,000 crores. It does not stand to scrutiny.

Now about exim scrip. It has been mentioned by Mr. Kamal Morarka, I may not subscribe to the view of Mr. Kamal Morarka. What I feel is that it is not a democratic move. It is a capitalistic move. Now, the exim scrip is given. It goes in the market. The Government has no control over

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the journey of the dollar in the market, what it buys, how it goes and how it generates black money. Fortunately, or, unfortunately, the Finance Minister has recently exempted the premium on the *exim scrip* from the purview of income-tax. I can understand if you give relief to the manufacturer. Some product is manufactured and it is exported. On it, you give some kind of a relief, you give this *exim scrip* to the manufacturer. This I can understand. This is one aspect. But if raw material like raw cotton or raw jute is exported, there is no point in allowing the benefit of *exim scrip* only to the trader. There is no free processing involved in exporting the same. Just the trader collects it from the grower, packs it and exports the same. There is no value addition in that export. If at all the only job the exporter can do, it is that he can sopil the traditional market in the international arena.

Day in and day out, recently about 1 and half months back, there was a news item in the 'Hindu' that our consignments were held up in U.S. ports for want of proper quality control. Many a time even our tobacco that is exported to China is different in quality, there is no quality control. The Agmark department in our country is so cheap that it can issue any certificate for just Rs. 10. Also this Agmark certificate does not have any value in the international market. thereby our demand for tobacco in China has gone down from 38,000 tons to nil. So, I would suggest that whenever raw material is exported, the benefit should percolate to the lower level, to the grower. It may not be possible for the growers to utilise the benefit directly, but the mighty Government of India is having its own Commodity Boards, like Tobacco Board, Coffee Board, Tea Board, Spices and so on. Let these Commodity Board organise and they can activate that the benefits of the *exim scrip* could go the grower in the form of importing quality fertilisers, pesticides or power tillers etc. They could

be imported in our country at a low cost and distributed on *pro rata* basis total production of the concerned to the growers who contribute to the commodity.

Then, Sir, we expected that the hon. Finance Minister, while responding in the other House, would make certain announcements with regard to certain reliefs, but surprisingly there was no such announcement except reducing tax on horse races. I do not know what prompted the Government to reduce the tax component on horse races. We expected that at least the exemption limit on income-tax may go up to Rs. 50,000. The present exemption limit of Rs. 18,000 was incorporated in the year 1985. Looking at the present inflationary trends, it would suffice if it is raised to Rs. 50,000.

Sir, similar is the position with regard to expenditure tax. In the form of expenditure tax the Government proposes to collect more than Rs. 160 crores per annum from the eatables of restaurants. In the earlier Finance Bill, when it was presented on 24th July, four conditions were laid down. The four things were, air conditioning separate cloak rooms, telephone and deep freezer. Out of these four if a restaurant had any two, it attracted payment of tax. But the Minister is good enough to reduce it to only one condition of airconditioning. This way, he has made it still harsher. If there is an airconditioner, it will attract payment of tax. If an idli or coffee is taken in a small airconditioned hotel, it will cost 60 to 70 paise more hereafter. It is also a fact that in several States in these days there are power shortages and power cuts. At several States in these days there are power shortages and power cuts. At several places there have been power shut-downs for nearly six to seven months in a year. Or, in the remaining part, for another two, three months the air-conditioner may not function. Under these circumstances, what mechanism does the Government propose to evolve to see that the revenue is properly collected and the collected re-

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 venues deposited with the Government? And when the airconditioner is not functioning or when power shut-downs are there, like in the cinema theatres, how does the Government propose to exempt them from this tax? Sir, much was discussed and much was talked about the fertilizer prices but no mechanism has been evolved so far about the pricing policy. A dual pricing policy has been introduced... (Time-bell rings)... So, I would like to suggest to the Government that the dual pricing on fertilizers and the hike in fertilizer prices be withdrawn.

With these words, Sir, I thank you.

SHRI SHIV PRATAP MISHRA (Uttar Pradesh): Honourable Vice-Chairman, Sir, I am really grateful to you for allowing me to speak on the Finance Bill which is brought to this House by Dr. Manmohan Singh. He presented the budget when the country was facing an extreme financial crisis. I feel that he brought this Bill also amidst an unprecedented financial crisis which the country was facing. It is not a mere hypothesis but a substantial truth because from 1985 to 1989 India's debt was round about Rs. 25,000 crores. After 1989 it shot up to more than Rs. 69,000 crores and in 1990 it touched more than Rs. 81,000 crores. So there was no money even to pay the interest on the debt which we had.

I can say that there was not only a financial crisis but at that time we had a social crisis also. There were also social problems which the country was facing. I cannot forget the ghastly scene at Gajraula in Uttar Pradesh where some nuns were raped. I cannot overlook the incident of Bahraich where Muslims were massacred and, at the same time, I cannot also forget the episode at Avodhya where Hindus were slaughtered.

While criticizing the financial situation in the country, some of my colleagues in the Opposition have stated that the Finance Minister has sent gold out of this country and has devalued the rupee. Sir, here I want

to tell you that sending gold out of this country was inaugurated by the Janata Government in 1977—by Shri Morarji Desai and Shri H. M. Patel. Later on, Sir, the financial position of the country deteriorated and it brought the economy in crisis.

SHRIMATI KAMLA SINHA (Bihar): This is wrong.

SHRI SHIV PRATAP MISHRA: Why?

SHRIMATI KAMLA SINHA: Because you are stating a wrong fact... (Interruptions)...

SHRI VITHALBHAI M. PATEL (Gujarat): You don't know... (Interruptions)...

SHRI SHIV PRATAP MISHRA: How do you know?... (Interruptions)...

डा० रत्नाकर पाण्डेय : 300 रुपए तोला का सोना 1800 रुपए हो गया। मोरारजी देसाई के लड़के ने सारा सोना बेच दिया, जिसका नाम कान्ति देसाई था।

उपसभाध्यक्ष (श्री शंकर दयाल सिंह) : प्रयाणित रहे।

डा० रत्नाकर पाण्डेय : आप अपने सदस्य को भी शांत रखिए। इतना बढ़िया बोल रहे थे मिश्र जी।

उपसभाध्यक्ष (श्री शंकर दयाल सिंह) : मेरे सदस्य आप भी हैं, वे भी हैं।

... (व्यवधान) ...

SHRI SHIV PRATAP MISHRA: Sir, when Dr. Saheb took over as the Finance Minister of India, we had foreign exchange reserves of Rs. 2,500 crores. That was sufficient for payment for our import bill for 15 days only. So, in this situation he became the Finance Minister. I can certainly say that to bridge the gulf between exports of about Rs. 32,000 crores and imports of about Rs. 43,000 crores, the hon. Finance Minister brought two successive doses of devaluation which was necessary and which was accep-

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ted by world economists, the decanalisation of items of import and introduction of the exim scrips. I am certainly sure that the exports of India will be certainly promoted and that by that we will earn more foreign exchange. So, that was the time.

Mr. Karanjia has made a comparison and he has mentioned about a tiger. So, I recall a story of the Chinese philosopher, Confucius. Much before the second 'opium' war in China, he has narrated there was an unprecedented financial crisis which was faced by China. So, he was walking through a jungle. He met a woman who was weeping there. He asked, 'Why are you here in the jungle, and why are you weeping, old lady?' She said, 'A tiger has eaten my father-in-law. The tiger has eaten my husband and my only son.' He asked, 'Why are you here then?' She said, 'An oppressive government is fiercer than a tiger'. So, I am here living in this jungle.'

Our country was on the brink of financial collapse. By whatever measures he has brought, certainly I can say after perusal of the Budget that certain things seems to have been achieved by the Finance Bill. This Bill has created more massive and more colossal productive forces than what all the preceding generations put together have done, like subjecting nature's forces to man, Machinery, application of chemistry to industry and agriculture, steam navigation, railways, electric telegraph, cleaning the whole continent for cultivation, canalisation of rivers, whole population conjured out of ground, provision for drinking water, education and other such productive forces can be stirred and stimulated by financial resources, the provision for which has been made by Dr. Manmohan singhji.

So, I can certainly say that in our country 53 per cent of the population is below the poverty line, and there is scarcity of employment. So, I can certainly say that Plato, the Greek philosopher compared the "polis" or the state with a person's body. If a

finger is wounded then the whole body is pained. So, if a section of our country is not getting employment there should be more provision, made by the Finance Minister.

I told you about the readjustment of the value of money, the export policy and the new industrial policy free from any legal taboos and restrictions making provision for influx and inflow of more foreign exchange into our country. The provision is that any NRI can put an industry in our country and can have more than 51 per cent shares. So, at this critical time we can certainly get more foreign exchange in our country. But, at the same time, we should be aware of this.

Again I am narrating the history of 1960 of China which is our neighbouring country which has got a bigger population than that of ours. In China, after the second opium war, after 1860, the Manchu Dynasty was put to an end. At that time Mr. H. Feng, who was the ruler, was thrown out. After that his wife, became the Dowager Empress, also kept the financial *status quo* and discipline. So, by not adopting the changes in the country, she herself was changed. Then Kuang became the King. He invited Japan and Britain for the development in China. Later on they grabbed the autonomy of China and there was a civil war. That was called the "conflict of East and West". Later on with negotiations that was freed. So, if we are inviting the NRIs or multi-nationals to our country to generate more foreign exchange, I would certainly ask the Finance Minister to carefully consider the future. Without considering it there can be no peace in the country. Most of the people are saying that the subsidies on fertilisers must be waved, but I would say he has done much good to the agriculturists because there is no tax on agricultural tools and diesel has been kept free from levy. At the same time I would certainly say that in the beginning he had imposed a levy of 40 per cent, but in

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this Finance Bill he has made it 30 per cent on fertilizer. Small farmers have been exempted from the levy on fertilisers, but the big farmers will be certainly subjected to this 30 per cent levy. Fertiliser is the main cause for the growth of agricultural products and without grain no living being can live, as it is said in The Geeta:

“अन्नं दधन्वति भूतानि पजन्यादन्नसंभवः,
यज्ञादभवति पजन्यायज्ञः कर्मसमुद्भवः” ॥

All the living beings subsist on foodgrains which is created by rain. Rain is created by sacrifice and sacrifice is created by good policy. If Dr. Manmohan Singh takes a little pain and can raise the levy on other luxury items like motor cars and fares on planes and other things and Waives the levy on fertilisers, sugar and cooking gas to the extent of Rs. 7,000 crores, and their prices are brought down, he will be appreciated very much. If he tells industrialists to keep their financial disciplines, he will certainly be appreciated. If the hon. Finance Minister in his Finance Bill wants to implement the family planning programme and says that without fertiliser there will be no grain; and if there is no grain, people will have to live on water, though he will have to make a provision for drinking water, he can say you can live on water. But if you die there is no threat to increase in population. Here I would recall the couplet of my friend Mirza Islam Beg Changezi:

“भुला दो अन्न साधियो, यही है मेरा मशविरा,
न होंगे बेटे-बेटियां, न होंगे पोते-पोतियां,
न होगा जिंदगी का मग, न होगा डॉलर सिताम”

He said if there is scarcity of food, people will die and there will be no population problem. So, Doctor Sahib, if by raising levy on luxurious items you can reduce the levy on fertilisers as you have made diesel free from levy, you will be certainly appreciated. I am certainly thankful to you because by dedicating this Budget to Shri Rajiv Gandhi, our departed leader, you

have fulfilled all the promises of the election manifesto, including the introduction of Panchayati Raj. I would certainly like to say that you should adopt strong measures to bring down the prices. If that is not done there will be upheaval in the country. Because of the wrong policies pursued by our predecessors, they have created sufferings to the people. You should not follow their foot-steps. As Chanakya has told:

सुखस्य मूलं, धर्मस्य मूलं धर्मः अर्थः”

By this policy, suppose you bring down the prices and bring prosperity to the people of this country, I will be certainly thankful to you. With this hope I support the Bill. Thank you very much.

उपसभाध्यक्ष (श्री शंकर दयाल सिंह) :
गीता के श्लोक से चलकर वैदिक शिक्षा तक बढ़िके शिक्षा से चलकर चाणक्य और नीति तक चले गए ।

The next speaker is Mr. J. S. Raju.

*SHRI J. S. RAJU (Tamil Nadu):
Mr. Vice-Chairman, Sir, I thank you for the opportunity given to me to speak on Finance Bill. Today, India is facing an acute financial crisis because of the ever increasing Government expenditure and the practice of printing currencies to compensate it. When the new Government took over, instead of assuring the people to alleviate their hardships, it told the people to tighten their belts. There is never dearth of advice from the ruling party.

[The Vice-Chairman (Shri M. A. Baby) in the Chair].

Not only this, the Government keeps telling the people to work more, to put in hard work as though the people are not working. When ministers and we politicians travel by train or bus or car, can see people out in the field working hard along side the roads. They begin their work in the wee hours braving the morning chillness without enough cloth to cover the body. Even after

speech delivered in Tamil.

*English translation of the original

being witness to such pathetic spectacle, we repeat the slogan 'work hard'.

Sir, the worker poses a question. He asks what employment opportunities this Government have created after independence. The Government is duty bound to answer this question. Then alone India can make progress. According to 1987-88 census there were about 2.5 crores of unemployed people all over the country registered with the Employment Exchanges. Today this figure is put at 4 crores. Educated youth who have not registered their names will be around 1 crore. Uneducated unemployed people in the rural India will account for another 5 crores. So, there are about 10 crores of unemployed people today. These unfortunate people are ready to work with the 20 crores of hands they have. But no Finance Bill ever viewed them with sympathy. We don't respect even our scientists. Because of this attitude thousands of scientists have gone to foreign countries looking for greener pastures. This kind of brain-drain is detrimental to the progress of a nation. Should the Government make use of their knowledge and expertise, they would not go. We must learn lesson from our past atleast.

You came to power after promising to launch time-bound programme. You also promised to bring down prices in 100 days. But what happened? The price of commodities is going up every day. When the late Mrs. Indira Gandhi came to power she said, 'Country is in deep troubles. Now only I have caught the horn of the bull of problems. Hereafter, development and development alone will be supreme in my mind'. But now, I am afraid that you have left the horn caught by Mrs. Gandhi. This is a genuine doubt because, your decision to mortgage gold, devaluation of rupee and your new fiscal policy have disappointed every one. Sir, the same Mrs. Gandhi later said that she did not have any magic

wand to bring down price. But interestingly, when Mr. Rajiv Gandhi came to power in 1984, he said that price would be brought down in 100 days. I don't know how he had come to possess the magic-wand which his mother did not have. I would like to ask the Congress Members whether Rajiv Gandhi gave you that magic-wand or not?

Sir, it has been repeated for times without number that poverty would be removed. But what has been done so far? Yes, atleast 'some' people got rid of their poverty. As a lay man, as a Common man, I wish to ask one thing. You tell the people to be hygienic. That is right. They have to wash their clothes for which they need atleast a washing soap. Is it possible for a poor man to buy a soap today? What is the price of a soap today? I appeal to the Members and Ministers of Congress to be conscientious and find an answer. The price of a washing soap is so high that common man cannot afford to buy. Why the price is so high? Is it made of gold? Or is it made of diamond? The simple reason is that you don't have the mind or the political will to reduce the price. Even water is scarce for daily use. This is where India is today.

Mr. Vice-Chairman, Sir, there is no dearth of schemes and plans in our country. We have had 8 Five-year plans, 20-point programme, 10-point programme and so on. But what is the outcome? We have collected a huge amount of money by way of taxes from the people, we have borrowed heavily from World Bank and foreign countries and we have paid substantial amount of interest on these loans. But the poor man still bears an emaciated look with sunken eyes. I can peel off from my memory what our late leader Perarisingar Anna once said. Referring the lack of development he said, 'If the total sum of money expended by the Government is heaped up in one place, that will look like mountain Hima-

[Shri J. S. Raju]

layas.' Even now we spend huge sum of money but, the development in proportion is very little.

In his speech the Editor of Blitz, Mr. Karanjia said that it is time we had a fresh look at our policies and programmes. He is right in saying this because we follow only beaten track. For example, if this year's Budget comes to Rs. 100 crores, next year it is enhanced to Rs. 105 crores or even more. All that the Government are bothered is about the figure, the increase in amount. You don't take into account even the fast receding value of rupee. This is the fate of the country which is so rich in natural resources. We have fertile soil and enough water and yet even, Cauvery water dispute could not be settled because of the lack of interest of the centre. Because of the failure of the centre to renew the agreement between the two states, the matter has gone to court. The centre has failed in its duty because of which Tamil nadu is the sufferer. You lack foresight and suffer from poverty of ideas. This is the reason you are obsessed with your worn-out policies. A great Tamil poet Bharathidasan has a dig at this kind of attitude when he says, 'Force of habit makes the bullocks go round and round the oil-press'.

Sir, what Dr. Anna said a couple of years ago holds good even to this day. He said that centre behaves like the feudal overlord and treats the states like glorified municipalities. This is true even today. This attitude must change. Centre should consult the states before formulating fiscal policies. Those in the centre feel that they are the only genius gifted with knowledge and vision. It is a matter of tragedy that the expertise available in the states is not made use of. I also demand more financial autonomy to states so that they are able to meet their requirements because, people look up to the state Governments for each and everything and the resources of the states are limit-

ed. Therefore, steps should be taken to give more powers to states to mobilise resources.

Sir, the nationalised banks in the states function independent of the respective state Government.

SHRI M. PALANIYANDI (Tamil Nadu): I wish to say one thing. There is Planning Commission, and also Finance Commission. The states have the right to make their representation there.

SHRI S. MADHAVAN (Tamil Nadu): But states don't have the right to levy tax in every field.

SHRI J. S. RAJU: I thank Shri Palaniyandi for the explanation he gave. But these are only on papers. We want them to be implemented. Our Dr. Kalaignar, while in the saddle as Chief Minister, asked for power to states to unearth black-money. But the centre refused. I ask, what is the reason for not giving this power to states? Will black money turn white if unearthed by the states? I know the reason. It is a weapon solely you want to possess to threaten the black-money holders.

Sir, the centre should advise the nationalised banks to consult the concerned State Government for taking effective measures in the fields of agriculture and industry. The centre keeps telling the states to observe austerity measure. But the centre won't observe any. This is really an irony. You preach what you don't do. As I say this, Lenin comes to my mind. When there was famine in the Soviet Union, Lenin came home from his office. Finding large quantity of food in the house, he asked the servant for whom the food was kept. The servant politely said it was all for Lenin. The angry Lenin told the servant to keep for him only as much food as is available for a common man in the country.

[Shri J. S. Raju]

Sir, I wish to bring to the notice of the House, a specific matter. According to press reports, the Prime Minister and other central ministers travel by special plane. I can understand the security risk to some of them. So, I am not against security cover. Yet, in a situation where crores of people do not have even the basic minimum necessities of life like food and cloth, is it not an unaffordable luxury to travel by special plane at the cost of public money? If we talk of austerity, it should be for all. Simplicity should be observed by those in power as well. After the death of Lal Bahadur Shastri, his widow Mrs. Lalita Shastri was informed of a proposal to build a huge monument for Shastri on a sprawling ground. But the hon'ble lady said, 'My husband led a simple life all along, therefore, do not waste so many acres of land to build a monument for him. Kindly give that land to poor people as residential plot'. Such was his simplicity. But it is a pity that the Congress ministers who claim to belong to that tradition want to lead luxurious life.

The cut on import and the fall in production have led to a steep rise of the price of essential commodities. So, I demand that the centre should convene a meeting of the Chief Minister to find ways and means to bring down the price. Sir, we talk of black money and the need to unearth it. When I was a student, I remember to have read in news papers the approximate amount of black-money in the country. Now the amount has swelled to mythic proportions that even the minister does not know the amount of black-money. But I know one thing for certain. No one in India knows how much black-money is in the country. It is a matter of shame that we are unable to unearth black-money. Had we unearthed this huge amount of black-money, we would not have to go with a begging bowl to foreign countries. You should have the political will to do that.

THE VICE-CHAIRMAN (SHRI M. A. BABY): Please conclude.

SHRI J. S. RAJU: Yes, Sir, I am concluding. Sir, it seems Mandal Commission Report has been forgotten after the National Front left the saddle. The new Government is also maintaining silence over the issue. About 52 per cent people belong to backward class in India. But only 4.65 per cent of them are in Central Government job. This is really regrettable. The officials who do not fill the reserved posts should be taken to talk. The Government should bring a legislation to punish the erring officials. With these words I conclude.

SHRI RAJNI RANJAN SAHU (Bihar): Mr. Vice-Chairman, I rise to support the Finance Bill which is a part of the Budget. At the same time I would congratulate the hon. Finance Minister who has given several reliefs in Direct and Indirect Taxes. All these reliefs are surely relevant and encouraging to the tax-payers. I would like to remind the House as well as the Finance Minister, that every year the Finance Minister presents the Budget and gives certain reliefs in taxes and also gives a direction to the economy according to his own perception. Sir, amendments in Direct Tax laws are introduced and they are withdrawn. This has been practice since last several years. So far, the tax-structure and the concept of the Budget envisage to give direction to our economic management, but we have seen that the entire tax-structure is becoming so much complicated that the tax-payers have to approach Chartered Accountants. They find themselves lost in the original Bill as well as in the Amendments every year. For this I would like to remind the hon. Finance Minister and the hon. Minister of State for Finance, Thakurji, that during the days of our beloved Prime Minister, Rajiv Gandhi — when he was also the Minister of Finance — he understood this

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problem and constituted two informal committees—one on direct taxes and the other on indirect taxes—comprising of MPs from both the Houses representing all parties to discuss and deal with such complications arising out of the Budget and laws were amended in that year and again in the next year. Both the committees were headed by eminent personalities like Mr. L. K. Jha and other MPs who had the interest to reconstruct the economy. Both the committees—one on direct taxes and the other on indirect taxes—submitted their report after a good deal of deliberation. But I would like to know from the hon. Finance Minister whether he is aware of these reports or not and what has happened to these reports; what is the follow-up action on the reports which we have submitted during those days; whether it was the duty of the Ministry to apprise the Members about the follow-up action. The present Governor of the RBI was at that time the Finance Secretary who used to interact with Members. So, before I come to the Bill I would like to know from the hon. Finance Minister about the follow-up action on the recommendations made by the committees on direct taxes and indirect taxes.

Sir, the Finance Minister has got a very difficult task and it appears from the Bill that the economic situation of the country, as stated by him also, is very grim. Most of our colleagues pointed out at that. I compliment him for he has put in all efforts at his command to bring credibility to the country and improve the balance of payments situation. When I say all efforts it means that most of the amendments are made keeping in view restoration of the goodwill and the international obligation. I must again congratulate him for taking the steps with full determination to bring back our economy out of the mess which was created by the previous two successive Governments. As just now our friends

have pointed out about the debt position during 1984-85 to 1989 and 1989-90; I do not want to repeat it. Several questions have been raised by the other side about the Budget and this Bill that there is pressure from the IMF and the World Bank, etc. I don't want to say that. The steps taken by the hon. Finance Minister are hundred per cent in the right direction. He has tried to bring the economy, as I have said, which was in a dilapidated condition, on the right line by and large. There can be difference of opinion amongst us, but one thing is certain that the IMF and the World Bank have said that these steps of the Finance Minister were progressive and they have started showing their good gesture towards us. Our country has been saved from becoming a country like Latin America. So there have been attempts at curtailing expenditure and mobilising resources through direct taxes. The exchequer will get Rs. 2139 crores through direct taxes of which Rs. 97 crores will accrue to the States and Rs. 2042 to the Centre. Customs duties which have been slashed in most cases in keeping with the new trade policy involve a net revenue loss of Rs. 510 crores in the current year while excise will yield an additional revenue of Rs. 988 crores in the remaining part of the year, and the share of the States and the Centre in this will be Rs. 550 crores and Rs. 433 crores, respectively. Taking both direct and indirect taxes into account the net gain to the Centre will be Rs. 2005 crores which will leave a budgetary deficit of Rs. 7700 crores as against Rs. 7200 crores in 1991. With all these new proposals the revenue deficit of the Centre will be Rs. 13,850 crores as against Rs. 17,585 crores last year, and the fiscal deficit has been placed at Rs. 37,700 crores as against Rs. 43,331 crores.

In the field of direct taxes the Finance Minister has proposed to raise corporate tax for widely held companies from 40 to 45 per cent and a corresponding increase from 45 to 50 per cent has been proposed

[Shri Rajini Ranjan Sahu]

in the corporate tax for closely held companies. The existing surcharge of 15 per cent is to continue.

The prevailing rates of import duty on capital goods for projects and machinery are generally high. The honourable Finance Minister has admitted that taxation on capital goods have two serious implications. First, the cost of the project will shoot up in the light of the new industrial policy where we have invited the multinational companies for investment in India. They will compare with other countries and when they find there is less investment, they will go. This imposition of tax on capital goods should correspond with what obtains in other countries so that more and more industries come to India. That is my suggestion to the honourable Finance Minister to consider. Revenue should not be the only criterion and consideration by which taxation can be justified. The consequences of that taxation are of greater relevance because the enterprises which generate that revenue for the Government will not be able to survive and the whole of the revenue will eventually disappear.

There are certain laudable provisions of direct taxes. Due to the paucity of time I will not go into those details. But the provision for tax deduction at source on fixed deposits in banks is going to very much adversely affect the deposits in banks. People of the middle income groups, the agriculturists and other such people, the pensioners, the widows, who have deposited their life's savings in the banks, have started withdrawing their deposits from the banks. So the provision of tax deduction at source on fixed deposits is not going to bring any revenue to the exchequer. Rather it is going to affect the bank deposits of which the honourable Shri Dalbir Singh is incharge. He will have to account for why the bank profits have gone down. When there will be no deposits in the banks, naturally the

banks' profits will go down. May I say, the honourable Finance Minister has shown a partisan attitude between Rameshwarji and Dalbir Singhji, because by making this provision the deposits in the banks will be withdrawn by the depositors which is a loss to Dalbir Singhji whereas Thakurji's revenue will increase. I think it should not happen like that. Therefore, I request the honourable Finance Minister to give due credence and consideration to my point in regard to bank deposits. In fact, several bank associations have also given a memorandum to the honourable Finance Minister that their deposits and short-term loans will vanish and the banks will have to face the consequences. The Voluntary Deposit Scheme is a very good 5.00 P.M. scheme to bring black money into the mainstream.

Out of Rs. 100 that the depositor deposits in the National Housing Bank, he can withdraw Rs. 60 and Rs. 40 will be utilised by the Bank for slum clearance and for building low-cost houses for the poor. This is a very good scheme as it would help the poor, but at the same time there are certain doubts as to how well it would succeed. In the past too, we had such disclosure schemes. Bearer bonds were sold to convert black money into white and we could mop up only Rs. 964.24 crores. The schemes did not work out to the required satisfaction. Secondly, 60 per cent of the amount deposited is declared white and the depositor will be required to pay tax on the 40 per cent. Paragraph 67 says that, "the provisions of direct tax laws would, however, apply to the net deposits after deduction of the special levy, from the date of the deposit". There seems to be some ambiguity in the drafting of the scheme and I would request the hon. Minister to look into it. The Finance Minister has announced two other schemes to tide over the BoP crisis. According to one scheme remittances in foreign exchange can be made to any person in India and the source of the funds out of which these remittances are

made will not be investigated. The scheme gives immunity for remittance under the direct tax laws and exchange control regulations. We have already passed a Bill to this effect. But, I have been told that the havala rate at present is nearly 20 to 22 per cent and hence this scheme would be more advantageous to the people who have black money. They can route their money through other countries by spending only 20 to 22 per cent. The people who have black money would convert it to white through this scheme instead of paying 40 per cent interest and also be subjected to other restrictions. The other scheme that was announced was the 5 years Indian Development Bond issued by the S.B.I. These bonds can be purchased by NRIs and their overseas corporate bodies. There is no ceiling on investment and it is fully transferable. The bonds can be gifted to resident Indians by NRIs, and they too would be entitled to amnesty and immunity as is applicable to the original purchaser. He is also given exchange rate protection and is exempted from income tax and wealth tax until maturity. I would like to point out that these schemes are no doubt good schemes but they are basically fire-fighting in nature. They do not go to the root cause for the generation of black money. These schemes do not solve the problem of generation of black money. However, as these schemes have already been announced there is no question of going back. These schemes should be effectively implemented so as to achieve the objective for which they were started. The Government should work vigorously and should penalise those who are not working in the interest of the Government. The administrative machinery should be further strengthened and the legal procedure to punish tax evaders should be simplified. In the end, I only hope the Finance Minister would give a serious thought to the suggestions made by would give a serious thought to the suggestions made by me and bring about a radi-

cal change in direct taxes. He should do away with the deductions that are provided to the tax payers. He should also try to reduce the tax rate from the existing rate. There, he may be able to solve the problem of black money.

Sir, several Committees on taxation have made their recommendations. Perhaps, the Government has also accepted some of the recommendations. Sir, I want to place before the hon. Finance Minister one recommendation that was made. The recommendation was that there should be a scheme of having one form, one officer and one digit in the Income-Tax Department. I would like to know what has happened to that recommendation. This was discussed in a Committee which was formed during the days of our beloved Prime Minister Rajiv Gandhi. I want to know when he is going to implement that recommendation which would really solve many of the problems.

Sir, in the end, I would like to say that I come from Bihar and I cannot forget to remind the hon. Finance Minister of one thing. Sir, there are two distinct zones in Bihar—agriculture in North Bihar and mining and industry in South Bihar. Sir, both the zones are suffering from backwardness owing to external causes, and a continued series of skewed policies. Sir, the freight equalisation policy on iron and steel was enforced by the Government of India in 1957. And today it needs to be reviewed by the Government of India. It should not be left to the National Development Council. Rather the Government of India should take a decision and do something for Bihar. Secondly, Sir, the financial institutions' investment in Bihar is the lowest when compared to the other parts of the country. The credit deposit ratio in Bihar is 38 per cent when compared to the national average of over 60 per cent.

So, I request the hon. Finance Minister to look into all these things.

With these words, Sir, I conclude and I support the Bill. Thank you.

SHRI M. VINCENT (Tamil Nadu): Mr. Vice-Chairman, Sir, I welcome the announcement of the Finance Minister to set up the Chelliah Committee to suggest ways and means to streamline the tax structure in the country.

Sir, while making a critical appraisal of the Finance Bill, we should bear in mind that this Government had inherited an accumulated deficit of Rs. 11,000 crores from the previous Governments. Because of this fact, the Government had to go in for certain hard options. Still, the Finance Minister should have kept in mind the pathetic plight of the common man. Sir, the common man is panicky because of the move to deduct tax at the source from the interest on bank deposits where it exceeds Rs. 25000 in a year. The small depositors are afraid today because for many of them this interest is the only source of income. Since the small depositors have already begun withdrawing money from the banks, the banks are likely to become bankrupt. This will lead to a very dangerous situation.

Sir, take the question of price-hike. Already there is 20 per cent inflation. The cut in subsidy and the price-hike in petroleum products and sugar will further increase the rate of inflation. LPG is an essential item used by all. The Finance Minister must restore back the prices of LPG cylinders. The price of petrol should also be reduced to Rs. 12 per litre. The fertilizer price increase in respect of all farmers should be dropped.

Sir, I request the Government to increase the income-tax exemption limit to at least Rs. 40,000 in respect of the salaried class.

Sir, there is no indication in the Budget about the creation of more job opportunities to check the ever-increasing unemployment in the country. The number of educated unemployed in the employment exchange registers

which was 301 lakhs in 1986 must have crossed 350 lakhs in 1991. Each year the figure of unemployed is increasing. Sir, about unemployment, today the problem in this country is not only how to get jobs, but it is also a problem for the employed people how to keep their jobs because the industrial units are becoming sick. As regards industrial sickness up to the end of 1990 large units closed were 681 and SSI units closed were 1,28,687. Out of that more than 15 lakhs employed people have become unemployed. How are the Government trying to solve the problem of unemployment in this country?

After investing Rs. 60,000 crores, Government has managed to get only 4 per cent return from 240 public sector undertakings. This is a colossal waste of resources. The Finance Minister should think over this.

Sir, it has been noticed from the figures from Central assistance for States, for the year 1991-92 that next to Rajasthan, Tamil Nadu has received the lowest increase of Central assistance, in relation to the level of assistance in 1990-91. Tamil Nadu has received only 9.7 per cent increase over the 1990-91 level. Many other States have received considerably higher Central assistance. For example, Maharashtra has received an increase of 42 per cent. U.P. has received 33.5 per cent and so on. It may be noted that the increase of assistance received by Tamil Nadu is one of the lowest.

Tamil Nadu has a per capita income which is slightly above or below the national average depending upon the year chosen.

Although Tamil Nadu had a per capita income just at the average during the Seventh Plan special assistance was given to Tamil Nadu under the Gadgil formula.

Sir, Tamil Nadu is in the grip of a very difficult and severe financial crisis. The year 1990-91 ended with an unprecedented deficit of Rs. 200

crores which included a major overdraft of Rs. 126.26 crores. The Budget presented in Parliament in the year 1991-92 indicates an additional deficit for the year 1991-92 of Rs. 128.21 crores, adding to the opening deficit. The total deficit thus works out to Rs. 338 crores.

Sir, since the presentation of the Budget, additional commitments on account of increased dearness allowance, increased food subsidy and repayments to NABARD on account of the agricultural and rural debt relief scheme, etc. totalled to Rs. 220 crores.

The loss of revenue on account of the closure of cheap liquor shops is expected to be Rs. 390 crores in the current year.

The total deficit on the State account is thus close to Rs. 900 crores for the year 1991-92.

Besides this, there are large uncovered deficits in the Tamil Nadu Electricity Board and Bus Transport Corporations. These amount to more than Rs. 330 crores.

The overall situation is that as against a plan outlay of Rs. 1600 crores for 1991-92 the gap in resources is Rs. 1230 crores.

In view of the above situation our Chief Minister of Tamil Nadu, Puratchi Thalaivi Selvi Jayalalitha, has written to the Prime Minister, requesting a package of financial assistance which include compensation for the loss on account of prohibition, Rs. 390 crores; enhancement of Central assistance for 1991-92 from Rs. 450.17 crores to Rs. 600 crores; (Time bell rings) increase in the allocation of market borrowing for Tamil Nadu from Rs. 321.79 crores to at least Rs. 450 crores in 1991-92; authorising Unit Trust of India to invest at least Rs. 300 crores in small savings, stepping up of the allocation of Central assistance for externally aided projects in Tamil Nadu in 1991-92, from Rs. 195 crores to Rs. 245 crores and repayment of Rs. 40 cro-

res by Tamil Nadu Government on account of rural debt relief scheme in the current year may be postponed.

Sir, I reiterate that all these requests of our Chief Minister should be accepted forthwith, because without additional financial assistance from the Centre it will be extremely difficult to implement the Annual Plan for the year 1991-92.

These days separatist movements are active in different parts of the country. Therefore, I demand in the interest of the nation that the Centre-State relations should be strengthened and States should be given more powers to mobilise resources.

The Tamil Nadu Government have sent a detailed proposal to the Centre asking for Rs. 80 crores to modernise and strengthen the police force in Tamil Nadu in view of the alarming security risk, particularly along the sea borders.

Tamil Nadu needs to be given this special assistance, like other land border States, because it has vulnerable sea border with Sri Lanka. I thank the hon. Home Minister for sanctioning Rs. 10 crores to Tamil Nadu to beef up police force.

I wish to say that the Government should release the balance of Rs. 70 crores at an early date, because modernisation of police in Tamil Nadu cannot be delayed in view of the security threat prevailing there.

Sir, I wish to make a specific point. Our Chief Minister Shrimati Jayalalitha is on top of the hit-list in India, because she has saved Tamil Nadu from becoming another Punjab, Jammu and Kashmir and Assam, by her disciplined administration to maintain law and order, with the unity and integrity of the country supreme in her mind. She is the noblest embodiment of the unity and integrity of this country.

I am happy that the Prime Minister has assured that the N.S.G. recently provided to our Chief Minister will continue. However, the letter from the Home Ministry suggesting to

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withdraw N.S.G. cover came as a shock. That letter from the Home Ministry is itself a historical blunder.

I demand that N.S.G. cover for our Chief Minister should continue for all time. I say this because the Prime Minister said that N.S.G. cover would continue until the Tamil Nadu police become capable to provide security cover. The high security risk to our leader demands cover by N.S.G. permanently which has the expertise and specialisation.

Therefore, the Government should not even think of withdrawing N.S.G. On the contrary, the Government should amend the law to provide S.P.G. security to our Chief Minister Puratchi Thalaivi Jayalalitha.

SHRI VITHALBHAI M. PATEL: Mr. Vice-Chairman, Sir, I understand the difficulties of the hon. Finance Minister in tackling the present economic condition. But nobody likes to be unpopular. The Finance Minister has taken such steps which are in the interest of the nation which made him unpopular. Whatever he is doing, that is in the interest of the nation. There is no doubt about it.

He has asked the nation to tighten the belt. He wanted everybody to sacrifice to improve the economic condition of the nation. I agree with him. But I request him to tell the bureaucrats to tighten their belt also. There should be strict economy in the Government so far as expenditure is concerned. I can give you one example. ONGC has its headquarters at Dehra Dun. No drop of oil is being produced in Dehra Dun. The Finance Minister will be surprised to know that the officials of the ONGC made 5,800 air-trips to visit different oil-fields in Gujarat, Assam, Bombay etc. in a year. They have their own helicopters to bring their post to Dehra Dun from Delhi. It is not advisable to shift the headquarters from Dehra

Dun to Bombay or some other place where oil is being produced? You can imagine 5,800 air-trips will cost lakhs of rupees to the exchequer. Such type of expenditure must be curbed.

I would also like to draw the attention of the Finance Minister and the Government of India that the time has changed now. Up till now the dealing of the Central Government with State Governments is like masterslave. I give you one example. The Government of Gujarat has requested the Government of India to permit to raise Narmada Bonds for non-resident Indians. The Government of Gujarat wanted to raise about 1000 crores of rupees from non-resident Indians through Narmada bonds. But the Government of India rejected that request. They said that the Reserve Bank of India rules don't permit the States to raise the Bonds. Mr. Finance Minister, if necessary, you change the rules of the Reserve Bank of India. The States wants to raise the funds on its own from the NRIs staying abroad and the Centre has not to pay anything. If you don't allow them to raise the funds then pay from the Central Government to the States. Neither you want to pay nor you allow them to raise funds. This is not justifiable. Such incidents will provoke the States to ask for economic autonomy. One of the Chief Ministers, Mr. Biju Patnaik has already raised this issue; and many others may raise it. There are a number of things where the States feel that the Centre is holding all the power and that is putting a curb on the development of the State. Government of India has no foreign exchange to import edible oil. The price of edible oil has gone sky high. There was a proposal from the Government of Maharashtra that NRIs abroad are prepared to supply 3 lakh tonnes of edible oil without having to spend a penny in foreign exchange. I am sure the Government of India has received the proposal. The Government of Gujarat also has sent a proposal that they will export soda ash and for the same amount they

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will import edible oil. But the Government of India has put such conditions that ultimately the Gujarat Government has decided not to export soda ash and not to import edible oil. In this case, not a penny in foreign exchange was going to be spent by the Government of India. But the Government of India is putting such conditions that it is impossible for the State Government to import edible oil. In Gujarat and Maharashtra, Diwali festival and other festivals are coming and they badly need edible oil. If you don't allow them to import edible oil from their own resources, then even a person like me would revolt against the Government of India. I believe in national integration, in national unity. But the bureaucracy of the Central Government is trying to concentrate all power in its own hands in such a way that the States may feel provoked to ask for autonomy. If that happens, Mr. Finance Minister, you and your RBI and your Ministry will be responsible. I request you to advise the RBI and your Ministry to consider these points and allow the Governments of Maharashtra and Gujarat to import edible oil from their own resources. I have come to know...

SHRI JAGESH DESAI: What will be the price of that oil?

SHRI VITHALBHAI M. PATEL: It will be Rs. 20 per Kg. Maharashtra Government has already contracted with some NRI at this rate. I have come to know that you are going to import edible oil on deferred payment basis. It means you will be paying in foreign exchange at a later date. But here, you are getting it without spending a penny. You can satisfy yourself about what I have said and if you are satisfied that no foreign exchange payment is involved, you should reconsider it in your Ministry.

The Finance Minister in his statement said about corruption, and delicensing as a remedy to it. It is correct that there is corruption. It is there in your income-tax department;

it is there in your customs department. How will you check it? You have given so much of power to your customs and income-tax officers that they can do anything to the taxpayer. Even an honest taxpayer is harassed by the income-tax officers and I know of many such cases. Even the customs officers are making money. You have announced the voluntary disclosure scheme. But that will not help because these customs and income-tax officers will not disclose it; otherwise we will come to know of their source of income. Therefore, even this scheme will not help you in recovering money from these government officials. So please try to find out how to improve the working of the Income-tax Department. Do not give too much of power. Sometimes, they act as the policemen and they harass the innocent tax-payers.

Now you have announced that small and marginal farmers will not have to pay higher rate on fertiliser. You have also said that this will result in a loss of Rs. 800 crores or Rs. 900 crores. I would like to tell that your estimate is not correct. On the basis of the criteria which has been decided by the Agriculture Ministry, hardly 15 per cent of the farmers will be benefited. This reduced price is only for those farmers owning less than half hectare of irrigated land. One who owns more than half hectare of irrigated land will not get this benefit. Only a very few farmers own less than half hectare. So, the farmers are not benefited much because of this.

You have been charging 60 per cent duty on car manufacturers. By charging 66 per cent duty on car, you earn more than the manufacturers. They don't earn even that much of money which you get from the manufacturers. So, reduce the duty on car. Delicense the car industry. Anybody who wants to manufacture car should be allowed to manufacture. There should not be any need for obtaining licence. Just now, one of my friends mentioned about the Mandal Com-

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mission reservation. I am not against this Mandal Commission reservation. My only point is, those who had benefited by way of reservation are now more well placed than the upper-class people. Why should such people be included in this category? In Gujarat, 23 per cent of the Government officers are from the backward class and they are drawing a four-figure salary. Why should the children of these people be benefited? So, reservation should be on the basis of economic criteria and it should not be blindly determined.

THE VICE-CHAIRMAN (SHRI M. A. BABY): Mr. Salaria, please be brief.

SHRI SHABBIR AHMAD SALARIA (Jammu and Kashmir): I shall be as brief as possible. The question of tackling the problems of the Indian economy has been engaging the attention of many Finance Ministers. Despite all efforts, we have not been able to resurrect it. In Urdu, there is a famous couplet:

میرے دھنک پر رہمت خودا کی،
سب سے بڑھتا گیا جیوں جیوں دہا کی ।

مریض عشق پر رحمت خدا کی -
مرض بڑھتا گیا جیوں جیوں دہا کی -

The reasons for our economy going into a turbulent stage is that we have been living beyond our means and our imports are more than our exports. We have been taking foreign loans for productive purposes but using them for unproductive purposes. We have been resorting to excessive deficit financing and we have been incurring huge losses in the State enterprises. Moreover, in the matter of foreign policy, we have bungled in Bangladesh and Sri Lanka. Sir, the Finance Bill which has been brought forward has been discussed from various angles. I will make some suggestions for the consideration of the hon. Minister.

†† Transliteration in Arabic script.

Firstly, our tax system, as I have pointed out repeatedly, is such that it leads to black money generation. The slabs and the rates of taxation are such that there is an effort on the part of the tax-payer, on the part of the person who is earning, to try to to escape the payment of tax. I know that the Finance Minister has set up a Committee to go into this question. I hope, taking into consideration the problems which the present tax system has brought into being, taking into consideration the fact that it creates more black money, it tends to create black money, thereby giving a fillip to the blackmarketeers, these things will be avoided.

Secondly, the question of interest rates. The interest rates laid down by the Reserve Bank of India—it is the controlling bank and it sets the pace—are so high that no industry in the country, no entrepreneur in the country, public or private, can possibly earn sufficient profit to run the industry economically and profitably.

SHRI N. K. P. SALVE (Maharashtra): Abolish all direct taxes.

SHRI SHABBIR AHMAD SALARIA: The only way left is, to indulge in corruption and thereby earn profit, or, to sell things at prices higher than at which they should be sold, or, to reduce the quality of the goods.

Thirdly, the different concerns, in the public sector, which are losing for years together and which are a milestone round the neck of our economy, should be either discontinued or disbanded, or, they should be given to private entrepreneurs. The State should have nothing to do with them so that the general public who pay for it do not suffer.

Fourthly, there are many sick enterprises which we are trying to keep alive by subsidy. This subsidy system for such sick enterprises, in whatever sector, should be done away with, to save valuable money which the country needs.

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Fifthly, wasteful expenditure in Government offices and Ministries should be avoided. Anxiety has been expressed by all in this regard. I suggest a formula. The hon. Finance Minister may kindly lay down some criteria. (*Time bell rings*). If any Secretary brings about 25 per cent reduction in the expenditure of his Department, he should be rewarded or promoted. You can fix some slabs. According to that, you can give rewards.

Sixthly, in the case of the oil sector, whatever projects we have do not run to their full capacity. We are importing oil, spending a lot of foreign exchange. Efforts should be made by the Finance Minister. Although his hands are full, he may get in touch with the Minister of Petroleum and find ways and means to increase oil production, even if it entails bringing in foreign companies to explore oil for us.

THE VICE-CHAIRMAN (SHRI M. A. BABY): Mr. Salaria, please conclude.

SHRI SHABBIR AHMAD SALARIA: I am concluding. I am very brief.

Seventhly, there is a lot of flaring of gas. Thousands of cubic metres of gas is flared every day. This is a national wealth. We should find ways and means, in consultation with the experts in the oil industry, to save this national wealth which is going waste now.

Eighthly, as Mahatma Gandhi said, India lives in its villages. It continues to live in its villages. The landlordism in the country, which has continued to subsist in practice, is one of the important reasons for the poverty of our peasantry. and, therefore, poverty of the people in general. He may get into touch with the Revenue Department and find out how landlordism can be done away with, whatever schemes were introduced for doing away with big landlordism, why they have failed, how

they can be implemented so that our rural people could also see the light of the modern amenities for a better life.

Rural indebtedness is one of the causes which is causing concern. They charge very heavy rate of interest from poor farmers. The banks are also corrupt. Unless you pay them, they do not sanction your loans. Therefore, the poor farmer is driven to the *sahukars* who were looting them. There is debt which is to be paid from generation to generation, it is never washed. This is leading to *bundhuwa mazdoor* and many other difficulties. Wherever 1½ of the original debt has been paid, a law should be made that it is written off.

Tenthly, about defence expenditure, we should be very careful. It should be not lessened at the cost of the security of the State, but he may kindly get into touch with the Defence Departments, the Generals, the Commanders-in-Chief, the Defence Minister, and tell them, for God's sake, since you are so good to the country, you are living for the country, please find ways and means to diminish the expenditure in Defence Departments. Then I hope they will be able to tell the hon. Minister which are the spheres and the manner in which some expenditure in the Defence Departments can be lessened.

Last but not the least, my suggestion relates to the projects which are started in the States. The Centre goes and gives finance for them. I say, let the States start those projects out of their own finance. If they cannot, let the Centre assist them, but those projects should belong to the State. Whatever electricity or produce comes out of that project should be given by the Centre to that States or to other States. The Centre should not arrogate those projects to itself. Most of the projects are owned by the Centre. The States gets only a small royalty, thereby it leads to the States asking for more and more money. Let the States stand on their own legs. (*Time bell*). I have many

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more suggestions, but since you have given the Bell, I would like to end my speech here.

Thank you.

SHRI J. P. JAVALI (Karnataka): Mr. Vice-Chairman, Sir, today two Bills are under discussion and I am going to restrict my self to the Bill, 'The Voluntary Deposits' (Immunities and Exemptions) Bill, 1991.

This Bill proposes to bring in black money in the national coffers which will go into National Housing Bank, which again is going to spend this money for construction of houses in the slums and also for the benefit of the poor. While introducing this Bill Dr. Manmohan Singh, during his budget speech, said that he was going to give one last opportunity to the black money holders. I doubt whether this is going to be the last opportunity to the black money holders. It may be to Dr. Singh, but not to the black money holders because the volume of black money in our economy is so much and the sources of black money generation are so many that it is not very easy to eradicate or even to bring down generation of this black money. It has been said that every year nearly Rs. 50,000 crores are generated and in 1988-89 some economists made an assessment that the extent of black money in our economy is of the order of Rs. 3 lakh crores. At today's prices it may be nearly 4,00,000 crores. All countries have this problem. Not only India but even other countries also face this problem. It is said that in India the black money is 50 per cent of the GNP whereas in the USA it is 20 per cent, in Italy and Sweden it is 15 per cent, in the United Kingdom it is 10 per cent and in Japan it is only five per cent. If 10 per cent of this is brought into the national coffers every year, I don't think the Finance Minister has to present a deficit budget. It will wipe out our deficit. Not only that. In course of time it will wipe out our internal debts also.

However, there are many sources where black money is generated. Even the Government is responsible for generating black money. When Pandit Jawaharlal Nehru was there, somebody went and complained to him that out of the Plan funds, only 85 per cent was spent and 15 per cent was eaten away by intermediaries. About two years back when Shri Rajiv Gandhi was our Prime Minister, he said in one of the meetings that nearly 85 per cent of the funds was misused whereas only 15 per cent reached the people or the targets for which it was meant. It is a very serious problem and this serious problem cannot be tackled by ordinary politicians. Only a person who is not a politician but who is an able administrator, who is an economist and in whom we want to see a statesman can only solve this problem.

Sir, I will not go into many of the points that I have prepared, but I would like to conclude by referring to an item that I came across this morning in the Economic Times. It is said, "The World Bank officials were saying that Dr. Manmohan Singh is the last hope of one-sixth of mankind." If at all anybody can solve the problems of this country—the serious economic problems, the serious internal debt and external debt problems and many other ills, curbing of black money and the generation of black money—what is 50 per cent of the GNP is to be brought down—it is he, I hope, who will bring forth some measures and some new schemes so that this black money generation comes down. I wish him success and I support this Bill. Thank you.

SHRI SUNIL BASU RAY (West Bengal): Sir, I have before me the Voluntary Deposits (Immunities and Exemptions) Bill, 1991. At the outset, I was trying to find out what exactly black money is because it is said here that "it is necessary to can-

also for certain social objectives black money..." But you do not define what "black money" is. Will the depositors, before going to the National Housing Bank, require any certificate from the Reserve Bank that they are accredited black money operators? I think, if that certificate is issued by the Reserve Bank, it will do some good to the country. At least, we will be able to know who those people are.

Now, this is a play which has been going on since the Second World War when black money first appeared and, with that, black money also, here. Throughout all these decades we have been talking about containing the black money, eliminating the black money. We are proposing various theories about that. We are guessing what actually the black-money amount is.

Another Bill was brought earlier to mop up the black money. But, in spite of all these things, the black money has increased, and it has become a parallel economy. It is going to devour the entire nation. The administrators at the helm are simply telling the black-money operators, "Please naughty boy, come here. Don't behave so badly. If this is the case there is no hope.

I had expected, and there should have been more discussion or narration of how the black-money operators are operating in our country because unless we know that, how are we going to stop it? Or, if this Bill is passed as it is, I think, it will give further incentive to the black-money operators. It is 40:60 formula, 40 per cent you give me and 60 per cent you take. The operation of 60 per cent will be at the sweet will of the depositor. It cannot be subjected to other taxes. The people of our country will pay whomsoever they may, "O, black-money operators, come and deposit the black money so that we may have houses." It is not going to work.

How are these black-money operators operating? In short, I may say

that they operate through Mafia trade, smuggling, drug-trafficking, *satta*, *hawala* operation, forward trading loan *mela* and bank debts, under and over-invoicing in exim trade, unchecked profits of monopoly land-owners, farmers traders in agro-products, the sugar and cement lobbies, the sick industries owing large debts to banks - never has it been probed how these banks loans are lying idle there without the banks trying to mop them up - secret operations in the international trade, kickbacks - and this explains why our Government is soft about the BCCI and why somebody wants to cover it up.

If we want seriously to mop up the black money, to eliminate the parallel economy, we need reform in our economic system as such, the economic system as it is. This so-called wind of liberalism that has set in, the so-called open market system that has been put forth - all these will further aggravate the menace of the black money in our country. So this Bill will not be able to mop up the black money. This Bill will fail. Afterwards again we you will again come with another Bill with the same logic, with the same formula.

So I request the Finance Minister to come out, not to press this Bill, but to come out with a total reform of the economic system, plugging the loopholes which create black money, plugging the loopholes which eat away our energy, plugging the loopholes which eat away the assets created by our glorious workers peasants, not the money tycoons. So, if you are sincere enough, attack the money tycoons. If you are sincere enough, attack the smugglers and dishonest traders. If you are sincere enough, don't liberalise as you are liberalising, don't open your house as you are doing. That will invite further danger. That will lead to our total surrender to international capitalism.

Thank you, Sir.

श्रीमती कमला सिंहा : मैं आपके मध्यम से यह बहस चर्चा हूँ कि सरकार जो वित्त विधेयक लायी है वह वित्त विधेयक जहाँ विरोधी और शक्ति विरोधी है।

It is anti-People, it is anti-labour, it is anti-housewife and it is anti-poor.

मैं इसलिए वह बात कह रही हूँ कि अभी जो ये इक्विटी पालिसी में परिवर्तन लाये हैं उसमें एक तो इन्होंने कहा है कि बेलेंस आफ पेमेंट के लिए हमें विदेशों से कर्ज लेना पड़ता है और प्रत्येक भारतीयों को यह स्वाभिमान होना चाहिए कि वह इसमें सहयोग करें। भारतीयों को अगर दिक्कत होता कि सचमुच में आप बर्बाद चाहते हैं

If you really believe that you want to tighten your belt.

जैसा कि मेरे कई सहयोगी माननीय सदस्यों ने पहले कहा है। तो निश्चित रूप से सरकार इस काम को करके दिखाती कि हाँ, हम सचमुच में बर्बाद चाहते हैं और We are tightening our belt.

इस काम को आपने नहीं किया। सरकार ने तो आपने किसी भी खर्च में कोई कटौती अब तक तो नहीं की या हमारी नजर में नहीं आई है लेकिन आपने जनता के लिए जरूर इस काम को करना शुरू कर दिया है। एक तो इंटर-नेशनल सेनेटरी फंड से, वर्ल्ड बैंक से कर्ज लिया और आपने यह कहा है कि आज की दुनिया में भारतवर्ष की अर्थनीति को दुनिया की अर्थनीति के साथ मिलाना होगा, ग्लोबल इजेशन आफ इकनामी करना होगा ताकि हम एक्सपोर्ट कर सकें, दुनिया के साथ तालमेल रख कर चल सकें। यह बात अपने में बहुत अच्छी बात हो सकती थी लेकिन आप किनके साथ कम्प्रीट करना चाहते हैं। दुनिया के वे सात विकसित देश, जो दुनिया की 12 प्रतिशत आबादी रखते हैं और 70 प्रतिशत उत्पादन करते हैं? वहाँ की पर कैपिटा इन्कम आप देखें। भारतवर्ष में पर कैपिटा इन्कम 4 हजार रुपये है और अमेरिका में पर कपिटा इन्कम 5 लाख रुपये है। अन्य जो विकसित देश, डेवलप्ड कंट्रीज जो हैं उनकी पर

कैपिटा इन्कम 4 से 5 लाख रुपये है। तो किस बूते पर आप उनके साथ कम्प्रीट करना चाहते हैं। एक बात मैं यह भी कहना चाहती हूँ कि हम दुनिया के तीसरे सबसे बड़े वर्जदार देश हैं। नम्बर एक पर मैक्सिको है, उसके बाद चिले और तीसरे वर्जदार देश हम। आज भी हम दुनिया के दरबार में हाथ फैलाकर, झोली फलाकर माँख माँख रहे हैं। कौन सा ऐसा देश है जिससे कर्ज नहीं लिया। छोटे-छोटे देशों से कर्ज लिया है। हम मल्टी नेशनल्स को बुलावा दे रहे हैं कि हमारे यहाँ आकर कल कारखाने खोलें। हमने उनको 51 प्रतिशत इक्विटी शेयर देने के लिए कहा है। कई जगह तो 100%। इक्विटी शेयर के लिए भी कहा है।

[उपसलाभ्यस (श्री भास्कर अन्नाजी मासोदकर) पीठासीन हुए]

मैं आपको कहना चाहती हूँ कि जापान एक ऐसा देश है जो द्वितीय विश्व युद्ध के बाद बरबाद हो चुका था। उसके बाद से आज जापान दुनिया का नम्बर एक हाई टेक कंट्री है। यह कैसे संभव हुआ। यह इसलिए संभव हुआ कि ...

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Please conclude.

श्रीमती कमला सिंहा : जापान ने दूसरे देशों से कर्ज जरूर लिया है लेकिन अपने लोगों को विदेश भेजकर हाई टेक्नालाजी सिखाई न कि उनको बुलाकर किया। आज ही के अखबार में महोदय निकला है। "स्टेट्समैन" अखबार में एक समाचार है। आपके सामने इसको प्रस्तुत करना चाहती हूँ। इसमें यह कहा गया है कि रिजर्व बैंक आफ इंडिया ने फ्रीडम दी है।

"The payment of fees and remunerations to any single foreign technician does not exceed 500 dollars or its equivalent per day."

फारेन टेक्नीशियंस को हम पांच सौ डालर्स प्रतिदिन देकर बुलाएंगे और हम यह कहेंगे कि हमारे पास पैसे नहीं हैं हम बेल्स आफ पेमेंट में फंसे हैं, हम दुनिया के सामने कर्ज में झुके गये हैं। तो महोदय यह सब क्या है। मैं एक बात आपसे कहना चाहती हूँ। डीवैल्यूएशन की बात कही गयी है और कर्ज की बात भी कही गयी है कि इतनी संख्या है, यह भी कहा गया है कि प्राइवेटाइजेशन की बात है। आपने यह कहा कि 20 प्रतिशत डिस-इन्वेस्टमेंट करेंगे पब्लिक सेक्टर अंडरटेकिंग में, छोटे छोटे उद्योग जो हैं उनमें 24 प्रतिशत बड़े उद्योगों का पूंजी निवेश करेंगे, उनको मालिकाना हक देंगे। छोटे उद्योगों का विकास इसलिए किया जा रहा था ताकि पिछड़े इलाकों में विकास हो सके और पूरे देश का एक समेकित विकास हो सके।

अब इसमें बड़े-बड़े औद्योगिक घरानों को, टाटा, बिरला, सिंधानिया, अंबानी वगैरह को आप ले जायेंगे छोटे उद्योगों में, तब फिर क्या हालत होगी? वह जो छोटे उद्योग हैं उनको तो वह निगल हो जायेंगे। यह धंधा आपको नहीं करना चाहिए। इन्फ्लेशन की बात है, इन्फ्लेशन आज 17 प्रतिशत से ज्यादा हो गई है। ब्लैकमनी की बात अभी कही गई है। ब्लैकमनी को मोप-अप करने के लिए आपने एक कानून लाया है। यह कानून से बहुत कुछ होगा, मुझे ऐसा लगता नहीं है।
I wish I could believe you.

कि आप यह मोप-अप कर सकेंगे, लेकिन यह संभव नहीं है। जैसे मेरे पहले वक्ताओं ने कहा ब्लैक मनी जो चलाते हैं इस देश के पैरलल इकोनोमी जो चलाते हैं वह आपसे ज्यादा शक्तिशाली हैं। मैं यह कहना चाहती हूँ कि यह शक्तिशाली लोग आपको भी चलाते हैं। मैं यह सरकार को चेतावनी देना चाहती हूँ कि एक बड़ा अंग्रेज हमारे देश में आए थे व्यापारी बन कर आए थे।

SHRI JAGESH DESAI: It should not go on record, कि आपको चलाते हैं। सरकार की बात तो ठीक है, लेकिन आपको कहना ठीक नहीं है।

श्रीमती कमला सिहा : आपको मायने उनको नहीं, व्यक्तिगत रूप से उनको नहीं कहा, सरकार के लिए कहा। मनमोहन सिंह जी को चलाते हैं, मैंने यह नहीं कहा, आपको मायने सरकार, बहुवचन में कहा है। मैं यह कहना चाहती हूँ कि अंग्रेज देश में व्यापारी बनकर आए थे और वह हमारे मालिक बन बैठे। आज हम मल्टी-नेशनलज स कर्जा लेकर उनको इस देश में बुला रहे हैं। हमें भय है कि हमारी अधिक दासता तो इससे होगी ही, साथ-साथ हो सकता है कि हमारी राजनीतिक दासता भी हो?

एक बात और कह कर मैं अपनी बात समाप्त करूंगी। महोदय, इस देश में सब से दुखारी मार उनको पड़ती है जिनका सीमा के अन्दर बँतन है। जैसे इस देश के ढाई करोड़ बेजदूर काम करने वाले और अन्य सरकारी कर्मचारी हैं, स्कूल-कालेज के शिक्षक, जो बँतनभोगी लोग हैं उनके ऊपर मार पड़ती है। एक तो उनके अपर टेक्स अपर लगते हैं, साथ-साथ बड़ी मुश्किल से, बहुत परेशानी के साथ कुछ पैसा वह बचाते हैं और उसको अपने बेटा-बेटी की शादी के लिए, अपने घरेलू कामों के लिए वह बचाकर रखते हैं, फिक्स डिपॉजिट करते हैं, अब आपने नए वित्त विधेयक में लाया है कि उनके फिक्स डिपॉजिट पर आप 25 परसेंट टैक्स लेंगे, तो यह कसा अन्याय है? मैं आपको कहना चाहती हूँ इसको आपको वापस लेना चाहिए और नहीं तो यह बात चलने वाली नहीं होगी। एक बात मैं आपको कहना चाहती हूँ कि आपने जो श्रमिक विरोधी विधेयक लाया है, जो हम करना चाहते हैं देश के आर्थिक विकास के लिए वह केवल कागज पर लिखने से नहीं होगा, वित्त विधेयक को लाने से नहीं होगा,

उस काम को करने के लिए इस देश में कल-कारखानों में जो काम करते हैं उसकी श्रम-शक्ति को भी लगना होगा और वह श्रम शक्ति आपकी जो मजदूर विरोधी नीति है उसके कारण वे भयंकर रूप में हैं। अगले 29 नवंबर को पूरे देश में वे सांकेतिक हड़ताल करने वाले हैं, आप दीवार के लिखन को पहचानिए और अपने इसमें संशोधन लाइये।

अपने मुँह बोलने का मौका दिया उनके लिए धन्यवाद।

उपसभाध्यक्ष (श्री भास्कर अम्नाजी मासोदकर) : श्री शारदा सहन्ती। सहन्ती जी, आप दो मिनट ले लीजिए।

SHRI SARADA MOHANTY (Orissa): Mr. Vice-Chairman, Sir, I oppose the Finance (No. 2) Bill, 1991, as it is anti-people. It leads to unemployment and adds fuel to the fire of high price rise. In the Budget speech the Finance Minister assured us that he would curb the sky rocketing inflation which affected the common people but he failed to do so.

The main aim of this Bill is to overcome the difficulties created by the adverse balance of payments and fiscal deficit from 1980-89.

Earlier an amount of Rs. 7500 earned as interest on FDA in the banks was exempted from income tax. But now the limit has been brought down to Rs. 2500. As a result of this measure, depositors have started withdrawing their money from the fixed deposit account because they were told that the tax on the interest accrued on such amount will be deducted at source. In case it continues banks will lose their deposits. There will be no business in the banks. They will not be able to extend credit to industrialists, businessmen and other people. Their income will be reduced. Expenses on establishment will be hampered. Employees of banks will become jobless. On the other side, industrialists and businessmen in order to continue with their business will have to borrow

money at higher rate of interest which ultimately increases the cost of production. The price of every commodity will also rise. If they cannot get credit in the market, factories and business concerns will be closed down resulting in unemployment. The proposed expenditure tax on restaurants 6.00 P.M. will affect the foreign tourists. Moreover, it will ruin the business of small restaurants and hence will result in unemployment.

Dealers making counter sales in India of items to foreign tourists in exchange of convertible foreign currency have been disallowed the exemption available to them in this regard under section HHD of the Finance Bill retrospectively with effect from 1-4-1986 by inserting a provision to that effect in that section. This will result in loss of foreign exchanges to the country and many of the establishments will have to be closed down under the crashing burden of this retrospective liability.

It has been stated in the Budget that the Government intends to reduce its reliance on indirect taxation for raising the required revenue. But a study reveals that its reliance on indirect taxes as a source of revenue has not been slackened.

The reintroduction of interest tax leviable on bankers and credit institutions would be passed on to the users of credit as an additional element of interest cost. These borrowers would then absorb such a cost as part of their production which will result in price rise and ultimately the consumers will have to pay for it. It will be another burden on the consumers. Secondly, the expenditure tax is fifteen per cent on the bills of air-conditioned restaurants will ultimately be paid by the consumers.

In the Budget speech, the hon. Finance Minister assured that prices will come down within 100 days of their assuming the office. But going assuming the office. But going through the Finance (No. 2) Bill, additional levy on petroleum and

[Shri Jagesh Desai]

LPG, increase in the freight and fare charges will no doubt increase the prices including essential commodities.

Consumer goods are being produced at various places and are being transported to every corner of the country by rail, trucks, trolley, etc. Prices of iron, rubber, petrol, etc. have risen as additional taxes are levied on them. So the transporters have no other way but to raise the freight charges. Although there is no taxation on essential commodities, when transportation charges rise, prices of the commodities automatically rise. Take the case of salt which is commonly used by the rich and the poor. It has not been taxed in the Budget. But due to increased transportation charge, the price of salt has gone up.

Our people are poor and most of them are below the poverty line. The Finance (No. 2) Bill will break their backbone by taxing them directly and indirectly and it may lead to unemployment to some of them. Thank you.

DR. NARREDDY THULASI REDDY (Andhra Pradesh): Thank you, Sir. I confine myself to the Voluntary Deposits (Immunities and Exemptions) Bill, 1991.

Sir, in the words of Dr. Manmohan Singh, black money is a many-headed monster. I totally agree with him. It is eroding our political, social, moral and ethnical systems. Year by year, the quantum of black money has been increasing. In the year 1950, the estimated black money was Rs. 200 crores and that was six per cent of the GNP. What is it today? It is Rs. 3,00,000 crores. That is almost 50 per cent of our GNP. So, every year, black money is increasing by Rs. 50,000 crores. Of course, black money is a universal phenomenon. But it is more in our country. In India, it is 50 per cent of our GNP whereas in the USA it is 20 per cent and in Japan it is only five per cent.

What are the sectors which are generating black money? They are real estate transactions, large-scale manufacturers, film industry, professions, constructions and smuggling. What are the reasons for generation of black money? The reasons are manifold. The high rate of taxation, rampant corruption, tight controls, high expenditure on elections, illegal purchase and sale of real estates and so many other factors are responsible for increasing black money. Sir, how to curb this? First of all, corruption should be controlled. The tax regulations should be simplified and the disposal of files should be in a time frame.

Coming to the present Bill, there is a proverb in Telgu which means that the patient came to the doctor for his joint pain but the doctor has given medicine for tooth ache. So this is nothing but an appeasement of the tax evaders. In the past, the tax evaders have been appeased by way of different schemes. In the year 1951, the Voluntary Disclosures Scheme was there. In 1965, one more scheme was announced. In 1975, there was another scheme. In 1985, the Special Bearer Bonds Scheme was announced. But all these schemes proved a failure. They have not been successful. Moreover, the present Bill will be a total failure because according to this Bill, 40 per cent of the deposits will be deducted as levy. Only the tax evaders will be benefited. The depositors can get only 60 per cent. When the *hawala* rate is 25 per cent how can a tax evader or a black money holder lose 40 per cent by this deposit? He will choose that 25 per cent *hawala* rate and will invest money in the foreign bank. The tax evader is not a fool. He is much more clever than all of us. Definitely he will choose that *hawala* transaction and not this. Not only this, for withdrawing the 60 per cent amount also he has to state the purpose for which he is withdrawing. That is also a hindrance for him. Moreover, a major part of the black money is not in the form of cash. It

is in the form of real estate, bullions, as jewellery or deposits in foreign banks. Through this Bill, the country cannot get money. This is nothing but an encouragement for the tax evaders and disincentive to the honest tax-payers. The Government is every time telling that this is the last chance they are giving to the tax evaders and from next time onwards, they will take deterrent action. The Government has been telling like that. Here I am reminded of the story of a tiger and a boy. Finally, it will be like that. Instead of trying to unearth the black money, the Government is taxing the people. I would request the Government to take preventive steps to curb the growth of black money. With these words, I conclude my speech.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Now, the Finance Minister. Will there be a different speech on the other Bill by your colleague? Mr. Rameshwar Thakur, will you be speaking separately?

SHRI RAMESHWAR THAKUR: No, Sir. He will alone do it.

SHRI MANMOHAN SINGH: Sir, I am very grateful to all the hon. Members who have taken part in the debate on the Finance Bill. The Finance Bill is part of the total scheme of the Budget and therefore, it is but natural that the debate on the Finance Bill should also see a discussion once again of the overall budgetary strategy of the Budget that I presented to Parliament on 24th of July. One thing I want to say is that I do not want to claim that in this short period of time, I have found a lasting solution to the tremendous economic problems that our country faces. Today, this is no time to go into the history of how the present economic crisis arose whose fault it was, who was to blame, but the fact is that this crisis can be overcome only if all patriotic citizens of our country, if all political parties of our country

put their heads together because no single individual or no single party today can carry on this massive transformation in our social and economic policies which is required, if this country is to acquire its rightful place in the comity of nations, if this nation is to achieve its cherished objectives. Shri Karbhajia in a very moving speech that he has made, referred to the unfinished tasks of our nation on the economic front—the large mass of poverty which still prevails in this country, the vast amount of illiteracy, the lag in social services; these are no doubt facts. Several other hon. Members referred to the problem of unemployment and regional imbalances. A reference was made to the problem of Bihar. Also a reference was made to the special needs of Tamil Nadu. All these are our genuine requirements. But how are we going to meet all these needs on the basis of a fiscal structure which is crumbling? I submit to you, Sir, that if India's planning is to acquire the resilience that it needs, if the Indian Union is to meet the needs of all its constituent units, as it must, if we have to address ourselves to the tremendous regional imbalances that still prevail in our country, then a pre-condition of that is that there should be a sound fiscal management at the Centre. And, therefore, the fiscal crisis is not something which is removed from the lives of our people. In the same way, the balance of payments crisis is not something which is unreal, which does not affect the lives of ordinary men and women of our country because our country no doubt has made a substantial progress, but it must not be forgotten that even today of the 9 million tons of fertilizers that we use roughly 3 million tonnes of fertilisers are imported from abroad. Although we produce about 30 to 32 million tons of crude oil our consumption is close to 50 million tons per annum. Today I think we face a situation where we do not have resources, we do not have enough money to import these commodities out of the export earning that we generate. There-

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fore, if the economic crisis takes the form of a run on the rupee, a drain of foreign exchange, if we are unable to repay our debt, please don't imagine that this will not affect the lives of ordinary men and women in our country. If we do not have money to import fertilisers, if we do not have money to import diesel, this will have wide-spread repercussions all over the country—agriculture will be affected, industry will be affected, the whole functioning of the transport system and the fiscal system, both in the Centre and in the States, will be affected. Therefore, it is the combined responsibility of all patriotic citizens in our country to work together to find meaningful solutions to these fiscal problems and to the balance of payments crisis. Here I submit to you, Sir, that we have made a beginning and this Budget, therefore, forms part of that coherent strategy of getting our country moving again.

Now a reference was made to the changes in exchange rates. I have several times explained the background of changes in the exchange rates; that were necessary. I agree with Shri Kamal Morarka when he said that the solution to the problem of this country cannot be found by more borrowing nor can the International Monetary Fund or the World Bank take care of the problem that we face in this country. We need today the assistance from the Fund but that is only a palliative to deal with the short-term crisis. In the long run we have to generate more savings; in the long run we have to gain mastery over our fiscal system; in the long run we have to generate export surplus—which Mr. Morarka talked about and I entirely agree with him—that alone can provide lasting solutions to these problems. How are we going to generate an export surplus if our exchange rate is uncompetitive? How we will bring it about I don't have to deal with. But if you have

an exchange which is not in line with the realities then you would not only have a continuing balance of payments crisis but also problems like smuggling and other anti-social activities to which reference was made would also grow over a period of time. Therefore, the exchange corrective was an essential part of the new strategy that we have adopted. If we had not done the exchange correctives how I could have removed in one go the massive export subsidies of Rs. 3,500 crores. If I had not removed that massive burden of export subsidy of Rs. 3,500 crores—I can very honestly tell you—I would not have been able to present you a Budget which, I think, provided a credible fiscal picture of the nation. Therefore, the exchange rate adjustment was organically linked with the fiscal correctives that I outlined in our Budget. In the short term this country must accept fiscal discipline. From here onwards we must go on to consolidating. I said that this year we were going to reduce the fiscal deficit to 6.5 per cent of the GDP; but that is not sufficient. Next year we must strengthen that process further and we must move on to reduce this fiscal deficit to no more than 5 per cent of our gross domestic product. The fiscal consolidation is an essential prerequisite for achieving the objectives of planning that we have outlined. But fiscal correction by itself is not sufficient if the productivity of the economy—productivity in the public sector and productivity in the private sector—remains as low as it is.

Several Members have referred to losses in the public sector. Some other Members, Shri Kamal Morarka, for example, have referred to low productivity in the private sector. I agree with him that inefficiency or efficiency is not the monopoly of either the private sector or the public sector. I think, there are instances of efficient functioning in the public sector; there are also instances of inefficient functioning in the private sector. Now, therefore, we have to

deal with the economic system in its total functioning and when we look at that, there is no doubt, I think, there is a great deal of truth in the statement that overall the productivity of investment in our economy is too low and many public sector enterprises, for some reason or the other, have been allowed to run and function and instead of generating more internal resources they have become a drain on the Budget. This process must be reversed. In the same way, in the private sector also you have the situation because of excessive protection of our economy, because of excessive insulation of our economy from outside competition. Everything said, people are not conscious that technology needs to be upgraded; people are not conscious that quality of products matters. It has all along been a sellers' market. When we talk of controlling inflation, I think, in the long run inflation can be controlled only if we go back to a world in which the consumer will be the king. All along we have operated a system in which there has been a lot of deficit financing that generates inflation. We have tried to control it by imposing various controls on domestic prices, on domestic production and on foreign trade and the cumulative result of all this process has been generation of black money and also a lot of corruption. Unless, therefore, you have structural reforms which cut at the root of the whole mechanism, I think, you are not going to get a lasting solution to the problems of this country. And that is what the industrial policy reforms are about. I think several honourable Members have made reference to the generation of black money. How does black money come into being? It comes into being if you have a massive proliferation of controls. Our economy today has grown to a size that it cannot be administered in the way we used to administer in the '50s. And that is why the proliferation of controls breeds a lot of corruption. Whether it is dishonest politicians, dishonest

civil servants, dishonest middlemen, if you have an economy where for everything you need a middleman, then obviously, I think, you should not be surprised if there is so much corruption, if there is so much black money. Therefore, the industrial policy reform, creating an environment in which people will make profit provided they are efficient, in which there will be more scope for domestic competition and over a time there will be more scope for greater external competition, in my view, in the long-run, will contribute to a more healthy, a more vibrant, economy. And that is the overall philosophy that lies behind this Budget.

Now, as regards the specific features of the Finance Bill, several honourable Members have referred to inflation. I have replied on the floor of this House that as far as I can see the inflation problem is rooted in chronic fiscal deficits. These have accumulated, have grown, over a time and, therefore, it will take some time to gain complete mastery over inflationary forces. But I do feel that in a month or two you would see the beginning of a process of disinflation. The strength of inflationary forces got enhanced because the Budget was presented in July and that is the time when the normal pressure of prices is also up. I also admit that because we had for various reasons to change the exchange rate at that very time of the year, in the short term the inflationary psychology got a boost. But we have had a reasonably good crop year and I feel that by about November or middle of October you would see a turn-around and that turn-around would later on be strengthened because of the tight fiscal policy, because of the tight fiscal and monetary discipline, that we have now embarked upon. And I need the support of this House to ensure that this tight fiscal and monetary discipline is not relaxed. We cannot have a situation in which everybody wants more subsidies, everybody wants lower taxes; we

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cannot have a situation in which everybody wants more Government expenditure for his particular project. I think the time has come when our country has to recognise that there are limits to what the Government can expend. Control has to be the prime mover of reconstructing our economy and polity in the months and years to come.

When one talks of rising tax rates, one must look at the experience of '80s. I think the successive Finance Ministers had levied more taxes, the tax rates had gone up. But the tax-income ratio in our country over the decade has not gone up. Therefore, I think there is a diminishing return going on with the increasing tax rates. I do agree with those honourable Members who are of the view that our tax system has become far too complicated, that it is administratively cumbersome and that there is scope for streamlining and rationalising it. I did not have the time quite honestly to do that in the short period that I had at my disposal. I have now gained some time and I do hope that when I present my Budget next February, I will be able to outline the approach which takes into account the points of view which have been expressed in this august House as well as in the other House.

Then there have been several other points that have been made about interest tax, about tax deduction at source, about banking system, etc. I think these are all points which need reflection. As I mentioned, I did not have adequate time at my disposal to prepare a full-fledged Budget. I do recognise that there may be some features of this budget which may require reconsideration. The exemption limit issue has been raised, the expenditure tax on restaurants has been referred to. My request to this august House is, let us give the present provisions a try. If there are certain inadequacies, I will come back to this House when I present my budget next year. Now, with re-

gard to the second Bill that has been presented, regarding the voluntary deposits, I would like to say in brief only one thing and that is black money is a stock as well as a flow. If you are talking of black money as a flow, you have to act on several fronts. You have to ensure that you have an economic system which does not provide an incentive for the generation of black money. That is why we need to do away with a lot of discretionary controls. The second thing that is required to be done is that we have to have a tax system which is agreeable enough and which is progressive enough and at the same time it should not be such that it gives incentive to people not to pay their tax. I think this is the process which we are going to begin. We must gain some time. The third thing is, we must have a strategy to deal with such anti-social elements like smuggling. Now, how are we going to deal with it? We need a regime of customs duty as well as an excise rate regime which does not place a premium on but which discourages, these types of activities. We have begun that process by adjusting the exchange rate. The trade policy reforms are also going to strengthen the process. A lot more need to be done. If the fiscal consolidation becomes effective we can then move towards a convertible currency regime. In that world of convertible currency all these evils that we have been talking about will become a thing of the past. But for that vision to become a reality, you need a very strong fiscal discipline. To implement this discipline, I respectfully submit to you that we have made a beginning. Therefore, this Finance Bill and this second Bill on the voluntary deposits deserve your support. With these words, I request all the Members to lend their full support to the Bill as approved by the Lok Sabha.

SHRI SUKOMAL SEN (West Bengal): Sir, I would like to know from the Finance Minister about the DA instalment which is due. When will

it be announced? I would like the Finance Minister to react to it.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): He does not want to react.

SHRI MURLIDHAR CHANDRAKANT BHANDARE (Maharashtra): Sir, I would like to thank the hon. Finance Minister for including under Section 80(o) the professional services along with the technical services as requested by me.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): The question is:

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1991-92, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): We shall now take up clause-by-clause consideration of the Bill.

Clauses 2 to 18 were added to the Bill.

Clause 19, Amendment of Section 48

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): We now take up Clause 19. There is one amendment by Shri Raghavji. Mr. Raghavji, are you moving your Amendment?

SHRI RAGHAVJI: Yes, Sir, I am moving.

Sir, I beg to move:

1. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

"That at page 16, lines 48-49, for the words 'fifteen thousand rupees' the words 'twenty thousand rupees' be substituted."

The question was put and the motion was negatived.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): The question is:

"That Clause 19 stands part of the Bill."

The motion was adopted.

Clause 19 was added to the Bill.

Clause 20 was added to the Bill.

Clause 21—insertion of new Section 54H.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): We shall now take up Clause 21. There is one amendment by Dr. Sivaaji. Are you moving your amendment?

DR. YELAMANCHILI SIVAJI: I am moving, Sir.

Sir, I beg to move:

30. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:

"That at page 17 lines 19 to 21 for the words "such compensation as is not received on the date of the transfer, shall be reckoned from the date of receipt of such compensation:" the words "such compensation as enhanced or further enhanced by the court, Tribunal or other authority as is not received on the date of the transfer, shall be reckoned from the date of receipt of such compensation as enhanced or further enhanced by the Court, Tribunal or other authority" be substituted."

The question was proposed.

DR. YELAMANCHILI SIVAJI: Sir, let the Minister assure that he will look into the matter so that I can withdraw my amendment.

Sir, my amendment reads like this:

Extension of time for acquiring new asset or depositing or investing amount of capital gain on enhanced compensation:

"Notwithstanding anything contained in Section 54, 54B, 54D, 54E, 54H, and 54F where the transfer of asset is by way of compulsory acquisition under any law and the compensation or consideration is enhanced or further enhanced by the Court, Tri-

Dr. Yelamanchili Sivaji]

bunal, or other Authority, the period for acquiring new asset by the assessee referred to in those sections or as the case may be, the period available to the assessee under those sections for depositing or investing the amount of capital gain in relation to such enhanced compensation as is not received on the date of transfer shall be reckoned from the date of receipt of such enhanced compensation."

Sir, if the hon. Minister can assure that he will look into the matter technically, I shall withdraw my amendment.

SHRI MANMOHAN SINGH: I shall look into this.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Now, are you withdrawing your amendment?

DR. YELAMANCHILI SIVAJI: I am withdrawing my amendment, Sir.

Amendment No. 30 was, by leave, withdrawn.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): The question is:

"That Clause 21 stand part of the Bill."

The motion was adopted.

Clause 21 was added to the Bill.

Clause 22 to 25 were added to the Bill.

Clause 26—Amendment of Section 80G

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): We shall now take up Clause 26. There is one amendment by Shri Raghavji.

SHRI RAGHAVJI: Sir, I beg to move:

2. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

"That at page 18, lines 37 to 41, be deleted."

The question was put and the motion was negatived.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): The question is:

"That clause 26 stand part of the Bill."

The motion was adopted.

Clause 26 was added to the Bill.

Clauses 27 to 31 were added to the Bill.

Clause 32—Insertion of new section 80-1A.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): We shall now take up Clause 32. There is one amendment by Dr. Sivaji.

DR. YELAMANCHILI SIVAJI: Sir, I beg to move:

31. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

"That at page 29 line 28 for the word 'fifteen' the word 'five' be substituted."

Sir, in the case of rural areas, it is mentioned '15 kilometres' from the local limits of any municipality. I suggest that it should be reduced to 12 kms. in the case of a Municipality; it can be 15 kms. in the case of a Corporation.

The question was put and the motion was negatived.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): The question is:

"That clause 32 stand part of the Bill."

The motion was adopted.

Clause 32 was added to the Bill.

Clauses 33 to 51 were added to the Bill.

Clause 52 (Amendment of section 194A).

SHRI RAGHAVJI: Sir, I move:

3. "That the Rajya Sabha recommends to the Lok Sabha that the

following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

‘That at pages 36-37, clause 52 be deleted.’ ”

The question was put and the motion was negatived.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):
The question is:

“That clause 52 stand part of the Bill.”

The motion was adopted.

Clause 52 was added to the Bill.

Clause 53 was added to the Bill.

Clause 54 (Insertion of new section 194EE)

SHRI RAGHAVJI: Sir, I move:

4. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

‘That at page 37, clause 54, be deleted.’ ”

The question was put and the motion was negatived.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):
The question is:

“Clause 54 stand part of the Bill.”

The motion was adopted.

Clause 54 was added to the Bill.

Clause 55 (Insertion of new sections 194G and 194H)

SHRI RAGHAVJI: Sir, I move:

5. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

‘That at pages 37-38, clause 55, be deleted.’ ”

The question was put and the motion was negatived.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):
The question is:

“That clause 55 stand part of the Bill.”

The motion was adopted.

Clause 55 was added to the Bill.

Clauses 56 to 63 were added to the Bill.

Clause 64 (Amendment of Section 244A)

SHRI RAGHAVJI: Sir, I move:

6. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

‘That at page 40, clause 64, be deleted.’ ”

The question was put and the motion was negatived.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):
The question is:

“That clause 64 stand part of the Bill.”

The motion was adopted.

Clause 64 was added to the Bill.

Clauses 65 to 67 were added to the Bill.

Clause 68 (Amendment of section 272A)

SHRI RAGHAVJI: Sir, I move:

7. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

‘That at page 40,

(i) line 31, for the words and figures “1st day of October, 1991,” the words and figures “1st day of April, 1939” be substituted.

(ii) after line 39, the following proviso be inserted, namely:—

Provided further that in all other cases the amount of penalty shall not exceed rupees one thousand.’ ”

The question was proposed.

श्री राघवजी : मैं चाहता हूँ कि वक्त मंत्री जी इतको मान लें। मैंने 1-10-91 के बजाय 1-4-89 रेट्रो-पेक्टिव इफेक्ट से करने की मांग की। यह मेरा छोटा सा संशोधन है। सको अगर वे स्वीकार कर लें तो इबहुत लोगों का भला होगा।

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Now, I shall put the amendment moved by Shri Raghavji to vote.

The question was put and the amendment (No. 7) was negatived.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): The question is:

"That clause 68 stand part of the Bill."

The motion was adopted.

Clause 68 was added to the Bill.

Clauses 69 to 90 were added to the Bill.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): There are amendments by Shri Raghavji on clauses 91 to 112. Are you moving? If you are moving, then you move all the amendments together.

CLAUSE—91

SHRI RAGHAVJI: Yes, Sir, I move:

8. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

"That at pages 47-48, clause 91, be deleted." "

CLAUSE—92

9. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

"That at pages 48-49, clause 92, be deleted." "

CLAUSE—93

10. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

"That at page 49, clause 93 be deleted." "

CLAUSE—94

11. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

"That at page 49, clause 94, be deleted." "

CLAUSE—95

12. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

"That at pages 49-50, clause 95 be deleted." "

CLAUSE—96

13. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

"That at page 50 clause 96, be deleted." "

CLAUSE—97

14. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

"That at pages 50-51, clause 97, be deleted." "

CLAUSE—98

15. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in

the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

‘That at page 51, clause 98, be deleted.’ ”

CLAUSE—99

16. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

‘That at page 51, clause 99, be deleted.’ ”

CLAUSE—100

17. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

‘That at pages 51-52, clause 100, be deleted.’ ”

CLAUSE—101

18. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

‘That at pages 52 to 56, clause 101, be deleted.’ ”

CLAUSE—102

19. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

‘That at page 56, clause 102 be deleted.’ ”

CLAUSE—103

20. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

‘That at page 56, clause 103 be deleted.’ ”

CLAUSE—104

21. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

‘That at page 56 clause 104 be deleted.’ ”

CLAUSE—105

22. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

‘That at page 56 clause 105 be deleted.’ ”

CLAUSE—106

23. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

‘That at page 56 clause 106 be deleted.’ ”

CLAUSE—107

24. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

‘That at pages 56-57 clause 107 be deleted.’ ”

CLAUSE—108

25. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

‘That at page 57 clause 108 be deleted.’ ”

CLAUSE—109

26. “That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in

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the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

"That at page 57 clause 109 be deleted."

CLAUSE—110

27. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

"That at pages 57 to 59 clause 110 be deleted."

CLAUSE—111

28. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

"That at page 59 clause 111 be deleted."

CLAUSE—112

29. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

"That at pages 59-60 clause 112 be deleted."

The questions were put and the motions were negatived.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):
The question is:

"That clauses 91 to 112 stand part of the Bill."

The motion was adopted.

Clauses 91 to 112 were added to the Bill.

Clause 113 was added to the Bill.

Clause 114- (Amendment of Section 2)

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):
Clause 114. There is one amendment by Dr. Sivaji. Are you moving?

DR. YELAMANCHILI SIVAJI: Sir, I move:

32. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991.

"That at page 60 clause 114 be deleted."

As far as restaurants are concerned, several Members including Members from the Treasury Benches have spoken against expenditure tax on restaurants. As a result of additional tax on restaurants having air-conditioning one will have to pay 50-60 paise extra for a cup of coffee. I suggest that Finance Minister should consider to exempt such restaurants not having central airconditioning but having a small air conditioner costing Rs. 12000 or so. So if the hon. Minister agrees, I can withdraw my amendment.

The question was put and the motion was negatived.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):
The question is:

"That clause 114 stand part of the Bill."

The motion was adopted.

Clause 114 was added to the Bill.
Clauses 115 to 126 were added to the Bill.

FIRST SCHEDULE

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):
First Schedule. There are two amendments 33 and 34 by Dr. Sivaji.

DR. YELAMANCHILI SIVAJI: I move:

33. "That the Rajya Sabha recommends to the Lok Sabha that the

following amendment be made in the Finance (No. 2) Bill, 1991, as passed by the Lok Sabha, namely:—

"That at page 66 for lines 14 to 21 the following be substituted, namely:—

(i) where the total income does not exceed Rs. 50,000—Nil."

34. "That the Rajya Sabha recommendations to the Lok Sabha that the following amendment be made in the Finance (No. 2) Bill, 1991 as passed by the Lok Sabha, namely:—

"That at page 73 for lines 29 to 36 the following be substituted, namely:—

"Where the total income does not exceed Rs. 50,000 Nil"—

The questions were put and the motions were negatived.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):
The question is:

"That the First Schedule stand part of the Bill."

The motion was adopted.

The First Schedule was added to the Bill.

The Second Schedule, The Third Schedule, The Fourth Schedule and The Fifth Schedule were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI MANMOHAN SINGH: 1
move:

"That the Bill be returned."

The question was put and the motion was adopted.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):
Now, we take up The Voluntary De-

posits (Immunities and Exemptions) Bill, 1991. The question is:

"That the Bill to provide for certain immunities to persons making voluntary deposits with the National Housing Bank and for certain exemptions from direct taxes in relation to such deposits and for matters connected therewith or incidental thereto, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):
We shall now take up clause-by-clause consideration of the Bill.

Clauses 2 to 5 were added to the Bill.

Clause 1, the Enacting Formula, the Preamble and the Title were added to the Bill.

SHRI RAMESHWAR THAKUR: 1
move:

"That the Bill be returned."

The question was put and the motion was adopted.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):
There is one announcement. Looking to the agenda before us, there will be a dinner time. Dinner will be available to all those who want it at 8 P.M. in room No. 70.

Second announcement is, regarding abduction of five diamond merchants raised in this House, Hon. Minister will make a statement after we finish with other subjects.

THE JAMMU AND KASHMIR APPROPRIATION (NO 3) BILL, 1991

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHANTARAM POTDUKHE): Sir, I beg to move:

"That the Bill to authorise payment and appropriation of certain