

[Shri Satya Prakash Malaviya] shall now take up the Appropriation (No. 5) Bill as passed by the Lok Sabha. Mr. Gadhai.

#### **APPROPRIATION (NO. 5) BILL, 1988**

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): Sir, I beg to move;

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1988-89, as passed by the Lok Sabha, be taken into consideration."

The Bill arises out of the Supplementary Appropriation 'Charged' on the Consolidated Fund of India and Demands voted by the Lok Sabha on December 6, 1988. These involve 'gross additional expenditure of Rs. 845.22 crores.

Against the gross additional expenditure of Rs. 845.22 crores concerned Ministries/Departments have identified matching savings/increased receipts to the extent of Rs. 195.22 crore leaving a net additional requirement of Rs. 650 crores. This comprises Rs. 250 crores for fertilizers subsidy Rs. 200 crores for export subsidy Rs. 100 crores for Comprehensive Crop Insurance Scheme and Rs. 100 crores for flood relief. The details of the Supplementary Demands are available in the documents laid on the table of the House on 2nd December, 1988.

Sir I move.

*The question was proposed.*

SHRI KAMAL MORARKA (Rajasthan):-  
Sir I rise to oppose the Appropriation (No. 5) Bill, 1988. This

involves gross additional expenditure of Rs. 845.22 crores and the main features have just been given by the Minister.

Before I come to these specific Supplementary Demands, I would like to point out to the Government three indicators, important indicators, which show the current state of the economy in the year 1988-89. We are in the month of December. Seven clear months have passed. We are in the 8th month in the ninth month.

After three months the Government of India budget will come in February.

First and foremost, we must note that the current year's borrowing from the Reserve Bank has been going on at the rate of Rs. 1000 crores per month. At this rate, by the end of the year, the Reserve Bank borrowings will total to Re. 12000 crores. This is roughly what the Budget deficit would be. At the beginning of the year, the Budget deficit was projected at an order of about Rs. 6000 crores, which means that we have already borrowed from the Reserve Bank the entire projected budgetary deficit for the entire year. Now, the Finance Minister recently in one of the fora outside this House promised that the Budget deficit will be contained at the figure projected at the beginning of the year.

No, this looks to be a rosy promise. In fact, it is a threat that further taxation is round the corner. The expenditure has already been incurred and if the deficit is already more than what we had planned and if by March you are not going to contain the deficit, then there is only one way in which you can do it and that is by mopping up additional resources by way of either taxation or administered prices. My first request to the hon. Minister is "Please don't do it." In petroleum prices, steel prices and coal prices, the

law of diminishing returns has set in. It is no more profitable to tax them or to increase their prices and to mop up revenue in this manner. It will be much more healthy to let the actual budget deficit show at the end of the year. There is no doubt that that figure will be alarming. It will be of the order of 10,000 or 12,000 crores of rupees. But it is much better to have this figure and plan the next year's budget based on this reality. Instead of that, if you are going to go in for additional taxation in January or if you find some other method to bridge this deficit, it will be infinitely more harmful to the economy. What is the other way? Since the Finance Minister has not made it dear, it is my assumption that a tax hike or an administered price hike is round the corner, because the only other way in which you can contain the deficit is either to control the public expenditure or to augment your earnings from the public sector undertakings. Both these are nowhere on the horizon. They are not possible during the short period of three months. Nor do the policies and programmes of this Government indicate any desire to control wasteful expenditure. The performance of our public sector undertakings is a subject which needs a separate debate. Suffice to say here that the performance as it is today, cannot undergo any radical change in three months so as to contribute towards lessening the budget deficit. So, my first request to the Finance Minister is: "Please don't increase the burden of the common man in the next three months. Please don't go in for any taxation before the actual budget comes". I would like the hon. Minister to tell us and take the House into confidence, while replying to the debate, as to what is the present position of the budgetary deficit and whether by March the budget deficit is likely to be more than the budgeted figure. What is the actual position? I ask this because the Reserve Bank borrowings up to 21st of October were of the order of 6607 crore of

rupees. Already we have borrowed what was projected almost.

The second indicator which is disturbing is the Consumer Price index. Kenceney, the Finance Minister has said in this House that the inflation is under check. The wholesale Price index is always quoted to show that the inflation is under check. I wish to point out that it is the Consumer Price Index which really affects the economy because all the D.A. paid by the Central and State Governments or by the private sector is based on the Consumer Price Index. Also, it is after all the retail price which the consumer pays from his pocket. That is the real thing that affects the common man. The Consumer Price Index has shown an increase of 7 per cent in six months. Last year, the corresponding figure was around 5 per cent or less than that. There is an increase in inflation by 40 per cent during this year. What are the factors? People may say that in a developing economy inflation will be there. But there is a very very important point. This is the year of foodgrain surplus. There has been inflation every year and one of the reasons put forth by the Government was that there had been drought and that agricultural output had gone down. Now, this is the year of a bumper crop. If the inflation rate is more than that of last year in spite of our bumper crop, then it is an alarming sign for the economy. So, the first indicator is the borrowings from the Reserve Bank. The second indicator is the Consumer Price Index.

The third indicator is the value of the rupees and the parity of rupee-pound and rupee-dollar. Recently, it was said in this House that it is a phenomenon not linked with the internal conditions. I beg to disagree. The internal buying power of the rupee will have some effect on the strength of the rupee outside. It is inevitable. Rupee was delinked with the pound on September 25, 1975. We had a basket of currencies. At that time, the rupee-pound parity

was fixed at Rs. 18.55. Today, it is Rs. 21.00, and only in six weeks, that means, between October 9 and November 20 this year, the rupee-pound rate has changed from Rs. 21.00 to Rs. 21.55 which is more than 10 per cent in six weeks. This is not an ordinary devaluation of the rupee. It is a very, very serious indicator of where we are going. So, these three indicators which I would like to bring to the notice of the hon. Finance Minister, i.e. the net credit of RBI to the Government, the consumer price index and the value of rupee linked with the pound, all indicate that our currency is under pressure, and the reason to my mind is very clear. If the agricultural output is going up, if the rate of industrial growth is going up and yet we have this kind of thing, the main culprit is public spending, the deficit financing. And on that I wish to quote three authorities. The first is the Ninth Finance Commission. The Ninth Finance Commission has said that elimination of revenue deficit at the earliest is an absolute fiscal imperative. I could not agree more with this proposition. I think, the first priority of the Government should be to wipe out the revenue deficit. The long-term fiscal policy has said that there would be no revenue deficit by mid-87. Yet, in the first three years of this Plan, 15.8 per cent has been financed by deficit financing. This is by the authority of the Governor of the Reserve Bank of India who has also said that curbing the growth of non-plan expenditure is crucial. The Ninth Finance Commission has also said that the fiscal scenario has gradually worsened to an alarming extent. These are observations of the Finance Commission and the Governor of Reserve Bank. These are two very important institutions in this country, and they also feel that deficit financing must be curbed and Government spending should be curbed.

Sir, I would also quote Raja Chelliah, a Member of the Planning Com-

mission who has a very, very sensible suggestion to make and I commend that suggestion to the finance minister. Raja Chelliah has suggested the setting up of a "separate accounting unit within the Finance Ministry for unit independent loan disbursement transactions so as to induct a greater degree of fiscal discipline in public expenditure. The body should be accountable to Parliament alone and should monitor on a continuous basis the utilisation of funds to make them more productive."

Sir, the burden of my song is that year after year we come to the Annual Budget, we debate the figures. Most of the discussion is on the rates of taxation and some section of the House or the other is concerned with some excise or direct tax or some change that you are making. But the other aspect has not been given due attention. And that is: How are we utilising that money? My submission is that whatever money is collected, the utilisation leaves much to be desired. There should be a drastic cut in public expenditure. I made this point before. I want to repeat this for the three months that are only left during this year. But the Finance Ministry has to make a definite and deliberate effort to cut down the expenditure of all the Ministries. I asked a question, in reply to which I have never got a specific answer. I asked as to what specific steps have been initiated to cut expenses. All that we hear is some car, petrol, some foreign travel, etc. Sorry, our problem is much bigger than that. What we need is some drastic pruning. The Finance Minister knows better than me that 19 per cent of the First Plan was financed by revenue surpluses. By the Sixth Plan period, it came to 1.7 per cent. In the current Plan period, we are in the negative.

As far as the balance from the current revenues is concerned, we will not be able to finance the building up of the country by current revenues. In

fact, to run our own expenditure every day, to pay our own salaries, we are eating into the capital account! This is a very very dangerous situation and though in the current Appropriation Bill out of Rs. 845 crores the Finance Minister may well turn round and say that most of the items are beyond his control, the issue is not that. The issue is that if Rs. 845 crores has to be found we should also find how to cut some other expenditure out of these Rs. 845 crores. Because, otherwise this will only go to increase the deficit. Last time also I made a submission to give us an overall picture of how we are going in the current year so that we can have a more meaningful debate. By the time the Economic Survey comes only a week is left for the Budget and thereafter the discussion goes on. It gets combined with the Budget. But whatever figures are available from

the reserve Bank or other sources, we find that in the current year we are far behind even what was budgeted. Even our budgetary deficit is alarming, it is frightening, what we are doing is far in excess of the deficit planned and I cannot over-emphasise that any increase in administrative prices will again push up the consumer price index. It is the poor man, common man who will suffer. Please do not do it. Please wait for the Budget and in the Budget let the Finance Minister use all the financial at his command, how to balance the figures. But before that, let us not have increase in the steel prices, increase in petroleum prices and then there would be a big protest and then again you withdraw a little bit. Let us not have that. That never used to be the system till a few years ago. We never used to think of mid-year taxation. Let us again try to go back to the old conservative and orthodox system of budgeting which definitely held the country in good stead.

Only a word before I end. On this particular item Rs. 200 crores has been provided for cash compensatory

support for exports. It is a good sign that exports have gone up. But two points: One as that imports have grown up faster than exports. Unfortunately our trade gap is increasing. But more important, we want to know the figure, out of this cash compensatory support for exports how much of the export is to Russia or to rupee payment countries because any cash compensatory support that you give adds to the inflation. Okay, in the interests of foreign exchange we have to suffer, or we have to accept that inflationary pressure. But in the case of export; to rupee payment countries we do not even have that consolation. So if the cash compensatory support, if this Rs. 200 crores is going mostly to rupee payment exports, it will not help the economy at all.

The other thing is that I want to have a word on droughts and floods. Droughts and floods will be in different States. But the Government should come out with a concrete policy how the money is to be distributed. It should not be on the whims and fancies of the Government because to some States you give Rs. 10 crores and to some others you give Rs. 100 crores, depending on the political situation. It should not be so. There should be some parameters by which this largesse to the States is distributed.

The other point is about the Department of Mines: Here Rs. 85 crores has been provided by way of excess payment of customs duty. Now, this is uncalled for. If in the case of this corporation customs duty have increased, they must find their own funds. You should not pay additional money to them to enable them to pay additional customs duty. The amount is only Rs. 85 crores. It does not affect you overall. But the principle is there Public sector units must try to become autonomous and run on their own.

Sir, with these words, I end-up my submissions, with a final request to the Finance Minister that even in these three months, please have a three-pronged attack, contain the Government expenditure, moderate your borrowings and try to increase the income from the public sector undertakings and that is the only way in which the economy can be balanced.

THE VICE-CHAIRMAN (SHRI SATYA PRAKASH MALAVIYA): Shri Rameshwar Thakur—absent. Yes, Shri Jagesh Desai.

SHRI JAGESH DESAI (Maharashtra): Mr. Vice-Chairman, Sir, I rise to support the supplementary demands presented by the Finance Minister. I do not want to go into the details regarding the economic situation, price rise, deficit financing etc. because those things have been discussed time and again. But I would like to make two or three comments on what Mr. Karnal Morarka has just now said. To my mind, deficit financing does not itself create a situation of inflation. I am very clear in my concept. Deficit financing means that you have poured more funds for development than what you committed in the budget and you are exceeding those amounts. To my mind, if borrowing is taken for the purpose of development and because of the borrowing, deficit is increased, I don't think there is anything wrong. If by pouring more funds for development, more goods are created, then fruits we get are more than what we pour in and this will not create any inflation. So I am not against the deficit financing at all.

As regards revenue expenditure, it should not exceed your revenue income. If that is so, the problem will not arise. But if you, deficit is on account of, meeting the deficit—or you want to resort to deficit financing to meet the deficit of revenue from income, then it will create problems

and that is why I am of the firm opinion that Government must spend on account of revenue, whatever they can collect by way of revenue and for that purpose you have to generate resources. How do you generate resources? I would not like to go into the details at present, but you have to tighten up your collection machinery. Even in income tax, I think—if I remember the figure correctly—more than one thousand crores of rupees are in arrears from not more than 80 industrialists. That means, per industrialist, it is more than Rs. 12-15 crores, and that is way, for that purpose, you have to take action to collect the revenue.

Having said this, I would like to say something regarding the price situation. As regards the price rise, it is not more than 4 to 5 per cent annually. The inflation which was at 10 per cent, is now less than 5 per cent, and this is not because the bumper crop only but also because of the policy of the Government in this regard. That is why, as I said earlier, in the coming months, the prices are going to come down. At the same time, Government must procure foodgrains in time, especially the oilseeds. The price of oilseeds at present is low; but after some months, the businessmen will buy these oilseeds and after 6 or 7 months again the consumers will be put to difficulty and they will have to pay higher prices for the edible oil. So the Government must give even better prices to the cultivators as far as oilseeds are concerned.

Now I come to the demands proper. I am very happy that about Rs. 100 crores have been provided for flood relief. In Maharashtra, especially in the Marathwada region of Maharashtra, huge damage to crops, animals and buildings has been caused by the widespread floods in Marathwada region. The Government must send a team to Maharashtra to assess

the damage and losses incurred on account of these floods. I would like to point out that the Marathwada region is the most undeveloped in Maharashtra. Most of the people there belong to the low-income group. That is, why I would suggest that the Government must decide with sympathy and allocate as much amount as possible to give solace to the people.

Secondly, I am very happy that for crop insurance Rs. 100 crores have been earmarked. Here I would like to point out one thing, I would like to stress one thing. There are two crops, pulses and oilseeds, which are cultivated by marginal and small farmers. These are cultivated mostly in rain-fed areas. It is the small farmers, the poorest of the poor farmers, who cultivate these crops. Our country, as you know, is deficient in pulses and oilseeds. Therefore, I would request the Government—I have raised this issue earlier also, on many occasions—that there should be a crop insurance scheme for these two crops, oilseeds and pulses, and since these are cultivated mostly in rain-fed areas, the insurance premium should be free so that the poor farmers who have otherwise to depend on the vagaries of the monsoon—as these are rain-fed areas—can at least get solace from the Government. The premium should be paid by the Central Government. It can be two-third from the Central Government and one-third from the State Government as is generally the case. The farmers should not be required to pay any premium on this account. If this is done, these two crops will be cultivated by marginal farmers. At present, they are not cultivated. That is why pulses and oilseeds are in short supply. If this is done, I am sure, the production of these two crops will go up. For the last several years, we have seen that the pulses production is stagnant. It has not risen. But fortunately, this year, production of oilseeds and pulses has increased by more than

40 per cent compared to last year. Even then it is not sufficient. Therefore, the Government should take special steps to see that the small and marginal farmers are given some solace so that they are encouraged to take up cultivation of these two crops.

There is one point to which I would like to draw the attention of Mr. Morarka. I find that in most of the cases in these Supplementary Demands, additional funds required are met from out of savings in the same department. This is a very good thing done by the Government. The Government should try to see that the deficit is kept as low as possible. But I would like to add one thing here. This should not be at the cost of development. For example, I find here that as far as the Nhava Sheva project is concerned, a saving of Rs. 38 crores on the capital account has been diverted for some other development. I would like the hon. Minister to clarify this, this saving on the capital account. Was it because of wrong planning? Or, was it because the earlier estimate was on the high side? Or, was it because that some of the items have been curtailed and that is why the saving is there? I would like to stress that no such cut should be there on capital expenditure. I do not know whether some developmental programme has been cut off and, therefore, there is this saving. If it is because of efficiency, if it is because of better utilisation of funds, I am happy that the Government is going in the right direction and I welcome it.

As far as trade is concerned, I am in complete agreement with Mr. Morarka that we should increase our trade with the rupee countries, with Soviet Russia and other Communist countries. I am very happy that the Government is proceeding in this direction. Our Prime Minister has gone to China. I am of the opinion that we have to improve our relations with China. We are two great

power<sub>s</sub> i<sub>n</sub> Asia; India and China. Our cultural and trade links date back to one thousand years and more. We should se<sub>e</sub> what items we can export to China and what items—which are not produced here now and whic<sub>i</sub> we get from some Western countries -^we can get- from China. We should have this kind of trade with China.

And if that is done. I am 4.00 P.M-sur<sub>e</sub> our country will be benefited, China will be benefited and both the countries will com<sub>e</sub> neare to each other.

My last point is regarding housing. CPWD has been given som<sub>e</sub> Re. 30 lakhs—I do not remember th<sub>e</sub> exact figure—fo<sub>r</sub> constructing som<sub>e</sub> tenements, but are we going to solve this problem by- this meagre allocation? Are we going to solve the housing problem of Government servants? In my earlie<sub>r</sub> first and second budget speeches I have sai<sub>d</sub> that the Government must increase allocation of funds for constructing dwelling places, which may be of double rooms or even-single rooms with attached lavatory. All the Government servants should have a house after they retire and as s<sup>uc</sup>h this meagre allocation will not do. You can deduct the fund in instalments from their salary. It i<sub>s</sub> the most secure loan. You Will get interest. You will get the monoy in instalments, that can b<sub>e</sub> deducted from monthly salary of th<sub>e</sub> Government employees. As I said earlier, there should be a revolving fund of about rupees four to fiv<sub>e</sub> crores for Government servants? building activity. This fund can be there only onc<sub>e</sub> and afterwards from instalments, interest it is collected from the salary for the loans \$ven,» it will be added and from that you can construct houses for the Government servants. If that is done; the housing problem of the Government servants could be completely met within five to ten years. That should be the aim of the Gov-rntfint. If the Government goes in that direction, the housing Problem

oi the Government servants can be solved easily.

Similarly, we have t<sub>o</sub> think of the the employees of the public sector undertakings. They are going very well but about private sector I am s<sub>o</sub>rry to say, they do <sub>o</sub>t take care of their employees for providing houses. Even for R&D the private sector spends only. 6 per cent of their turnover whereas the public sector spends, if I remember correctly, 1.87 per cent of the turnover. So, we have to see that the private sector also comes forward and helps its o<sub>o</sub>wn employees to solve thei<sub>r</sub> housing problem.

With these word<sub>s</sub> I support the demands Which the Finance Minister has placed before this House.

SHRI E. BALANANDAN (Kerala): Sir, I rise to oppose this Bill. Thi<sub>s</sub> is the second tim<sub>e</sub> that a supplementary demand is brought forth. The demand is for Rs. 84522 lakhs. We can understand if a demand is Put forth as a supplementary demand whe<sub>n</sub> some unexpected expenditure ha<sub>s</sub> fallen on th<sub>e</sub> Government so that the<sub>v</sub> could not visualise the expenditure when they presented the Budget, but while going through th<sub>e</sub> demands we find that man<sub>y</sub> of the demands are such that the Government could visualise the expenditure earlier when they presented the Budget and they could have presented the budget of a higher order. However, here it is for us to say something about it. Th<sub>e</sub> deficit, whe<sub>n</sub> you presented the Budget, was Rs. 8484 crores. Now it is on the increase. I do not want to say much about that. It is on the increase and before I comment o<sub>n</sub> this aspect may I ask a simple question from the Minister through you, Sir? When you presented the last budget, you said that you had to collect Rs. 1200 crores by way of default of taxes? Did you collect anything out of it? Rs. 1200 crores are in default of taxes to be made by the big moneyed p<sup>eo</sup>ple. The names are ther<sub>e</sub> With the Minister. Therefore now that you

are coming with these appropriations before us, you must tell us how much you have; collected out of the Rs. 1200 crores.

SHRI M. A. BABY (Keraia): That will be collected for the elections.

SHRI E. BALANANDAN: I do not know whether that is for the elections or something like that. But I want an answer from the Minister on that question. Government of India's finance is in a crisis and the policy which is being pursued by the Government is taking the country towards major crises in all sectors.

Coming to your taxation policy, what is your taxation policy? You do not tax the rich, but you tax the ordinary man. If you look into the rate- and ratio of taxes, you find that during 1950-51, the indirect tax ratio was 63 per cent, while it has reached 84.2 per cent in 1987-88. The percentage of direct taxes in 1950-51 was 36.9, and in 1987-88, it is 15.8 per cent. What does it show? It shows the wrong policy of the Government. I do not want to dilute this because my time is limited. The effect of this taxation policy is that the ordinary man is squeezed and you do not take money from those who are having money. That is your attitude.

The revenue deficit and non-plan expenditure are also on the rise. In 1988-89, the revenue deficit with the Government is Rs. 9842 crores, as my friend has said. The total plan expenditure is (being met by loans alone). During the earlier period it was 58.1 per cent; now in the Seventh Plan, it has risen to 68 per cent. Over the last three years of the Seventh Plan, the expenditure is being met through loans and borrowed money.

The non-plan expenditure is also going sky-high. In 1984-85, it was Rs. 25063 crores, while in 1988-89, it has risen to 25063 crores—an increase of 91 per cent. Our borrowing from external and internal sources is coming to a level.

You have no proper account of our foreign liabilities. One man says it is 53,000 crores and odd, but when we go through the accounts, big amounts are being shown by the World Bank and those people who accurately calculate the foreign liability of Government of India. It was said that in 1986 it was 43 billion dollars and now it is said that it has risen to 60 billion dollars. Can you tell me the figure? Somebody says 55 thousand is the liability figure. I do not know which is the correct figure, but when the international figures tally with the World Bank figures, one cannot disbelieve it. So 60 billion dollars worth of foreign liability we are having. Mr. Malhotra the RBI Governor, in a recent speech on December 3, said that Government of India is encouraging exports. They are doing every thing for that. But what is the position of exports? We are having 2 per cent of the world trade earlier. Now it has come down to half a per cent. This is the improvement we are making! Not only that, you have now adopted what is called a "liberal policy". What does this mean? Everybody can borrow from everywhere, every year. Mr. Malhotra has gone on record that we are getting less concessional aid and we are going in for high-cost borrowing from commercial banks abroad. What does it mean? High-cost borrowing from commercial banks abroad means our liability is on the increase. Now the total debt repayment ratio has increased to 27 per cent. The World Bank stipulates that if you go beyond 20 per cent & is very dangerous, and our Government has reached 27 per cent! Therefore, my humble submission to the Minister through you, Sir, is that our country is in a debt trap. Internal borrowing also is going sky high. It is more than a lakh-of crores. Somebody is assuming that if you transfer some money from somebody, it won't have a bad effect. But, because of the loans the prices go high, and that is what is exactly happening in India.



[Shri E. Balanandan] For the last three, four months we find that there is a seven per cent rise in the ordinary, retail, prices. What is happening; therefore, is that the ordinary man's purse is being squeezed. That is the effect of it.

Our trade deficit also is on the increase. I won't go into the figures because I do not have the time. The increase is 23 per cent. I don't want to quote other figures. Our trade deficit has gone up to Rs. 2618.9 crores. Our foreign exchange reserves also are going down. We are having money for only three months' business, no more than that. That itself shows the dangerous situation. Therefore, in total, the policy being pursued by the Government of India with regard to figures is in a wrong direction. And, while going in a wrong direction, you are talking of liberalized economic policy. What does it mean? Everybody is allowed to come in without restriction so that in our imports and finances they come in and dictate. Finally, the World Bank and the IMF come to dictate terms and we gentlemen in Parliament cannot decide the policy of the Government of India. The Government of India's economic policy is decided elsewhere abroad, in New York or in the headquarters of the World Bank. Then somebody comes to us with a proposal and we agree with that. This kind of a situation is dangerous.

Sir, there are one or two important points. There are many lacunae in our Government's handling of the finances. The Government of India should not have, I may say, an imperial approach towards the States. If you adopt imperial postures, what will be their reaction then? They feel that there is colonial oppression. When the States demand something, you people who are here at the Centre offer something, and say, "Take it if you want' otherwise leave it." When

the Ninth Finance Commission was appointed to go into the question of devolution of funds, what did they do? They did something just like what an old woman in Kerala did. I am only giving you a small story. There was this old woman who was baking bread, but because she could not see at the time the loaves were getting smaller and smaller. That was the way the Ninth Finance Commission also went about in seeing how the States should be helped. The result is that the States' share is dwindled, and purposely dwindled. When they approach the Centre for something, you say, "No, it cannot be discussed." The Finance Minister is a big man, a serious man, and a man holding the portfolio of Finance should understand that India is one. This imperialist kind of approach is no good. Not only this there are other things also.

When a proposal for a project on the Damodar comes from Bengal, that will not be sanctioned. Then a petro chemical project for West Bengal comes. That will not be sanctioned. Another project comes from Kerala. That will not be sanctioned. You here at the Centre decide everything for us. Are we not mature people to know what is necessary for the State of Kerala or West Bengal or any other State? When the question of Andhra comes, the NABARD Bank is giving money for co-operatives. Why? Are they not mature, I mean the Andhra people. Can they not understand things? Therefore, what will this financial mishandling of this type ultimately do? It will ultimately ruin the country's unity which is very serious. It cannot be handled by deities like you and others who are at the Centre.

Another thing I want to bring to your notice is a very important thing. We are always expecting that the Defence Ministry should be prompt in things. I have with me a report which has been published in the "INDIAN

EXPRESS" dated 17th December. I do not want to malign anybody. The Kerala leader, Mr. Karunakaran, went in an IAF aircraft to Guruvayur. Then he went to Trivandrum. He is a man who has used the IAF aircraft earlier also. Then a judgement came from a judicial body. It said that the Defence Ministry had erred in giving an aircraft to Mr. Karunakaran, the then Chief Minister of Kerala. But then, an ordinary Congress leader, Mr. Karunakaran, is using the IAF planes, helicopters. How he can use them, I do not know. Our Defence expenditure is on the high side, Rs. 13,000 crores. It is always on the high side. I am not making any statement against it. If the Secretary, Congress (I) wants an IAF plane to go to a temple and come back, you get it. What is happening? So, I want an explanation on this question from the Finance Minister, Sir.

Another thing is, the expenditure is to be curtailed.

THE VICE-CHAIRMAN (SHRI SATYA PRAKASH MALAVIYA): This is the last point, Mr. Balanandan.

SHRI E. BALANANDAN: Actually to the Finance Ministry this should be told. The telephone bill of one Bank Manager in the SBT, State Bank of Travancore, is Rs. 36,000 odd for one month for the office telephone and for his residential telephone it is Rs. 13,423. Altogether, 36 plus 13. You calculate. It is Rs. 50,000 for one person. How can these people help our country, Bharat? Managers of this kind have the phone expenditure of Rs. 50,000- per month for nothing.

Other things are about our Plan, do not want to go beyond my limit.

We were saying that 5 crores of people, to be precise 4.7 crores, will be given employment during the Seventh Five-Year Plan. It averages nearly 1 crore per year. Good. Every young man in the country was expecting that the Government of India is

going to give him job. One crore of persons will be employed. Wonderful, Sir. What is happening in the country? In the Reserve Bank of India alone nearly 2,600 vacancies are there not filled. No opening is there. In the Railways I am told they are going to reduce the strength of employment by 5 lakhs. Mr. Sathe my friend, is always vocal. He was saying that in the coalfields another few lakhs are going to be sent out.

What is the position of the major industries of the country? During the British days the hawkers of Britain were hawking in London saying, "Indian cloth, Indian cloth." Indian cloth was so much in demand. What is the position of the Indian cloth industry today? Several lakhs are unemployed, and the textile industry is facing a crisis.

Finally, I am saying that these things should change. Our country cannot go forward with the policy you are pursuing today. Therefore, my request to the Minister is this. Your demand, I have to oppose because of these conditions. About other things, I have no time, I am only saying that I oppose this Bill. You kindly change your policy. At least collect the taxes from those who have to pay to the Government of India. Then come to the people and tax them. That is the attitude you should take. Otherwise, this kind of attitude will ruin the country. Our country is seriously in a debt-trap. Don't forget this. You have to keep it in mind. That is all.

With this, I oppose this Bill.

**PROF. CHANDRESH P. THAKUR** (Bihar): This is the time to look at the performance of the general fiscal situation. I have listened with some attention to the remarks from the Opposition. Everybody is worried. I heard Mr. Morarka speaking and the hon. Member just now who spoke also talked about the problems of the size of the deficit, of non-Plan expenditure.

[Prof. Chandresh P. Thakur] the question of continuing inefficiency or relatively less efficiency of public enterprises or the fear of the debt trap. These are familiar battle cries on the side of the Opposition. At the same time if you heard the earlier debates, the demand on behalf of the States for net added transfer of resources from the Centre to States is still growing. The pressure is mounting. There is a demand for additional subsidy and continuation of existing outsidies. Then on the other side we talk about efficiency in economic management, on the other side we find different State Governments and particularly some of the neighbouring State Governments indulging in populist approach towards repayment of loans from the banks or other sectors of the government. Now, it is very difficult to reconcile the economic rationality of the demand and the economic rationality of the comments that the Opposition Members are trying to make. Let us look at the hard facts. The question is whether the economy is growing in terms of growth rate of the GNP or not. The fact is that it is growing at a very fast pace. In fact, the expected rate of growth of real income in the current year is likely to be around 9 per cent, which is much higher than what we have seen in the recent years. If you look at the sectoral composition of performance then the food production, thanks to the bountiful monsoon and a more imaginative agricultural strategy, particularly the food production strategy, we are finding a better performance. Of course, we depleted our buffer stock, but as a result of the better crops and with some imports we are trying to replenish our buffer stocks. Industrial growth has been very encouraging, although in the last few months there has been a tendency at deceleration and we hope by the year end the things will level up and out performance in the industrial sector will be well above the recent perform-

ance. It should be crossing 10 to 11 per cent mark.

Tertiary sector growth has been unabated. In fact, it has shown vigorous rate of growth, although the quality of growth may be an area of concern, not the rate of growth.

The price situation is always a source of worry, but not lately. I heard Mr. Morarka talking about the consumer's price index. There is no doubt that it is the rise in the consumer's price index that the consumer faces the real punch, but the increase has not been as alarming as we think, particularly if we look at the recent drought and the risks of likely increase in price which did not take place. Now, so far as the consumer's price index is concerned, it is closely related to the liquidity in the economy. It is true that the liquidity is growing because disposable income has been growing, because of different kinds of payments that we have committed, whether it is the Fourth Pay Commission and the cascading effect of that in the rest of the economy or the other salary settlements, dearness allowances and all that. This leads to demand inflation. But on supply side if our buffer-stock position is right and releases are timely and adequate, all the operations both on the supply side and on the demand side of the buffer-stock are efficient, then we should have no fears. It seems to me the very fact that the price index has not been rising at a very rapid pace, shows that the supply management so far as the essential commodities are concerned, has been somewhat efficient and this has given us a relatively better balance with demand.

Now, so far as the wholesale price index is concerned, it is very encouraging. As a matter of fact, there was a slight pressure but if you take the latest figures, there has been a deceleration there. What is particularly encouraging is that in the agricultural

product group the rate of increase in the whole-sale price index has been much less compared to the non-agricultural commodity group.

However, the fact remains the resource position of the Government is under strain. When we talk of resource position we talk of three components. Number one, what is the rate of the domestic savings, particularly, the net figures have been under serious stress. Fortunately, the household sector performance has been good but the performance at the corporate sector level and particularly the saving in the public sector of the corporate sector has been discouraging and much more discouraging has been the rate of the savings in the Government sector. So this is one area where substantial correction is required in order to generate adequate resource for investment.

The second component is related to revenue. Now if you take the total revenue picture, the direct taxes constitute 14.7 per cent and indirect taxes constitute 85.3 per cent. Increasingly indirect taxes are becoming the resource base and particularly the commodity taxation, the widening net of the commodity taxation. Now, if the economy is growing and diversifying and if the product range in the commodity group is growing, then, there is nothing to worry. But if it is just an effort to create a base for additional tax on the limited commodity group. Then, it is a source of worry. But we hope that if the economic growth plan gets off the ground and becomes more effective, then, perhaps, if indirect taxes bring additional revenue, there is not much to worry. On the direct taxes side, of course, we need to do better. So far as direct tax revenue to GNP is concerned, it is 2.5 per cent and indirect taxation it is 14.4 per cent. Now, when we talk of buoyancy in the direct taxes, we look for the buoyancy of the revenue within the existing fiscal provisions. We look at the

efficiency of the tax collection administration. We also look at the possibility of the widening tax base so far as direct taxes are concerned, but not necessarily increasing the marginal rate of taxation or even totally denying the tax shelters which are promotive of the savings pool which in any case we need in a big way.

Now, the third component comes to borrowing. Borrowing is a familiar supply source of resources for the Government. There is no doubt that 27 per cent or a little more than 27 per cent of the total expenditure is being financed through domestic borrowings, and 21.9 per cent of the total Central tax revenue is going as interest repayment of the order of Rs. 6,913 crores. Now, one could be alarmed by these figures but the fact remains that if the Government has to work, it needs liquidity and in order to retain this liquidity without disturbing the price situation, one has to go to the market and plough back the available liquidity from the market. People have income whether they are salary income or arrears or the increase in the production bringing more accrual to them it leads to liquidity and there is some need either through borrowing or other instruments to plough back more out of that in the Government sector for the purpose of not mere maintenance cost of the Government, but for net investment and resource augmentation for it.

I agree with the Members on that side so far as public sector contribution is concerned, we need to improve efficiency, but there is evidence to suggest that there is a growing concern within the public sector management and the concerned Ministries to bring a modicum of efficiency in the management and increasingly public sector enterprises have been trying to look beyond the budgetary support for their resources and seek the market sources or improve their operating efficiency to generate internal resources. Some of the giant en-

[Prof. Chandresh P. Thakur]

terprises like the Steel Authority of India have been trying to relieve the Government for access to resource support, soft loans etc. Some are going to the market. This is not to suggest that the battle has been won. There is a lot more to do so far as public sector is concerned. But the more important question from the budgetary point of view is the state of subsidy. So far as the subsidy is concerned, we commit a substantial amount of resources whether they are on food or fertilizer or export. Food and fertilizer subsidy is linked to our agricultural strategy and particularly foodgrains production strategy which are very important for the survival of the economy, for anti-poverty programme, for anti-inflationary development package, for basic self-reliance of the economy and if we reduce the subsidy component which has served us well in improving the foodgrains production and other agricultural production, we will be taking a risk. However there is a need for course correction I would like to draw the attention of the Government in this regard that the package of subsidy in relation to agriculture and particularly food and fertilizer could be reorganised in order to make it more region and product specific rather than a flat rate on an all India level. I have a definite consideration behind this proposition and what I am looking at is that the traditional green revolution area has reached a hump so far as the productivity is concerned. So, the current pattern of subsidy is not helping us to get more out of that investment in the green revolution belt area. So, you need more than subsidy, a different kind of R&D support for the green belt area. But so far as the non-green belt area is concerned, the subsidy pattern should be region specific and if you want to extend the green belt area in terms of geographic coverage particularly rain-fed agriculture, the dry farming area and the monsoon

belt, then your agricultural subsidy should be directed more liberally towards those specific regions and the products particularly the kharif products. The rabi crop has benefited so far as the subsidy is concerned but the performance of the kharif crop has not been good whether it is subsidy or a lot more than what goes in terms of infrastructural support. Much vigorous R&D support is required. That is a matter of detail and I am not going into that. But what I am trying to suggest is that there is a need for course correction so far as the agriculture-related subsidies are concerned.

On the export front, it is an encouraging area and I would have liked Mr. Morarka and other colleagues from that side at least take note of the encouraging performance. The world trade is growing at an average rate of 5 per cent per annum but our export performance in two successive years has been 2 per cent higher than the rate of growth of the world trade, that is at 7 per cent. So, we are looking somewhat encouraged as a result of the performance of the balance of payment front. This has been partly as a result of the price situation so far as the crude oil and petrol products in the international market are concerned. But the situation may not remain as good as it has been in the last few years. Then, we have the year 1992 when our problems with regard to the larger and more demanding and competitive European Economic Community market would become serious. The last mid-term review of the GATT was at Montreal, the Indian press has given some interesting account but the things have got to be a lot more encouraging and we need to be more vigorous in our economic diplomacy when the final negotiation time is coming. Even the health of our rupee trade vis-a-vis the Eastern European countries requires a very critical review and some sort of a

course correction is due. A lot is being linked to the rupee trade and so far as our balance of payments situation is concerned, our resources are concerned, they are linked to that. Sir, I am trying to draw the pointed attention of the Government on the employment front because we are talking about, after all, all this for what? It is for the benefit of the individual, the family and the region. We expected roughly 48 million jobs to be required in the Seventh Five Year Plan period in order to offset the net addition of 39 million in the labour force plus backlog. Now, regarding the employment policy, recently the Congress party has come out with a major plank that is "BEKARI HATAO". So, employment

is on the front agenda so far as Congress party is concerned. Now how effectively and how soon this is being converted into the Government agenda, I would like to know. "We know that the growth centre scheme has employment potential. We know that the food processing industry has an employment potential. We also realise that the labour intensity of the housing construction is very high. Domestic tourism and international tourism, both have employment potential directly as well as through infrastructure build-up for tourism support or whatever purchases the tourists make. We also realise that there are certain vigorous sectors like gems, jewellery garments and leather products which are doing very well so far as exports are concerned. But it seems to me that in order to get a definite gam on the employment front, we expect that the Ministry of Finance should direct the respective Ministries which are looking after some of these schemes to come out with concrete employment-oriented annual quarterly and six-monthly programmes and to have some monitoring agencies to see whether the employment generation is of the magnitude which the Government has aimed at.

We have had a very elaborate network for NREP and IRDP. I think there is a need for course correction, some restructuring, in order to bring efficiency, in order to bring a much [greater, effective, employment component out of these schemes which are being implemented. They are very good schemes. But every scheme needs a certain degree of managerial and administrative reinvigoration at different time intervals. This is the time for it.

There is a need to promote self-employment and self-employment cannot be promoted by simply preaching or putting it in the policy agenda. For that, we have to do educational reforms quite early. We have to bring self-employment components throughout the educational systems. But still all these things are not really getting off the ground in terms of figures of self-employment target or Kalindi Entrepreneurship development should be there in every branch of education, science and technology, agricultural education, managerial education and the like. All the graduates in a graduating year should be exposed to self-employment. I submit to the hon. Minister that the Ministry of Human Resource Development may be directed that in each of the course, the component of entrepreneurial education entrepreneurship development, should be there on a mandatory basis. Educational streams/institutions which have placement agencies should also have self-employment promotion agencies linked up with banks and industries. They should be linked with the various employment and investment projects which will help students immediately pick up packages of self-employment rather than go to employment exchanges for registration and placement.

Coming to the last point. I think in this country, regional imbalance

[Prof. Chandresh P. Thakur] remains a serious problem. This is not only a regional problem. Regional imbalance is a national problem and this is becoming a drag on the rate of growth of the economy. This is taking a heavy toll on the social plane. I want particularly to draw attention to the State which I represent here, that is, the State of Bihar. This is one of the richest States in terms of natural resources. But it is one of the most unfortunate. It is getting less and less fortunate if you take note of the national and state averages of performances. With the rich resources in Bihar, we should see whether the investors there, including Government departments which are investing there, can do a little better in national interests. If you take the agricultural field, my colleague, Shri Jagesh Desai, said that it is very good to have a flood control scheme. But what happens? Every year, in northern Bihar, just like northern Bengal and Assam, we have flood havocs. And hundred? and thousands of crores are spent in terms of relief..

THE VICE-CHAIRMAN (SHRI SATYA PRAKASH MALAVTYA): Unfortunately Ram Awadhesh Singhji is not here.

PROF. CHANDRESH P. THAKUR: He always makes such drama that the real issue gets lost. What I am suggesting is in terms of infrastructure, support to agriculture in that area should be a top priority. However, we cannot have industries until and unless there is power. If you take the banking and term lending agencies, in the credit deposit ratio if you take the national average visa-vis the State of Bihar, a lot more requires to be done. If you take the total term lending agencies' disbursements from year to year in Bihar there is need for course correction, you need to make improvement. If you look at the contribution of the

national grid and the regional grid of power to agriculture and industry in Bihar, we need to improve that. If you want to look at the national highways and the share of Bihar in that, you need improvement. I am not talking as a Bihari. I am talking as a citizen with national concern and I say here is potential but some of that potential is not being utilised and the country is not benefited. The necessary infrastructure and basic structure to tap the potential of that region of the country needs to be built. Even the ratio of bank branches to the population is less in the State of Bihar compared to what it is in other parts of the country. (*Time bell rings*) In conclusion I do support the Appropriation demand and its allocation. And I am looking forward to the possibility that the public sector contributions will improve. I would like to think that concessions are made available to the export sector to see a much vigorous export performance so that we are able to finance our essential imports in the years to-come. We would like to think that the public sector industries and the non-department industries which are going to be set up will help create the necessary employment component or employment potential, that employment really takes place. We hope the Ministries of Human Resource and Labour which are involved in preparing people for wage employment or self-employment, would move towards self-employment and entrepreneur development programmes on a priority basis.

DR. YELAMANCHILI SIVAJI (Andhra Pradesh): Gradually Annual Budgets are becoming irrelevant and out of context. This is Appropriation Bill No. 5 of the Government. I do not know how many more are in the offing. On the other hand, Government has evolved a method of taxing people in the name of administered prices. Government goes on increasing the administered prices every now and then of items like coal, steel.

cement, fertiliser, petroleum and petroleum products, and so on. But the problem is whenever that is resorted to, it is the State Governments which are ultimately hit. Whenever coal prices are increased, not the State Electricity Boards suffer a lot in producing electricity. Whenever prices of petroleum and petroleum products are enhanced, naturally again it is the State Governments which suffer, because State Governments are the bulk consumers their Road Transport Corporations and other agencies suffer and, in turn, the burden of the increased fare falls on the poor passenger. Similarly, when cement or steel prices are hiked, the on-going projects of State Governments their housing projects, bridges, dams and other constructions suffer. Likewise state Governments are the bulk consumers of fertilizer as agricultural input. They consume large quantities of fertilizer. Yet, unfortunately, none of the State Governments get a share from the enhanced administered prices. And the present Appropriation Bill clearly exhibits the financial indiscipline in the Central Government. The Central Government day in and day out goes on warning the State Governments, "My dear boys, you are not disciplined in your financial matters, unless you curtail your expenditure, unless you do this, unless you do that, we are going to cut your tail, we are going to punish you." This is the warning they give everyday. Even in the case of NABARD, the other day NABARD warned seven State Governments including Andhra Pradesh, Tamil Nadu, Karnataka, Maharashtra, Punjab and Haryana. And they say that unless we collect an interest at the rate of 10.5 per cent from the farmers, they are not going to release funds for the farmers. All right. The State Government of Andhra Pradesh allowed a rebate to the farmers and disbursed loans at the rate of 5.5 per cent per annum and the difference between 10.5 per cent and 5.5 per cent is being paid by the State Government. It is not dele-

terious to the interests of the NABARD. But the Central Government says, "My dear State Government, you are indisciplined in financial matters and you are encouraging indiscipline. So, we are stopping funds of the NABARD to the State Government." But, unfortunately, the Central Government is not following that principle which it applies to the State Governments through the NABARD or the Reserve Bank of India or some other agency. I would, therefore, like to advise the Union Government to observe some discipline in financial matters. Likewise, even in the matter of issue prices of rice, sugar, wheat and other things, there is no stipulation and they go on increasing it. And, according to the figures, more than Rs. 250 crores is allocated for the Department of Fertilizers and it goes towards subsidy. But I would like to bring to the notice of this august House that this subsidy component is only to increase the inefficiency of the fertilizer industry and it does not percolate to the farmers and nowhere else in the world would you find the cost of fertilizers to be so high and disproportionate to the cost of the grain price. Even the Fertilizer Association of India went on record in a glossy advertisement that out of the subsidy of Rs. 250 crores, 94 per cent goes back to the Government in the form of increased prices of electricity, in the form of increased prices of coal, increased prices of naphtha in the form of increased cost of Railway transport, etc. So, this is one of the ways of increasing the revenues of the Government, and, at the same time, cheating the farmers of the country in the name of subsidy and encouraging the fertilizer industry.

[The Vice-Chairman (Shri Jagesh Desai) in the Chair.]

Now, the cash compensatory support is coming to the tune of Rs. 200 crores. What is it meant for? It is meant to see that the exporters are helped and exports are promoted. But announcing the cash compensa-



[Dr. Yelamanchili Sivaji].

tory support, when all the exports are completed, is deleterious to tilt interests of the raw materials producer and it will only safeguard the interests of the traders and the exporters and the middle men. Therefore, I would like to advise the Government to announce the cash compensatory support scheme or any new scheme at the beginning of the year. Recently, about five per cent CCS was announced for tobacco. But all of it was swallowed by traders and they are going to implement it retrospectively. Had it been announced earlier, in the Budget itself, at least the tobacco growers could have been paid two rupees more. But the Government never does this. It always tries to say that no CCS will be announced this year and so, the prices will decline and the traders will purchase all the tobacco and export it and then suddenly the Government will announce the cash compensatory support and they will implement it retrospectively so much so that the middle men will get the benefit out of it at the cost of the growers. So, this system should be changed lock, stock and barrel.

Again, about a hundred crores of rupees is transferred to the States for floods, cyclone, earthquake, drought or some such thing. Every year, more than one-third of the population of this country is affected either by floods or by cyclone, or by drought or by something like this. The damage is going on. The State Governments, after the calamity, come forward with proposals and estimates and submit them to the Central Government. The damage is estimated to be, say, a hundred crores or two hundred crores. The Central Government receives the report and sends a team of IAS officers to the concerned States. That team goes about the affected areas in about half-an-hour and gives a report. That team comes back to Delhi and gives the report

to the Central Government. And finally it goes to the Cabinet Subcommittee and it will be examined and it goes to the Finance Ministry and, a reduced sum is released. So all this takes time, and by the time the funds are received from the centre it is already the end of January. So the State Governments will be compelled to go round the Centre to get extension of time to spend the amount, because the State Governments are not in a position to spend the money within two months or one and a half months. So, what I would like to advise the Union Government is that it is no longer a regional problem, whether it is a cyclone or idinoughit or whatever it is. When one-third of the population is affected, you treat it as a national calamity and all relief measures should be undertaken by the Central Government instead of blaming the State Governments and creating a friction between the Centre and States. What I would like to suggest to the Government is that you curtail your non-developmental expenditure and don't resort to over-shifting in the Nasik Press and don't resort to inflation. The inflation is pickpocketing- the common man. Inflation is an indirect taxation.

AN HON. MEMBER!: Now coins are imported.

DR. YELAMANCHILI SIVAJI: The Nasik Press cannot do that. Not satisfied with the over-shifting in the Nasik Press, we are resorting to import of coins. It is also found that some people are printing fake notes, and the Government thinks that a rupee is no rupee at all, whether it is 12 paise or 13 paise or whatever it is. They are relieving our burden by resorting to fake notes. So don't do like that. Once Madam Gandhi thought that inflation is a universal phenomenon. Don't go by that legacy and see that inflation is curtailed, deficit financing is curtailed and prices in this country don't go sky high.

**श्री प्रमोद महाजन (महाराष्ट्र) :** उपसभाध्यक्ष जी, अब तक की चर्चा से हट कर मैं केवल किसानों के संबंध में एक ही महत्वपूर्ण मुद्दे पर अपने विचार रखना चाहूंगा। इस वर्ष के वित्त संकल्प की प्रशंसा करते हुये इसे किसान प्रधान वित्त संकल्प कहा गया था। पता नहीं देश के कितने कुटीरों में अब तक आपकी कुटीर-ज्योति पहुंच गई है या कितने किसान आपकी जल धारा में भीग रहे हैं लेकिन इस विधेयक की चर्चा में मुझे मिलने वाले चन्द मिनटों में किसानों की ऋण मुक्ति की न्यायोचित मांग की और वित्त मंत्रालय का ध्यान आकर्षित करना चाहूंगा। गत कुछ वर्षों से राष्ट्र के विशेषतया महाराष्ट्र के किसान संपूर्ण ऋण मुक्ति की मांग कर रहे हैं। कुछ दिन पूर्व नाशपुर में विधानसभा के समक्ष ऋण मुक्ति को लेकर भारतीय जनता पार्टी के हुये प्रदर्शन में लाखों किसान सम्मिलित हुये थे। क्षेत्रीय संगठनों के नेतृत्व में हजारों किसानों ने महाराष्ट्र के विभिन्न न्यायालयों में भी इसी विषय का आवेदन किया है। उत्तर प्रदेश, मध्य प्रदेश, गुजरात, कर्नाटक आदि सारे प्रदेशों में किसान इस विषय को लेकर आन्दोलन कर रहे हैं। ऋण मुक्ति किसानों की न्यायोचित मांग है। इसको विस्तृत चर्चा यहां न तो संभव है और न आवश्यक है। किसानों के सिर पर खड़ा कर्ज का बोझ न उनके प्रयत्नों की कमी के कारण है और न उनके ऋण का दुरुपयोग करने का कारण है किसानों के उत्पादन खर्च के आधार पर भाव न मिलने के कारण यह किसानों का कर्जा दिन दुगुना रात चौगुना बढ़ता गया है और लाभकारी मूल्य न मिलने के कारण बढ़ता उत्पादन लाभ नहीं बढ़ाता है, उसका घाटा ही बढ़ता जाता है। इसलिये किसानों को पूर्ण ऋण मुक्त किया जाना समय की मांग है। महाराष्ट्र की नयी सरकार ने कुछ दिन पूर्व 64 लाख किसानों का 220 करोड़ रुपये सरकारी ऋण माफ कर दिया है। यद्यपि यह बड़म अप्रत्याशित, बनावटी और पुराने कर्जों को माफ करने वाला है फिर भी सिद्धांतरूप से आज की महाराष्ट्र

सरकार ने यह माना है कि किसानों को ऋण मुक्ति की आवश्यकता है। अब प्रश्न केवल वचा है कि कौन से कर्ज माफ करें, कितने करें, लेकिन सिद्धांत में कर्ज मुक्ति की कल्पना महाराष्ट्र की सरकार ने मान ली है। दुर्भाग्यसे भारतीय रिजर्व बैंक इसमें अड़भे डाल रहा है। महाराष्ट्र के समाचार पत्रों में महाराष्ट्र के मुख्यमंत्री और भारतीय रिजर्व बैंक के गवर्नर के बीच लड़ाई जारी है। इस संबंध में केन्द्र सरकार की भूमिका निश्चित क्या है यह जानने के लिए हम उत्सुक हैं। महाराष्ट्र सरकार ने सिद्धांत रूप में ऋण मुक्ति मान ली है। अब केन्द्र सरकार क्या इसे सिद्धांत रूप में मानेगी और उस दिशा में विचार करेगी, इस पर केन्द्र सरकार की राय जानने के लिए स्वाभाविक रूप से किसान उत्सुक हैं। मुझे लगता है कि केन्द्र सरकार को भारतीय रिजर्व बैंक द्वारा किसानों पर के ऋणों के बोझ का अध्ययन करा कर कि उन्हें इस कर्ज के बोझ से किस प्रकार मुक्त किया जा सकता है, इसके क्या क्या उपाय हो सकते हैं, इस दृष्टि से एक श्वेत पत्र जारी करना चाहिए जिसमें कि हिंदुस्तान के किसानों के सिर पर लगा कर्जा, उसके कारण, उसके उनाय आदि सारी बातों की मूलभूत रूप से चर्चा हो। किसान अपनी तीव्र इच्छा होते हुए भी अब ऋण नहीं लौटा सकते हैं, जोर जबर्दस्ती से हम केवल उनके भावी विकास को अवरोध करने लेकिन मूल रूप से इस समस्या को हल नहीं कर पाएंगे और मैं आशा करता हूं कि केन्द्र सरकार किसानों की इस दुःस्थिति पर विचार करके ऋण मुक्ति के विषय में कोई न कोई सैद्धांतिक तथा व्यावहारिक कदम उठायेगी। इसी लिए इस विधेयक की चर्चा में हिस्सा लेते हुए मैं और किसी विषयों को स्पर्श न करते हुए वित्त राज्यमंत्री जी से इस ऋण मुक्ति के संबंध में उनकी राय स्पष्ट रूप से जानना चाहूंगा। धन्यवाद।

**उपसभाध्यक्ष (श्री जगेश देसाई) :**  
श्री ईश दत्त यादव। तीन मिनट।

**श्री ईश दत्त यादव (उत्तर प्रदेश) :**  
केवल तीन मिनट।

**उपसभाध्यक्ष (श्री जगेश देसाई) :**  
आपकी पार्टी के टाइम के मुताबिक है।

**श्री ईश दत्त यादव :** माननीय उप-सभापति जी, मैं आपके प्रति हृदय से आभार प्रकट कर रहा हूँ क्योंकि आपने मुझे इस महत्वपूर्ण विषय पर बोलने का अवसर दिया है। यद्यपि मुझे केवल तीस मिनट है लेकिन इन्हीं तीन मिनटों के अंदर ही मैं अपने विचारों को रखने का प्रयास करूँगा।

वित्त मंत्रों जो की ओर से जो विनियोग विधेयक प्रस्तुत किया गया है मैं इसका विरोध करता हूँ और इसलिए विरोध करता हूँ, मान्यवर, कि जो भी मंजूरी ला जाती है भारत की संविधि निधि से धन निकालने के लिए, व्यय करने के लिए उसका सही माने में सरकार सदुपयोग नहीं कर पाती है और सरकार अगर सदुपयोग नहीं कर पाती है मान्यवर तो देश का उत्पादन नहीं बढ़ता है। जो भी सरकार की ओर से कहा गया है कि ऐसे मदों में या ऐसे विषयों पर व्यय किया जायेगा, यह बिल्कुल अनुत्पादक होगा। इससे प्रोडक्शन नहीं बढ़ेगा। सरकार बराबर केवल एक बड़ाप्ता लेती है या जब महंगाई बढ़ती है, प्राइस इंडेक्स बढ़ता है तब सरकार की ओर से कहा जाता है कि फसल अच्छी नहीं हो रही है, सुखा पड़ गया है। लेकिन मान्यवर, यह सरकार किसानों की ओर कब ध्यान देती है। अगर सरकार किसानों की ओर ध्यान देती—मैं केवल इसी तक अपने को सीमित रखना चाहूँगा। किसानों के उत्पादन को और अगर सरकार ध्यान देती मान्यवर, तो महंगाई नहीं बढ़ती, प्राइस इंडेक्स नहीं बढ़ता। सन् 1987 से ही यह शुरू हो गया था लेकिन अब इसर इस वर्ष से कीमते बेतहाशा बढ़ी हैं, उपभोक्ता समिन्त्री की कीमते बहुत बढ़ी हैं, लोहा, कोयला, सीमेंट, खाद जो भी इस्तेमाल की चीजें हैं जो कारखानों में पैदा होती हैं उन सबका मूल्य बेतहाशा बढ़ गया है। सरकार ने इस पर कोई नियंत्रण नहीं किया है। सरकार को चाहिए कि धरती के अंदर से उत्पादन करने वाला जो किसान

है उसकी सहायता करे। बिजली का रेट सरकार थप्ता करती। मान्यवर, मैं उत्तर प्रदेश का उदाहरण देना चाहता हूँ। उत्तर प्रदेश में गेहूँ की बोआई बढ़ा तेजी से चल रही है लेकिन आज किसानों को अच्छी निस्म का बीज सरकार उपलब्ध नहीं करा पा रही है। जो लेट बरायटी वाला बीज है उनको सरकार ने अभी उपलब्ध करा दिया है और जो अभी चाहिए बोआई के लिए उसके लिए किसान चिल्ला रहा है, उसको सरकार अभी उपलब्ध नहीं करा पा रही है। फिर 5.00 PM. सरकार बहेगी कि अन्न उत्पादन अच्छा नहीं हुआ है। इसलिए महंगाई बढ़ रही है। उसी तरह से मान्यवर, श्री लोकपति त्रिपाठी जी जो वहाँ के सिन्धुई मंत्री हैं, 14 तारीख के "जनसत्ता" में उनका एक बयान छपा हुआ है कि उत्तर प्रदेश के 23 फीसदी स्टेट नलकूप खराब पड़े हुए हैं। यदि नलकूप खराब पड़े हुए हैं तो सरकार को इस पर व्यय करना चाहिए। वह कहते हैं कि हमारे पास पैसा नहीं है। अगर उनके पास पैसा नहीं है तो केन्द्रीय सरकार को चाहिए कि वह उनकी मदद करे। उनके 23 फीसदी नलकूप बेकार पड़े हैं। नहर में पानी नहीं आ रहा है। बीज की सप्लाई नहीं कर पा रहे हैं और मान्यवर, किसान को बिजली नहीं दे पा रहे हैं। चार घंटे, तीन घंटे बिजली दे रहे हैं। फिर सरकार बहेगी कि उत्पादन तो बढ़ा नहीं है, इसलिए महंगाई बढ़ेगी। इसलिए मैं इस विनियोग विधेयक का विरोध कर रहा हूँ। क्योंकि सारा धन अनुत्पादक कार्यों पर बराबर खर्च हो रहा है और सरकार के पास बेकारी की समस्या हल करने के लिए कोई योजना नहीं है, सरकार के पास इसके लिए कोई स्कीम नहीं है। यह पांचवी बार इस तरह का विधेयक आया है। मैं समझता हूँ कि जो भी विधेयक आए हैं उनमें सरकार ने बेकारी दूर करने के लिए कोई ध्यान नहीं दिया है।

कुटेर उद्योगों के बारे में मैं कहना चाहूँगा। जो छोटे उद्योग-धंधे हैं, जब तक छोटे उद्योग-धंधों की सरकार प्रोत्साहन नहीं देगी तब तक बेकारी की समस्या हल नहीं होगी और गरीबी की समस्या

इल नहीं होगी। इसलिए मान्यवर, सरकार को जो नीति है, सरकार को जो नीयती है, सरकार को जो कार्य-प्रणाली है, यह सब धन का दुर्लभयोग करने की है। न तो देश का उत्पादन बढ़ाने की सरकार की नीति है, कार्यक्रम है और न ही गरीबी दूर करने की सरकार की नीति है। सरकार का न बेकारी दूर करने का कार्यक्रम है और न ही किसानों की मदद करने के लिए कोई कार्यक्रम है। इसलिए मैं इस विनियोग विधेयक का विरोध करता हूँ। धन्यवाद।

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): Shri Matto—only three minutes, please.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI M.M. JACOB): After this, Sir, I would request you to take up the electoral reforms Bill because it has to be completed today. And there are more than 70 amendments on the electoral reforms Bill. So, it will take a longer time tomorrow for the voting process, for the amendments and all that. So, I request you to keep this in view.

SHRI YASHWANT SINHA (Bi-hot): What about the Minister's statement?

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): That will be later. After this Bill is passed, we shall resume the discussion on the electoral reforms Bill and the Constitution (Amendment) Bill.

SHRI B. SATYANARAYAN REDDY (Andhra Pradesh): Up to what time are we sitting?

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): Let us try to do as much work as possible.

SHRI M. M. JACOB: Let us make an honest attempt, to be precise.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): Shri Matto—only three minutes, please.

SHRI GHULAM RASOOL MATTO (Jammu and Kashmir): Sir, you know \*hat I speak only on the Appropriation Bill...

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): I know.

SHRI GHULAM RASOOL MATTO: and I will not speak on anything else.. But nobody has spoken on that.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): That also you comment within three minutes.

SHRI GHULAM RASOOL MATTO: It is not possible within three minutes but I will seek your indulgence.

Mr. Vice-Chairman, Sir, I rise to speak on the Appropriation Bill. Sir, so far five Appropriation Bills have been presented to this House. And I find that the No. 1 was with regard to 1987-88 for Rs 3,669 crores. The No. 2 was for the main 1988-89 for Rs. 2,25,658 crores. No. 3 was for 1985-86 for Rs. 240.33 crores. No. 4 was for 1988-89 for Rs. 1,593.18 crores. And the No. 5 is again for 1988-89 for Rs. 845.22 crores. Why I say these details is because Mr. Morarka — he is not here now—wanted to know the actual deficit where we have reached. Sir, the Budget stated that they will have a deficit of Rs. 8.120 crores at the rates prevailing then. But on the basis of the taxation proposals of that particular year, the deficit was estimated at Rs. 7,484 crores.

[The Deputy Chairman in the Chair].

Madam Deputy Chairman, after this deficit financing of Rs. 7,484 crores. I now take only two Supplementary Budgets that Mr. Gadgvi has brought One is No. 4 for Rs. 1,593.18 crores and No. 5 is for Rs. 845 crores. That makes a total of Rs. 2438 crores. Mr. Morarka is not here. So, according to my calculations, the budget deficit that we have already reached is Rs. 9.922 crore\*.

(Interruptions)

SHRI JAGESH DESAI (Maharashtra): Most of that is to be made up from savings.

SHRI GHULAM RASOOL MATTO: I have already deducted that. What you say is correct. But the papers are before us and I have made a little study of the same. It is only after deduction of the savings that it has been charged and the figure is Rs. 9,922 crores. What I am worried about Madam^ Deputy Chairma^ js that according to the general practice from out of the five Appropriation Bil's that we got one usually comes in the months of March-April, I can understand that. But a new element has been inducted this year and that is Appropriation Bill No. 3 and that is for Rs. 248 orores with regard to 1985-86. So, we should expect one supplementary Appropriation from Mr. Gadwhi in the month of March and another after three years. So, according to m\_v estimate for the financial year 1988-89, it should not end les\_s than Re. 11,000 crores in th\_e ultimate analysis. This to my mind, i\_s a very very great burden on the exchequer and I want to draw your attention to what the Hon. Finance Minister said ia this budget speech, namely, that "Government reiterates it\_s determination to closely monitor expenditure, maximise collection of revenue and contain the budgetary deficit". (*Time bill rings*). In spite of that if this is the situation, how are you going to deal with it?

Madam, Deputy Chairman, I now eom\_e to another disquieting feature. In reply to my Unstarred question, the Finance Minister had stated that ou\_r internal debt as On 1985-86 was Rs. 71,039 crores, which rose to Rs. 86,312 crores in 1986-87, and rose to a staggering figure of Rs. 99,520 crores in 1987-88, ^and that too in the revised estimate may go up stiil further. Now, with regard to external borrowings, OUT external borrowings at the then prevailing rate of exchange were Rs. 26.638 crores in 1985-86, which rose to Rs. 32.312 crores in 1986-87 and were in 1987-88 at Rs. 36,670 crores.

Th\_e interest on the external debt is Rs. 5,628 crores i\_H the current year and this to my mind ig a very disquieting picture, because non-plan expenditure has also risen from R\_s 1710 crores to Rs. 2332 crores.

Madam Deputy Chairman, the total non-Pl\_an administrative expenditure, total non-Plan revenue expenditure, excluding defence was in 1985-86 at Rs. 19,511 crores. which has risen to Rs. 27,713 crores in 1987-88. This is a ver\_v staggering figure and I would like the hon. Minister to react whether he will contain this expenditure as promised. This Rs. 11,000 crores revenue deficit according to my estimate, has already ex-iceeded b\_v Rs. 4 000 crores on the Budget figure. What pla~n\_s he has...

THE DEPUTY CHAIRMAN: Please conclude. Mr. Jagesh Desai has given you three minutes and that is already over. Please conclude now.

SHRI GHULAM RASOOL MATTO: Madam, I will take only two minutes more, because I alone have spoken on this subject. I would like to have a little clarification. I want only two minutes and "ot more than that.

Now, with regard to supplementary demands for grants I want an explanation because in the fertiliser and, such other areas, there is a provision for Rs. 650 crores, to which is added Rs. 195.10 crores and that makes a total of Rs. 845.10 crores and the other expenditure is Rs. 229,49 crores.

This makes a total of Rs. 10\*74.59 crores. Her\_e I refer to Mr. Jagesh Desai's point that Rs. 195.10 crores have been amassed by the Government themselves by way of savings. It leaves me with the expenditure of Rs. 879 crores. But in the supplementary demands, T find that the amount 'given is Rs. 845 crore\*. This discrepancy needs to be explained.

Coming to my usual topic, (*Time bell rings*) I will just finish it in one

minute, that is with regard to bad budgeting, I find from the statement given by the hon. Minister, many items of expenditure have been shown which could have easily been envisaged at the time of budget formulation. For instances floods and other calamities cannot be foreseen and have got to come in Supplementary Budgets. I will take two minutes to explain...

THE DEPUTY CHAIRMAN: Let the Minister himself find out what the mistakes are. You please conclude.

SHRI GHULAM RASOOL MATTO: But I take crop insurance. This Bill was passed in 1985. The Government could have easily earmarked some money in the budget for the current year but they have not, and they now want to provide Rs. 100 crores, which provision, as I said, should have been made at the time of framing of the original budget. My request is as Mr. Morarka said, this is not the budget of the ruling Congress Party; this budget is for the whole country; this budget is not of Mr. Gadhvi: it is for Ghulam Rasool Matto and for all others. We should not belittle its importance. Now the next budget is in the making. I would request you to come out with true and correct figures. If the deficit for the next year is Rs. 14,000 crores, let it be so and face the problem. Let us find out ways and means to meet it but not hide the facts. There are many instances which I can quote but have not you, third bell: otherwise I could have laid here how so many items of expenditure could have been envisaged at the time of the Budget.

THE DEPUTY CHAIRMAN- You might discuss it with the Minister later on,

SHRI GHULAM RASOOL MATTO-He is always amenable to reason. So, as I was submitting, the Government

should see that there is no bad budgeting and whatever is to be spent, it must be incorporated in the original budget and should not be included in Supplementary Demands.

SHRI CHITTA BASU (West Bengal); Madam, you must allow me more time...

THE DEPUTY CHAIRMAN; No, I am sorry.

SHRI CHITTA BASU; I would only refer to certain questions and I hope that the Minister would respond to it. One point is, only a few days ago, the Finance Minister was pleased to make a statement regarding Haldia Chemicals. Instead of clearing the doubts and making a clear-cut statement, the Finance Minister's statement on Haldia project has further confused the issue. May I know what is actually happening? What does the Central Government want to do about it? Why are you unnecessarily making this kind of confusing statement? Madam, I feel, he should have the courage to make a clear-cut statement regarding Haldia Chemicals project.

My second point is, the Government of West Bengal has spent more than the amount of margin money recommended by the Finance Commission. That was in regard to floods that visited the State a few days ago. After the floods, there has been a very severe and acute cyclone. Of course my own place was very much affected, 24 Parganas, Midnapur, etc. and now the State Government has no margin money. What will they do to provide relief and succour to lakhs of people who have been the victims of this unprecedented cyclone? I want the hon. Minister to respond as to how much time it will take for the Central Government to decide upon the quantum of assistance to be given to the Government of West Bengal in the matter of providing relief and succour to the victims of the

cyclone. How much time it would require? Generally speaking, I feel that the whole system is wrong and cumbersome. I would like to know whether the Government proposes to have a comprehensive scheme to meet national disasters. I hope the hon. Minister will be kind enough to respond to it.

Thirdly, there is an item-transfer of resources to the States. Again, I will have to reiterate what I have been saying. There is the issue of consignment tax and the phased abolition of the freight equalisation scheme. Unless the Government makes clear its position regarding these two very vital issues which affect the interests of the States, you will be faced everyday with such scenes as the one today by Shri Ram Awadhesh Singh because this is an unending question for the States. Since the Government also has spoken about

the transfer of resources from the Centre to the States, I want that an elaborate statement should be made about the transfer being made, already made, to the States which are industrially backward. Madam, I do not want to take much of your time because you may not permit me. Otherwise I had many things to say. Thank you.

THE DEPUTY CHAIRMAN: We are running short of time. After this, we have to resume the discussion on the two Bills on electoral reforms.

श्री राम अवधेश सिंह (बिहार) :  
मैडम . . . (व्यवधान)

उपसभापति : आपको क्या कहना है ? आपकी पार्टी की तरफ से बोल चुके हैं । आप अपनी पार्टी के जो डिफरेंसिज हैं वह बाहर डिसाइड करके आइये । आप श्री ईश दत्त यादव जी से बाहर लाबी में बात कर लीजिये ।

आईन्दा ऐसा न हो । आपकी पार्टी से बोल चुके हैं

You do not expect the Union to decide your differences. Shrimati Bijoya Chakravarty. She is not here. The hon. Minister please.

SHRI B. K. GADHVI: Madam Deputy Chairman, I am obliged to the hon. Members who have participated in the debate and given their valuable suggestions to me.

Before I advert to the specific queries raised by hon. Members, Mr. Morarka who initiated the discussion Mr. Balanandan and others who drew the attention of the Government to the overall picture of the economy, inflation, price rise, debt position etc.; I wish to submit that supplementary demands *per se* by themselves, cannot be considered to be adding to the overall deficit. I can give the figures to prove this point. In 1985-86, the estimated deficit was Rs. 3,316 crores. The net supplementary demands that were sought later on were Rs. 6,005 crores. But the actual deficit came to Rs. 5,315 crores. In 1986-87, the estimated deficit was Rs. 3,703 crores. The supplementary demands sought from the House, the total supplementary demands, in that year were Rs. 5,964 crores. The actual deficit came to Rs. 8,261 crores. In 1987-88, the projected deficit was Rs. 5,688 crores. Additional supplementary demands were sought to the tune of Rs. 3,173 crores. But at the end of last year the actual deficit came to Rs. 5,870 crores. This was only Rs. 200 crore\* more than what was projected in the Budget. From this,

the position would be clear to hon. Members. Therefore, to say that because of supplementary demands the actual deficit *per se* would rise is not a correct proposition. This answers Mr. Matto's query also because he made the calculation on this basis. On the basis of the projected deficit

in the Budget and the amount Bought by these two batches of supplementary demands.

श्री राम अवधेश सिंह : टोटल  
कितना हुआ है, यह बताइए ।

बताये । अभी तो साल  
बाकी है, पूरा नहीं हुआ ।

m<sub>v</sub> point is that there is hardly any room for complacency so far as economy is concerned. Undoubtedly, it is under pressure, and management of the economy is bearing good fruits.

Mr. Morarka stated about the price rise and also about revenue receipts and revenue expenditure, that there is adverse trend in that. So far as price rise is concerned, let me say that last year was very bad year for the whole country. But even in the area of consumer price the annual rate of increase up to 3rd December, 1988, is 8.2 per cent, whereas last year it was 10.2 per cent. That means, the trend is on the decline. From 1-4-1988 to 3-12-1988 the increase is 7 per cent and in the corresponding period of the last year the increase was 8.6 per cent. So far as wholesale price position is concerned it is much better as compared to the last year because from 1-4-1988 to 3-12-1988 the increase is 4.1 per cent as against 8.3 per cent in the corresponding period of the last year. In fact from 29th October 1988 till 3rd December, 1988, there has been decrease in every week, excepting just one week, that is on 12th November, 1988. In rest of the weeks starting from 29th October, 1988, to 3rd December, 1988, there is constant decline in the wholesale price index.

SHRI MOTURU HANUMANTHA RAO (Andhra Pradesh): That is because of the harvesting season.

SHRI B. K. GADHVI Whatever happens in the country, there are

reasons behind it, whether it is harvesting season or containing of inflation, but there are always reasons for that. So, to say that this trend is on the rising is not a correct statement of fact.

The other point which has been made by Mr. Desai, is about revenue receipts and revenue expenditure, I agree that this needs to be taken care of.

SHRI JAGESH DESAI: That is a challenge to you.

SHRI B. K. GADHVI: You would be glad to know or you should appreciate to know that in 1988-89 the revenue deficit is to the tune of Rs. 9842 crores but the Plan expenditure on revenue account is Rs. 10,704 crores which is higher than the revenue deficit. Therefore, it should not cause a great alarm to us. Still we have to do a lot because in Plan and non-Plan expenditure everybody says and I also said once in this House, "Kindly give me suggestions

as to how we can contain the non-Plan expenditure." Around 68 per cent of the non-Plan expenditure is in the area of defence, interest and subsidy. In the area of maintenance and services you have hardly any option. In the context of the present times, can we afford to compromise with defence preparedness? Even then, last year, I am happy to inform this hon. House that in defence also without compromising or without diluting our preparedness we could exercise some economy. This year also we hope to do so. In the area of subsidy mostly in food and fertiliser and for augmenting more export which everybody wishes that more exports should be there intrinsic value of the money should go up, our adverse balance of trade should decrease, our



[Shri B. K. Gadhvi].

international trade should increase, these are all the suggestions.

Therefore, with a view to augment and find out new areas in international trade and bring about more export, which is picking up and showing a very healthy sign if we give them subsidy and some incentives I think we should not have any grudge against that. In regard to subsidy on fertilisers and food, I am surprised that many members are espousing the cause of farmers and are shouting from housetops about their cause and welfare. In these demands, three demands pertain to fertiliser subsidy, comprehensive crop insurance scheme and flood relief. Are they not meant for the farmers? And yet you all say, "we are opposed to these supplementary demands" and also say that the farmers' cause should be taken care of. This is something like blowing hot and cold.

SHRI E. BALANANDAN: You look into the relief question. Some grievance is there; the States say that they are not getting proper relief.

SHRI B. K. GADHVI: I am coming to that. So far as natural calamities are concerned, there are set norms for scarcity and famine as well as for other natural calamities like earthquake, cyclone, flood etc. etc. Our team goes there, a high-level committee examines the States' memo, reads and after assessment the amount is sanctioned.

SHRI CHITTA BASU: The system is not satisfactory. Why does the Government not change that system which does not go to help the States?

SHRI B. K. GADHVI: After receipt of the State memoranda a team is always sent to the State for an on-the-spot verification. After receipt of the report of that team a high-level committee on relief consisting of high-ranking officers assesses the

amount. No politicking is done at all there and they approve the ceiling. As per that ceiling, relief is being granted. Therefore we are equally concerned where people are in distress because of cyclone or floods, be it in Bengal, Assam or any other place. We are equally anxious and concerned, we have got sympathy for them because it is a natural calamity and the Government of India would be taking all legitimate steps to help them out. At the same time the State Governments are also doing whatever they can because it is the duty of both. But it is more a duty on the State Government for implementation. Sometimes we find that even the expenditure statements are not coming in time and therefore we are not in a position to release the amount. Anyway, these are not areas on which I will be dwelling at present.

Shri Jagesh Desai talked about Nhava Sheva, I may tell him that no plan project we have put any cut. If any Department of Ministry is not in a position to spend the whole amount and there is a saving, then perhaps we cannot help it. But even from the point of view of exercising economy on the plan projects, absolutely there is no cut in the allocated amount.

You will be pleased to appreciate, Madam, that in these supplementary demands, around 195.22 crores, as I have stated in my opening remarks, are matched either by increased receipts or by saving. Mr. Matto, I think, has miscalculated. Rs. 229.49 crores which is under the third column in the note which was circulated before, it is only technical where against each I am asking for a token sanction of one lakh of rupees, but the total amount of Rs. 229.49 crores would be met either by increased receipts or by savings. Therefore we have come to this House with actuals.

So far as the apprehension of Mr. Moraria is concerned about inflation or deficit, I would say that it is mis-

placed. We had contained deficit last year also when similar apprehension year also then similar apprehensions in our accounts on month to month basis. Therefore, at this juncture it is not possible to say what the actual quantum of deficit is. Only after the Revised Estimates we can calculate and tell you. I again reiterate that we will take into account the concern shown by the honourable Members, and we will certainly try to contain the deficit, of which we are very hopeful.

Mr. Matto said about 1986-86 Supplementary Demands, I think he misread it. Supplementary, in a technical sense, is okay, but the point is that it is a Constitutional requirement. If some amount was spent in excess, then, after the Public Accounts Committee goes through it and recommends for adjustment and other things, then technically we have to come before the House for seeking approval. Therefore, to dub it with the main supplementaries is not a proper approach. Mr. Matto. I think you were not here. I have already said that you have pointed out certain discrepancies, about Rs. 229.49 crores in the Supplementary Demands. I am only asking for a token grant of Rs. 1 lakh. But you have calculated the whole amount and, therefore, you have gone wrong.

SHRI GHULAM RASOOL MATTO: With regard to Rs. 195.10 crores...

THE DEPUTY CHAIRMAN: No argument of ease. Mr. Minister, you might conclude now.

SHRI B. K. GADHVI: Yes, Madam. I have already put your note asking me to conclude quickly.

So my submission is that these supplementaries we have brought are of absolute necessity. In the area of containing expenditure, a lot of efforts are being undertaken. But about non-Plan expenditure, as I have stated, if you create a project on the Plan side then you have to run the project and take be-

nefit out of that project. For example, if you create a hospital on the Plan side, then you have to run the hospital by providing doctors, nurses, equipment, medicines, etc.; and all these things go on the non-Plan side. Therefore, technically to think always that every non-Plan expenditure is not proper, is not a correct approach. When more projects are being created then, for running and maintaining and taking utility of those projects you have to incur non-Plan expenditure, but the main expenditure is on this side and, I am hopeful that so far as the main expenditure on the three areas of interest, subsidy and Defence is concerned, nobody from this House should have any objection. Anyway, for the remaining percentage even in those areas, we are trying to have more scrutiny, and without affecting the usefulness of the money spent in those areas, we are trying to bring about a more reinvigorated type of economy.

Madam, I agree with Mr. Thakur that there is need for employment generation. After all, what are we doing? Running the economy and running the country for the benefit of the people. Therefore, in the area of employment generation, particularly, self-employment, entrepreneurship and induction of new entrepreneurs into the field, all his suggestions are to be forwarded to the Ministry of Human Resource Development and I have borne it in mind. About specific suggestions which honourable Members have given I will certainly attend to them and refer them to the respective Ministries.

With these words, Madam, I hope the House would be satisfied and would return the Bill. Thank you.

THE DEPUTY CHAIRMAN: The question is:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1988-

[The Deputy Chairman].

89, ae passed by the Lok Sabha, be taken into consideration."

*The motion was adopted.*

THE DEPUTY CHAIRMAN: We shall now take up clause-by-clause consideration of the Bill.

*Clauses 2, 3 and the Schedule were added to the Bill.*

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

SHRI B. K. GADHVI; Madam I beg to move.

"That the Bill be returned."

*The question was put and the motion was adopted.*

श्री राम अवधेश त्रिहः बर्ड रीडिंग पर मैंने बोलने के लिए अपना नाम दिया था। आपने बुलाया नहीं मेरे साथ बहुत अन्याय हो रहा है।

उपसभापति: हाउस के टाइम का क्यों मिस-अनोप्रिेशन कर रहे हैं।

श्री राम अवधेश त्रिहः कागज आपने देखा ही नहीं।

## I. CONSTITUTION (SIXTY-SECOND AMENDMENT) BDLL 1988

### M. REPRESENTATION OF THE PEOPLE (AMENDMENT) BILL, 1988-

—Contd.

THE DEPUTY CHAIRMAN; Now we will take up further discussion on the Constitution (Sixty-second Amendment) Bill, 1988 and the Representation of the People (Amendment) Bill, 1988. Mr. Masodkar, you were making you, point please.

SHRI BHASKAR ANNAJI MASODKAR; Madam, Deputy chairman, I was drawing the attention of the House to what transpired in the Constituent Assembly when the Draft Constitution was adopted. I referred to the quotation from Dr. Ambedkar who spoke of diffusion of constitutional morality. In spite of what my learned friend is saying when we discuss the Constitution, let us do it with the seriousness that it requires.

Another quotation in the same debate, which would of interest and available to us, is awe-inspiring spirited intervention by Pt. Nehru. He likened free India to the Light of Asia and stated that it was soul and spirit of the world politics I would like to quote from his speech because I think it has some hearing on the consideration of amendment of article 326. He observed and I quote;

"A Constitution if it is out of touch with the people's life, aims and aspirations, becomes rather empty; if it falls behind those aims it drags the people down. It should be something ahead to keep people's eyes and minds up to a certain high mark."

That is what we are doing now. In the same speech Panditji went on to say;

"...the main thing is this, great significant factor that India after a long period of being dominated over has emerged as a free sovereign democratic independent country and that is a fact which changes and is changing history. How far it would change history will depend upon us, this House in the present and other Houses like this coming in the future who represent the organised will of the Indian people.

...that is a tremendous responsibility. Freedom brings responsibility; of course there is no such things as freedom without responsibility."

Madam, Deputy Chairman, you will be happy to observe what Panditji said holds true even today. By referring to the provisions of the Draft, and destiny ahead, he stated:

"That is a big word which does not apply to average human beings, but whether we are men or women of destiny or not, India is a country of destiny, and so far as we represent this great country with a great destiny stretching out in front of her, we also have to function as men and women of destiny, viewing all our problems in that long pers-