

[Shri Ram Niwas Mirdha]

the Chairman may direct, two members from among the members of the House to be members of the Central Silk Board in the vacancies caused by the retirement of Shri Ghulam Rasool Matto and Shri H. Hanumanthappa from the membership of the Rajya Sabha on the 2nd April, 1988".

The question was put and the motion was adopted.

**MOTION FOR ELECTION TO THE
GENERAL COUNCIL OF THE
INDIAN SCHOOL OF MINES,
DHANBAD**

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI M. M. JACOB): Madam, on behalf of Shri L. V. Shahi, I move the following motion:—

"That in pursuance of the provisions contained in clauses (ii) to (iv) of Rule 4 read with clause (via) of Rule 15 of the Rules and Regulations of the Indian School of Mines, Dhanbad, this House do proceed to elect, in such manner as the Chairman may direct, one member from among the members of the House to be a member of the General Council of the Indian School of Mines, Dhanbad, in the vacancy caused by the retirement of Shri Rafique Alam from the membership of Rajya Sabha on "2nd¹ April, 1988."

The question was put and the motion was adopted.

**THE DELHI UNIVERSITY (AMEND-
MENT) BILL, 1988**

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI M. M. JACOB): Madam, on behalf of Shri L. P. Shahi, I move for leave to introduce a Bill further to amend the Delhi University Act, 1972r

The "question was put and the motion was adopted,

SHRI M. M. JACOB: I introduce the Bill.

THE FINANCE BILL, 1986—Contd.

THE DEPUTY CHAIRMAN: Special mentions would be after the Minister has replied. Shri Matto to continue.

SHRI GHULAM RASOOL MATTO (Jammu and Kashmir): Madam Deputy Chairman, yesterday I was discussing the efficacy of the discussion on the Finance Bill in the Rajya Sabha. In the din of the tragic happenings in Panipat which Shri Chidambaram mentioned, I could not continue the chain of thought. But I would like to draw the kind attention of the hon. Finance Minister to the few points that I want to raise in this connection,

My first point was that there is no doubt, under the Constitution, all the Money Bills are to be passed by Lok Sabha. The fact remains that the Finance Minister presents the Budget in Lok Sabha; copy of it is laid in Rajya Sabha. Then there is discussion for 3-4 days in Lok Sabha and 3-4 days in Rajya Sabha. The hon. Minister gets the feedback from various hon. Members and also takes into account suggestions and viewpoints put forth in both Houses. After about two months, the Finance Minister places the Finance Bill in Lok Sabha and after he places it there and hears the suggestions of the hon. Members of Lok Sabha he comes up with certain concessions, modifications and alterations. Then, the Finance Bill is passed by the Lok Sabha. After it is passed by the Lok Sabha, when it comes to the Rajya Sabha, it is *fait accompli*. As such, the speeches that are made here after the Finance Bill has been passed by the Lok Sabha are just a formality, according to me. During my six-year term, Madam Deputy Chairman, not once had any point/raised in regard to the Finance Bill, in the Rajya Sabha been conceded "or "considered by the Finance Minister. This is because the Finance Minister also considers this as a formality.

In order to keep the spirit of the Constitution intact and the supremacy of the Lok Sabha in regard to the Finance Bill intact, I would suggest to the hon. Finance Minister that henceforth, in future, he should present the Finance Bill simultaneously in both the Houses. In the Lok Sabha, it should be presented for consideration and passing and in the Rajya Sabha only for consideration. When the Minister hears the debate in the Lok Sabha as well as in the Rajya Sabha, he can then react to it in the Lok Sabha itself and get the Bill passed there. After the Bill is passed by the Lok Sabha, it can be sent to the Rajya Sabha for formal approval. This way alone, the suggestions made by hon. Members here will be taken into consideration by the Finance Minister and there will be a meaningful discussion. Otherwise the two days that we spend here will be just a formality according to me.

Madam, after having said this, I would like to mention what has happened since the Finance Bill was introduced. It happened to go to three cities during the last two-three weeks; Bombay, Ludhiana and Calcutta. I was amused to find that the Finance Minister has given a concession for the exporters. Fortunately for us, the Finance Minister is also the Commerce Minister. Now, the concession that are being given to the exporters should be understood in the right perspective. The perspective in this connection is only one. It is that we must be able to sell the goods in the foreign Countries at a cheaper price. That is why the Government gives cash compensatory support, rebates customs duty refund, excise refund etc. These are passed on to the exporters so that they will be able to reduce the Price, they will be able to reduce the cost and as a result of reduction in the cost they will be able to sell more goods in the foreign markets. But this year the Finance Minister has come out with a concession to the exporters unheard of in the country's history. This is one hundred per cent allowance given to the exporters in respect of their exports. Madam, this is a very bad trend. This is because the exporters who are given this concession will not

pass on the same to the importers. Here, the quantum of profit made would be known only after the year is over but the quantum of cash compensatory support and other refunds etc. which the Finance Minister gives is understood and taken into consideration right at the time of the export.

Madam, you will also be surprised to know that apart from this one hundred per cent concession, a five-judge Special Bench of the Income-tax Tribunal, in the Gedore Tools Private limited decided in March 1988 that the "cash compensatory support is not taxable. Therefore, the exporters will not only get this one hundred per cent concession but the cash compensatory support etc. which they get will also be tax-free. This is an extraordinary step which the Government is taking and I can say without any fear of contradiction that you are creating a new set of Maharajas in the form of these exporters. I have myself seen what is happening, for example, in Ludhiana. The exporters who get this relief are prepared to exchange their black money at the rate of Rs.100 for every Rs. 70 so that they will be able to get their black money converted into white money. The practice under section 80 HHC that is, 4 per cent of net export realisation plus 50 per cent balance export profits, was extremely reasonable, more than reasonable. This provision may be retained and not the 100 per cent export profits.

In connection with the Finance Bill, I would like to refer to one important thing. Income-tax these days is being treated both by the Government as well as the opposition as if "this is something extraordinary and the Government is only dependent on income-tax. The actual position is, 85 per cent of this amount is being passed on to the States and only 15 per cent remains with the Centre. I was going through the figures and I was surprised to see that the total income by way of income-tax collection is Rs. 6000 crores. Out of this amount, Rs. 5600 crores, I was working out are being voluntarily paid, by regular assessments, advance tax, deductions at source and so on it is only Rs. 400 cro-

[Shri Ghulam Rasool Matto] res for which, 5000 officers are being recruited and pushed into the service. Instead of this, I think it would be better if reverse action is taken, if people are encouraged to come forward voluntarily. We should concentrate on those who come forward voluntarily than on those who pay only Rs. 400 crores. This point need be taken into consideration by the Government.

I have one more suggestion to make in connection with income-tax. Before the budget proposals are finalised, he invites people for a dialogue. HE invites! suggestions from different Chambers of Commerce, different labour organisations and so on. Now that 85 per cent of the income-tax belongs to the States, he should call conference of State Finance Ministers, State Chief Ministers to know their views. They can suggest how best the resources could be mobilised how more income-tax collection could be there. The State should also take up the responsibility and they should let the Government of India know what the position is.

The other point is about the excise duty in lieu of sales tax that is being levied at source.. Though some increase has been made in the excise duty in lieu of sales tax in the current year's, budget, in *my opinion* it falls far short of the actual sales tax that the States could get or realise as a result of the sales tax that they could get on these commodities. Sales tax is levied on the consumer retail price. If an item is sold for Rs. 300 and the sales tax is 12 per cent, Rs. 36 will go to the Exchequer, but what is being computed now? I have tried to find out the figures, it does not exceed more than 4 to 5 per cent. So, I would request you to kindly ask your Ministry to have an indepth exercise in case of textile, tobacco and other commodities in which additional excise duty in lieu of sales tax is being levied by the Centre, that they should raise this level to the level of sales tax percentage prevailing in States on general commodities. Generally, sales tax rate in almost all State is between 10 per cent and 12 per cent. If we realise sales, tax on those commodities at the rate of

10—12 per cent, we will get far better amount than is being collected at the moment.

Madam, the hon. Minister in his Budget speech had stated that he is going to come before the Parliament with a taxation laws Bill in the Budget Session of Parliament. The Budget Session is coming to an end in a day or two. I would suggest that there is no use hurrying' with this Bill. Government may consider it further. Of course, if there are any intermediary steps to be taken, as in the case of partnership firms that he has recently announced, or about other provisions these can be stayed for the time being, but let him consider calmly and coolly all the suggestions and come out with it in the next Session rather than hurry it up by coming out with a Bill tomorrow and getting it passed in a day, because again, from the Opposition, the same thing will be said that they were not allowed enough time to consider the Bill.

Madam, the second assurance that the hon. Minister has given us while he gave the concession of Rs. 240 crores to the synthetic yarn industry by way of tax deduction on polyester fibre and filament yarn, was that he made it very clear in his speech that he would see to it that this concession was passed on to the consumer. Appa Sahib Kulkarni gave facts and figures to show that the filament yarn and polyester fibre yarn industry had increased the prices. On the one hand the hon. Finance Minister had given them a rebate of Rs. 240 crores in excise duty, on the other hand, they had increased the prices. This is what the hon. Minister said in para 156 of his Budget speech;

"Hon'ble Members will agree that these comprehensive, fiscal measures, supported by other measures taken by the Ministry of Textiles should give a boost to the textile industry and help protect jobs of lakhs of workers. These should also improve the working of the mills of the National Textile Corporation. I fully expect and shall insist upon the entire relief being passed on the form of lower prices."

Mr. Minister, this is not being done. Under your standing orders, the Finance Secretary and others who implement these decisions should monitor the prices prevailing before the Budget was announced and the prices at present and in case some undue advantage is being taken by them they should immediately withdraw the concessions so that at least the exchequer gets that amount and not those unscrupulous manufacturers.

There are many other points...

THE DEPUTY CHAIRMAN; You can pass these on to the Minister.

SHRI GHULAM RASOOL MATTO;...

but I will raise them on some other occasion. I would only request the hon. Minister that the points that I have raised may kindly be taken into consideration, especially my first point regarding the formality of discussing the Finance Bill in this House being made meaningful, should have some consideration in future. Thank you.

SHRI JAGESH DESAI (Maharashtra); When I took part in the general discussion on the Budget, I described the Budget as pro-poor, pro-farmer, pro-working classes and pro-middle-class. I said that concessions and reliefs have been given to those who deserve them the most and taxes have been levied on those who can afford to pay more taxes. I am not going to describe the various proposals which I had mentioned at that time but I do maintain that this is one of the best Budgets which were presented in the recent past.

Madam, some of the Members especially Mr. Kamal Morarka, had said that this Government wants that the public sector should be made private. Never has this Government succumbed to any pressure and never has any Government given more fiscal, financial and other encouragement as Mr. Rajiv Gandhi's Government has given. In the last three years, Rs. 45,000 crores have been invested in the public sector. Madam at no time was the public sector given such financial and fiscal measures—like that the bonds invested in public sector will be tax-free. Never was it done in the past. Secondly, bonds in the public sector will not attract wealth tax,

which was never done before. What our Prime Minister wants is that we must have a strong and efficient public sector. We want that the public sector should attain commanding heights. Those who say that this Government is again going in for the private sector are saying so without any facts and without any basis.

Madam as far as the working of the public sector is concerned, I would like to give some figures. Though I am not satisfied with the total working of the public sector, at the same time if they are doing well we have to say that they are doing well and, if they are not doing well in some sectors, we have to point out the reasons and see that they are improved. For that purpose and for the benefit of

Mr. Kamal Morarka, I want to give! some figures;

The pre-tax profit of the public sector in 1979-80 was Rs. 225 crores. In 1986-87 its pre-tax profit had gone up to 3,095 crores which means, by 15 times. Sales, in 1979-80, was Rs. 15,226 crores and it has gone up to Rs. 49,546 crores, which mean by three times. But the profits have gone up by 15 times. This is so because, after Mr. Rajiv Gandhi took over as the Prime Minister every time he said that he wanted an efficient public sector. Monitoring was done by the Prime Minister himself and the result is that the efficiency has increased. In 1979-80 where the Janata Party was ruling at the Centre, the gross profit on capital employed was only 7.6 per cent, and in the year 1986-87 it had gone up to 12.54 per cent and this is the barometer to show how the public sector is working.

As regards the margin of profit I would like to say something. What was the purpose of establishing the public sector? It was mentioned that public sector enterprises were set up to become instruments and agents of growth of economy and infrastructure and not merely for earning profit. That is why, as I said last time a study should be made as to in which industry what should be the gross margin of profit. For this purpose an expert committee should be set up. Take different industries. Steel, for

[Shri Jagesh Desai]

example, is an infrastructure industry. What should be the margin of profit there? Take textiles. What should be the margin of profit there? Like that you have to set the margin of profit.

Everybody says that we have invested Rs. 61,000 crores. Of these Rs. 61,000 crores were by way of equity and by way of loans. Out of these Rs. 61,000 crores, only Rs. 28,000 crores is by way of equity, and on that we have earned a pre-tax profit of Rs. 3,200 crores in the year 1986-87, which means 11 per cent. What we have to see is whether it is reasonable or not. They will say, yes but most of the profit is from the oil sector. But we have taken over sick industries also in order to give employment, and 51 such sick industries have been taken over and there were losses of about Rs. 263 crore in 1986-87. That also we have to take into account. When loss is there, we have to point out that also. For example, the Delhi Transport Corporation is incurring a loss of Rs. 161 crores. After these losses and losses incurred by other public sector undertakings, the net result is a profit of Rs. 3,095 crores. That is why I would again request honourable Members: Please do not deride the public sector; if they are doing well they should be encouraged.

Here I would like to suggest something about the public sector. Firstly, regarding the M.O.U. Mr. Kamal Morarka did not want even an M.O.U. to be entered into. What is an M.O.U.? It is Memorandum of Understanding. There the Government commits to provide some finances and asks the industries to have the targets fixed and to see that the targets are reached. For the purposes of efficiency this MOU is being entered into. As suggested by the Public Undertakings Committee, by and by we have to enter into this kind of MOU with all the industries in the public sector.

Secondly, the concept of holding company is a good concept. Very few industries have been covered in the public sector under the holding company con-

cept like the Steel Authority of India. By and by we must see that all the different industries should be covered. For example there should be one "holding company for all the engineering corporations. Like that, it should be done.

Another very disturbing trend which I am seeing is the multiplicity of the financial corporations. I fear, a time will come when every Department will have its financial corporation. Banks are there. The IDBI is there. Why do you want for a power finance corporation? Why do you want for the railways a railway finance corporation? When you want to have a low cost economy, why do you want to have so many such organisations and corporations? Again we have to spend money for administration, and offices will be required. Please stop this. I have told this earlier. Again I am repeating it.

Two or three more points, Madam.

I want to bring to the notice of the Finance Minister the very good work being done by the Income-tax Department regarding seizures, and surveys. It is a very encouraging thing, and this must continue. In the year 1982-83 there were 48 lakhs of assessees. In 1985-86 it came to 55 lakh assessees. It means 7 lakh assessees have been added, in 1986-87 in one year from 55 lakh it has gone up to 63 lakhs. That means, it has gone up by 35 lakhs of assessees, in only one year. This is a very good work that is being done, and I compliment the Department for doing this so that all those who are in the net of income tax must be searched and it must be seen that they have to pay income tax.

As far as searches and seizures are concerned in the year ended, 29.2.88, the searches were 7,767. Madam, they say that this Government now is not doing the work which the former Finance Minister was doing. Whatever Mr. V.P. Singh has done, it was according to the policy of the Governments of Mr. Rajiv Gandhi. We wanted to unearth the black-money. We wanted to see that all those big assessees must be taken to task if they conceal. Very good work is being done and in a more vigorous manner by Mr. Narayan Datt Tiwari than by Mr. V. P.

Singh when he was the Finance Minister The figure of searches for the year ended on 31.3.87 was 6,700, and now in U months ending on 29.2.88—one month is still left—the figure is 7,767. The figure of seized assets in this year is 124 crores as compared to 86 crores in the earlier year.

Madam, about the number of premises surveyed, it is a very good work done. I want to give kudos to the Finance Minister.

Madam, I have to mention some points. I will not take more time than what has been allotted.

The number of premises surveyed was 4,12,408 as compared with 55,356 only in the earlier year. It means ten times. This is the real work done by them—

How many new cases have been introduced? This year more than 5 lakh new cases have been introduced. This is a very good work done by the Department, and I compliment it.

There are two points about which I want to show the red signal to the Minister;

Every year in the Report we have been given the figures of 12 big industrial groups who had evaded income tax. I am not finding that in this report. What is the reason behind this? You have to find it out. Earlier their names were given and the amounts were given. But, this time—I have tried to find out—the names have not been given, and the figures have been given for the year 1986-87. People must know who are evading income tax.

Those who are evading income tax, Mr. Morarka rightly pointed out, must be blacklisted. They should not be given any patronage or licences. Those who are economic offenders must be punished severely and that can be done only by seeing that they are not given any licence or any other kind of help by the Government. As regards collection of the corporation tax, I am amused to find the figures. That is why I would like the hon. Minister to go into it and see why the 355 R.S.—8.

corporation tax has remained static. In 1984-85, the Budget estimate for the collection of corporation tax was Rs. 2,565 crores, while the actual collection was Rs. 2,585 crores. In 1985-86 while the Budget estimate for corporation tax collection was Rs. 3,052 crores, the actual collection was Rs. 2,583 crores. That means you collected less by Rs. 500 crores. On the contrary in 1985-86 while the estimate for collection of income tax was Rs. 1,786 crores, the actual income-tax collection was Rs. 2,794 crores. So, while the income-tax collection had doubled, the corporation tax collection had actually gone far below the estimated amount. What are the reasons for this, it is for the department to find out if they are concealing their income. That is why I suggested earlier that the accounts of all these big monopoly houses must be thoroughly scrutinised.

Sir, we want resources for our development and we do not want to increase the tax burden. We also cannot reduce some of our expenses. And as far as prices are concerned, I still maintain, after seeing the cost of production, if the cost of inputs goes up, the administered prices should be increased every year. In the public sector in 1986-87 you have given Rs. 3,000 crores more, by way of wages. If you are not going to increase prices, then the public sector will again go in losses and you will say public sector is incurring losses. That is why administered prices should be increased every year.

I would like to say one thing about arrears. Realisation of arrears from big monopoly houses is very discouraging. Therefore, I would like the hon. Minister to look into it himself and monitor it. Till many cases arrears exceed rupees one crore, in 332 cases, arrears amount to Rs. 1,238 crores. It means on an average arrears per assessee amount to Rs. 4 crores. In the report of the Finance Ministry it has been stated that arrears amounting to Rs. 974 crores are non-enforceable. It means 80 per cent of this amount due from big monopoly houses, you are unable to enforce. We would like to know the reasons for this and which are the industries which have defaulted? Why is

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it not enforceable? Have they gone in liquidation or have they siphoned off their' (funds to some other industries and that is why they are unable to pay? I would like the Minister to himself look into it and take corrective measures. Small assesseees pay their dues, but big assesseees having more than Rs. 1/- crore of tax arrears, do not pay. Eighty per cent of such . assesseees' arrears are non-enforceable. It is a very bad situation. Out of Rs. 2028 crores of arrears, these 332 assesseees have to pay more than 60 per cent of the arrears. Therefore, I would like to say that action should be taken so that we *can* get the resources to be put into good .use.

The hon. Member 'from the other side made a point about inflation. We are worried about inflation, but what is the real picture? The real picture is even on 23rd April, 1988, the price index had gone up only by 0.7 per cent. That means . on annual average it will be 9 per cent. Even though the after-effects of the Budget and drought have not been felt yet, it is . a fact that the Government has been able to control it. I compliment the Government for this. Now, what is the difficulty? In 1987-88; the rate of inflation was 9.8. In the first three years of the Seventh Plan on an average this increase was 8.7. In the first three years of the Sixth Plan it was 10.4 per cent. In the Sixth Plan as a whole the rate was 9.5 and in the Fourth Plan it was 10.1 per cent. We can see that even after such severe drought conditions, the Government is able to see that it does not exceed the Sixth Five-Year Plan rate. That is the kudo that I want to give to the Finance Minister since he has taken action to control the inflation rate. But one. thing' that I would like to say is that he should ensure to give relief to the poor consumers. That is why I suggest that he should see to it that at least the pulses are given to those who are on the relief work. At least they can be given this. If that is done, I think, it will benefit consumers.

I will only speak one point relating to income tax and then I will conclude. Our Prime Minister has stressed that we have

to mobilise savings. What we should do about it? You have to increase the rate of interest from 9 to. 11 per cent. On national savings Deposit scheme that benefit will go only to the big assesseees, but you have (reduced, not you, earlier it was done, the rate of interest on national savings certificate and • it is only the middle class who save money deposit under this scheme. Now, they are hard hit. That is why I request the hon. Minister to restore it to 12 per cent. It was 11 per cent. He should make it 12 per cent because 11 per cent means again it will be 10 per cent because of inflation. So this should be done

What is written in the annual report of the Ministry is that you want to nationalise the rate of interest and you want to give loan at lesser rate of interest to industries. You give them. I don't mind if it is in the interest of the infrastructure industries but this should not be done at the cost of the lakhs and lakhs of depositors. I feel this, is being done but it is a wrong policy and the- Government ' must see that this policy is remedied as early as possible.

One last point I want to make. *So far* as savings are concerned, at present you give deduction - up to first Rs. 6000 under section 80C at 100 per cent. I feel if your new Act comes into force,, then, your savings are lost because in the future you are going to tax partnership firms. Therefore, partners will not have any such income which is taxable. Regarding national savings scheme and PPF they will discontinue to deposit. All State Governments will ask Mr. Salve and you: What have you done? We will not get 75 per cent of the small savings by way of loan. That is why I suggest that when you bring your new Act, partnership firms also should be given the benefit of 80 C because now they are a separate entity; otherwise your collections under savings will be hit. Regarding deduction of first Rs. 6000 for hundred per cent must be made at Rs. 10,000 and the next Rs. 6000 at 50 per cent and thereafter 40 per cent If this is done, I am sure that your savings will increase and State Governments will not harass "Mr. Salve or you.

With these words, I support the Finance Bill. Madam, I thank you for giving me this time.

THE DEPUTY CHAIRMAN: Mr. Ish Dutt Yadav. Absent. Prof. Asima Chatterjee You have to be brief.

PROF. (MRS.) ASIMA CHATTERJEE (Nominated): Madam Deputy Chairman, I rise to participate in the debate on the Finance Bill. Madam, I support the Finance Bill which has given thrust in the right direction with new concepts to improve the overall economy of the country. But I would like to make a few comments. This Bill has incorporated several provisions which would help to encourage growth and development in the sectors of agriculture, industry in urban and rural areas with major emphasis on rural development. Steps are proposed to be taken to solve the housing problems. Extensive measures have been suggested for eradicating poverty, illiteracy and to generate employment opportunities through various procedures. Now, in this context the programme for the establishment of village industries is laudable and this would give financial relief to the rural masses to a great extent, no doubt, but the Government must come forward to help them to develop necessary infrastructure for the purpose. So far as the health care is concerned, the Government are much concerned about the population explosion and for that purpose much emphasis has been given on family planning for which the enhancement in grant has been made amounting to Rs. 600 crores as against Rs. 580 crores last year. I hope this should be properly utilised to fulfil the objective. However, the grant sanctioned for the traditional system of medicine is rather disappointing. It amounts to Rs. 4 crores only. We have already raised the slogan—"Health for all by 2000 A.D." this will not be materialised unless the traditional system of medicine is developed for which purpose at least Rs. 10 crores will be required. To give relief to the common-man, traditional medicine should be developed on scientific basis which needs good training to the students, hygienic method of production of drugs, their standardisation, proper storage and distribution so

that the medicine could reach the common man even in remote areas in villages.

While considering the successful operation of five technology missions special care is to be taken for drinking water. More funds are to be allocated for water management. To solve water crisis and, to help water management, it is necessary to establish river basin, organisation and to undertake planning and development of inter-State river basins for optimal utilisation. The Ministry of Water Resources will have to draw an effective plan on river basin panel which will draw more funds from the Finance Ministry. This would help the irrigation facilities and hydel power which would bring relief to the agricultural sector. In this connection it deserves mention that the production of oilseeds has been suffering due to irrigation as 86 per cent of the oilseed production areas remain unirrigated. Attention also should be given to increase the productivity through biotechnology and through the upgradation of technology and importing new technology for which more funds should be provided as it may be necessary to import the technologies.

Efforts are being made to develop wasteland and to grow there fuel and fodder plants. The Government should see that the work related to the development of wasteland is accelerated. The Bill, however, reflects the seriousness of thought of the Government in solving the crisis and multiple problem of the country and also to develop important areas to improve the economy of the country some of which have been stated already.

Madam, much criticism has been made on the enhancement of the defence budget but this is unavoidable to maintain law and order and security within the country and the border areas. For IPKF and for protection in the Siachen area, a large portion of the Government funds is being diverted. Besides substantial grant has been sanctioned for defence research. This is justified by the invention of surface-to surface missile. Similarly, the funds allocated for space research, science and technology, environment and pollution control have been enhanced to meet the immediate needs of the country. However, regarding;

[Prof. (Mrs.) Asima Chatterjee]

pollution, much is yet to be done even on the Ganga which needs detailed action Plan and investigation. Nothing effective could be achieved as yet.

Madam, the Government deserves congratulation for dropping section 194(E) of the Income Tax Act and for making a suitable amendment in section 115-J,

Regarding deficit Budget and deficit financing; much concern has been expressed but according to the economists' point of view, this is not alarming and there is no cause of apprehension provided the Budget is kept within fiscal limits. Such a Budget would rather generate national income. In the Bill there are several provisions in the direct taxes and the indirect taxes. It deserves mention in this connection that the Government would take steps to consider the basic excise duty rate on specified vegetable oils and the rebate scheme for use of specified minor oils in manufacture of vanaspati and soap.

Increase in the rebates for use of solvent extracted cotton seed oil, sunflower oil and safflower oil is welcome. But I would like to bring to the notice of the Government that the cotton seed production has suffered a setback and the cotton seed oil manufacturers have made an appeal to the Government to import cotton seeds so that their extraction plants may not remain idle and the workers there may not suffer from financial crisis. More rebate should be given to cotton growers to encourage cotton plantation.

Coming to, drugs, the duty structure on drugs has been restructured including formulations, drug intermediates and bulk drugs. This is encouraging but nothing has been indicated "on drug intermediates or raw sources from which traditional medicine and herbal drugs are to be produced. Regarding sugar policy, the Government has completely waived the basic excise duty on sugar produced in excess over the corresponding periods of the last three years. This exemption has been given to encourage sugar production of sugar during

the late crushing season of May to July, 1988.

THE DEPUTY CHAIRMAN: Please, conclude now.

PROF. (MRS.) ASIMA CHATTERJEE: One minute, please. Regarding the funds allocated for education, I am rather disappointed. This amounts to Rs. 800 crores. The grant for the universities and higher education is approximately Rs. 146 crores. For 136 universities, including nine Central universities which receive grant for maintenance and development only a few crores would be left for State universities which lack adequate resources to meet the expenditure for teaching and research. Even some States including West Bengal could not implement the new pay-scales of the teachers in the universities and colleges. This has precipitated a crisis in many educational institutions. I would like to say that if the apex body of the pyramid of education, the university, is not organized properly, nothing will percolate to the base. And the New Education Policy will be totally futile. The University Grants Commission which has a greater role to play in shaping the academic life of the country and maintaining high standards in the universities as also their proper coordination should be provided with more funds to make higher education more meaningful and purposeful. Even the National Literacy Mission which has been set in motion is not receiving adequate grants. Rs. 550 crores will be required. Otherwise, the Mission will not be able to remove illiteracy and reach its goal.

However, considering the fiscal policy as indicated in the Finance Bill for fulfilling the basic objectives, namely, resource mobilisation and utilisation, incentives to growth in agriculture, industries and other sectors, health care, removal of economic disparities and regional imbalances, rural development and generation of employment opportunities thus helping to improve the overall economy of the country which need collaborative efforts of other ministries, I welcome this Bill. Thank you.

THE DEPUTY
Mr Minister.

CHAIRMAN:

SHRI RAJNI RANJAN SAHU (Bihar):
Madam, I will take only two minutes.

THE DEPUTY CHAIRMAN: You
can raise your point after the Minister's reply.
You can seek clarifications. I will allow.

THE MINISTER OF FINANCE AND THE
MINISTER OF COMMERCE (SHRI
NARAYAN DATT TIWARI): Madam, I am
deeply grateful to all the hon. Members from
both sides of the House for their very helpful
and constructive comments on the Finance Bill.
I would like to make a special mention of Shri
Kamal Morarka, Shri Rajubhai A Parmar and
Dr. Abrar Ahmed Khan for having made their
maiden speeches in the House and I think that
their speeches have made it very evident that in
them we have budding parliamentarians. I
would, make a special mention of Mr. Kamal
Morarka who, in his very first . speech ...

THE DEPUTY CHAIRMAN: I think it
was his second speech. *Interruptions*)

SHRI DIPEN GHOSH (West Bengal):
On finance, it was his maiden speech.

THE DEPUTY CHAIRMAN: Yes.
On the Finance Bill, it was his maiden
Speech.

SHRI NARAYAN DATT TIWARI:
Yes. By maiden speech, I have referred
to his speech on the Finance Bill. It is
rare that a new Member has the oppor-
tunity of speaking as the main spokesman
of his party. I would like to make a
special mention about him because he
was given this place Of honour. I would
also like to express my hearty thanks to
Shri Rameshwar Thakur, Prof. C. P.
Thakur and Shri Jagesh Desai for hav-
ing helped me in giving a proper focus
to the Finance Bill from the overall
angle. I think many of the facts and
statistics that they have given and many
of the arguments that they have advanced
are so good that I' could not have done
better. Especially what Mr. Jagesh
Desai said on public sector,' what Prof.

Chandraesh Thakur said on direct taxes, on our
taxation policy, and on all matters of relevance,
I think their speeches' were extremely helpful
to project the appropriate point of view
regarding this Finance Bill. I am also thankful
to the honourable Shri K. K. Birla and Shri A.
G. Kulkarni, our veteran Members, for their
views on different matters. I would like to
advert to some of the points during my
response. They made a special effort to
consider some of the aspects of the Finance
Bill. Shri G. R. Matto in his inimitable way
raised a sort of a constitutional point without
mentioning the Constitution. He thought that it
would be more advisable if the Finance Bill
could be put up for consideration in both the
Houses simultaneously because he had the
impression that whatever was stated in this
august House was perhaps not reflected in the
decisions that I had taken while formulating
changes in the Finance Bill. May I assure the
honourable Member, through you, Madam, that
it can never happen that the suggestions made
in this -House are not considered or will not be
considered while formulating the changes in the
Fonance Bill As is very well known, this House
always takes into consideration the Budget
Speech that is made here. It is basically the
Budget Speech which constitutes the basis of
the Finance Bill and whatever amendments are
made to the Finance Bill are always made after
the discussions in both Houses. Therefore, I
would like to assure the honourable Members,
especially the honourable Shri Matto, whom I
hold in high regard, that the suggestions made
in this House are always kept in focus, are
given the deepest consideration possible, by the
Government and I have taken special care,,
being also responsible to this House, to see that
the suggestion made by houourable Members in
this House are taken note of and given due
consideration. Then there is another point
which he very well knows. Under Article
109(2) of the Constitution it is very clear—

"After a Money Bill has been passed
by the House of the People, it

[Shri Narayan Datt Tiwari]

shall be transmitted to the Council of States for its recommendations and the Council of States shall within a period of fourteen days from the date of its receipt of the Bill return the Bill to the House of the People with its recommendations and the House of the People may thereupon either accept or reject all or any of the recommendations of the Council of States."

So it is a mandate enjoined upon us by the Constitution itself that we consider the Finance Bill after it has been passed by the House of the People, by the Lok Sabha, and then alone can we consider the Finance Bill here. As regards the basis of the Finance Bill and amendments if there are any coming from the advice given by honourable Members during the general debate on the Budget, in my speech I had mentioned several points where I had tried to amend the Finance Bill keeping in view the suggestions made; for example, regarding exports, tourism, health, etc. — I would not like to repeat what I said. There were many suggestions that were accepted by me which were made during the Budget Speech. Therefore, I would like to assure you that even in future whatever suggestions are made here will be duly taken note of. Of course, here we might not have the Finance Bill itself under consideration but whatever other measures are there which go beyond the periphery of a Finance Bill will be duly considered. I can assure that the House of that. Madam, before I address myself to the specific points made by the honourable Members I would like to reemphasise the basic thrust behind the Finance Bill which is also reflected in this year's Budget. Firstly, to stimulate the agricultural sector, to help the farmers of this country, the valiant farmers of this country, who are fighting the drought all through in many parts of the country, for three whole years, more than that I think, it was our paramount duty, as was reflected in this august House also, to help the farmers and, therefore, we have taken a number of steps simultaneously to give or reschedule short term, medium-term and long-term)

loans to help the farming sector and the farmers. To bring down as far as possible the cost of agricultural production we have reduced the interest rates on short term loans, crop loans, even by 2 1/2 per cent and in many areas we have increased the availability of loan funds to the farming sector by more than two thousand or three thousand crores. We have tried to reduce the prices of fertilizers. We have tried to give so many other fiscal incentives to the farming community. Again, for agro-industrial production in the village areas, to improve the quality of life in villages, a number of steps were taken, a number of measures were undertaken, and it was only in response to the demands made in, this House. The second objective was to provide relief to the poor and create more opportunities of employment for the poor and to extend the system of social security for the weaker sections of the society, then to give a major boost to the housing sector, to step up housing, especially in the rural areas, then to step up the momentum of development through a substantial expansion of Plan outlays, as was mentioned by the honourable Member, Shri Birla, and also to have substantial expansion by special packages of measures to stimulate growth of key industries so that we have more productivity in those key industries and we fight sickness in those industries, fight incipient sickness in those industries. On the one hand, we fight sickness and, on the other, we augment production and thereby we do not lose any revenues also because when production goes up, the revenue loss will be compensated because we hope that by more production we are compensated for the revenue losses that might have occurred because of these subsidies and concessions. Then we have one area which has not been very much highlighted and it is the health sector. Now, in the life-saving sectors of life, from cancer, from heart attacks, to ophthalmology, we have reduced, if you take it all together with the export-import policy, for hundreds of items of life-saving equipment or drugs which we do not have in the country, the Customs duty and we have liberalised imports and we have put on OGL and we have reduced the Customs duty or import duties by 100 per

cent and, in this Finance Bill, I have further reduced duties or abolished duties in the ophthalmological sector throughout the country and this would mean that the doctors now will have better, clinics and I am happy to tell you, Madam, and through you the honourable Members of this House that I have discussed with the Governor of the Reserve Bank the day before yesterday that the medical community or the hospital corporations or the medical profession in the country should have medium-term and long-term loans so that they can buy these medical equipments. So, the Governor of Reserve Bank has agreed in principle so that if some equipment requires a million rupees or half a million rupees and if it is to be bought and if it is under the OGL, then they can get the necessary finances. Now, what is happening throughout the country is that we find a demand for better medical treatment and we do not have some life-saving drugs here and because of the advanced technology needed we cannot produce them. So we have made the import of these life-saving drugs very simple. Whatever technological advancement is available, we can put it at the service of the country, of the people, as early as possible. So this is the seventh thrust in the objective of the Budget.

Now, I am very thankful to all the hon. Members for their support to the steps taken by us to help the farmers and the Action Plan that the Planning Commission has introduced, that we have introduced, to augment the productivity in agriculture for the next two years, especially in the eastern and southern areas of our country. And it is because of this strategy of broad based agricultural growth that we can alleviate poverty and fight unemployment, because our goal must be to increase productive employment.

I am also thankful to all the hon. Members for having supported our objective to improve the quality of life in the village community. Now I would like to make a special request to all the hon. Members that while we go back to our States it is most essential that we in our

tours emphasise upon the implementation. There are so many programmes of the Central Government and State Governments which need better implementation at the grass root level. So the implementation is the essence of the matter. And I would seek the support of all sections of the House in the proper implementation of these schemes, whether it is 'Jaldhara' or 'Kuteer Jyoti' or Life Insurance schemes for the poorest among the poor or for any other scheme which we have formulated in our Budget.

Now, Shri K. K. Birla, Shri Sukomal Sen and others mentioned about resources being raised outside the Budget through the medium of administered prices. Sukomalji—well, his name is 'Sukomal' but sometimes I feel that he is 'kathore'...(Interruptions) I would say 'Sukathore'...(Interruptions) So I would request him to be a little more 'Komal' 'Sukomal' instead of being 'Kathore'.

Now, in a socialist system, the mechanism of administered prices being a medium of regulating the economy is very well known. So it cannot be said that the concept of administered prices *per se*, by itself, is obnoxious. For example, recently we had raised administered prices of paddy or pulses or edible oilseeds. I think most of us welcomed the rising of these administered prices. Now, the Food Corporation of India has to purchase it. It is the medium of that. And the various State level corporations have to utilize this mechanism of administered prices to give more remunerative prices to the farmers. You may agree or may not agree with the prices fixed, but it is a well known medium. Similarly, it is a commercial proposition for many public sector enterprises that they have to raise administered prices of goods and services as autonomous public sector enterprises. And we cannot mix up raising of prices of steel or any other administered price of coal, given by the public undertakings with our budgetary measures.

Now, there is another pitfall which I should like to point out to the hon. Members. Take, for example, steel. Now,

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it has been suggested that if I raise the price excise duty on steel in my budget, then what happens? I have to raise excise duty by 180 per cent if I have to raise Rs. 100 for the Centre, because then we will have to subsidize the steel, we will have to give the same subsidy by raising money on the one hand by excise duty and on the other paying from the Exchequer the needed amount to SAIL or to the steel sector. Now, under the devolution recommended by the Finance Commission, I have to give 45 per cent to the States. If I raise Rs. 100.00 as excise duty on steel, then I am bound, under the constitutional requirement, having accepted the recommendations of the Finance Commission to give 45 per cent to the States. Only Rs. 55.00 remain with me. That means that if I have to compensate the SAIL or the public sector undertakings by Rs. 100.00, then I will have to raise Rs. 180.00. Then only I can give Rs. 100.00 because the share of the States has to be given. It would mean raising prices at a higher level which, I think, nobody would desire.

SHRI A. G. KULKARNI (Maharashtra): What is the logic of increasing petroleum prices?

SHRI NARAYAN DATT TIWARI: We have not raised the petroleum prices. We have raised the petrol prices. The logic is -this. In order to conserve foreign exchange and in order to restrain rising expenditure on petrol, we had to increase the prices. We have not increased the price of diesel which is so important for agriculture and transport and railways. We have not increased the prices of cooking gas or for that matter other petroleum products. You will see that in spite of these higher prices, the consumption of petrol went up by 13 per cent.

SHRI SHANKER SINH VAGHELA (Gujarat): The three-wheeler are mixing petrol, diesel with kerosene.

SHRI NARAYAN DATT TIWARI: My dear friend, Vaghela Ji, has said that they are mixing kerosene with diesel. I think our researchers are going into that aspect. They are finding out whether we can And a chemical colour by which they can differentiate between kerosene and diesel. They are looking into it. I have been told that they have made a breakthrough. They have found a chemical which will differentiate. But we cannot raise the price of kerosene to the level of diesel just because of the fact that kerosene is mixed with diesel or we cannot reduce the price of diesel to the level of kerosene. Kerosene has to be made easily available to the common man, to the poorest of the poor. Therefore, kerosene is cheaper as compared to diesel. Kerosene is used by a very large section of our population. But I agree with my friend: We are looking into that aspect.

Now, many of the items are also used by the private sector. -For example, steel is used by the private sector also. Coal is also consumed by the private sector. If we raise it through budgetary methods, then we subsidise the private sector also indirectly. If we raise resources by raising taxes in the budget, then we will in effect be giving indirect subsidy to the private sector which nobody would support. Mr. Vincent and Mr. Sukomal Sen have also raised this point. There is another point which was raised by our veteran Member, Shri Kulkarni, and Prof. Lakshman-na, suggesting that the tax concessions given during the budget should be closely monitored to ensure that the benefits are passed on to the consumer. Mr. Matto also suggested it. I entirely agree with them. We have had only five weeks. We should give a reasonable time to the industry and to the Ministries also to monitor it. It is not primarily the responsibility of the Finance Ministry. As I said in my Budget speech, it is primarily the responsibility of the concerned Ministries and also of the State Governments to see to it that these benefits percolate down! About the

State Governments, I would once again like to emphasise the role and importance of the State Governments in many of the implementational measures that are required to thrust our policies into action and to take them to the grass roots. It is very essential and I will come to that again. For example, about the price rise, unless and until we have the full support and the dynamic support of the State Governments, it would be very difficult to control prices from here only. Of course, the Reserve Bank can have this SLR—statutory liquidity ratio—brought down. But without the day-to-day monitoring at the city level and at the district level by the State administration it is very difficult to control prices. Similarly, it is of utmost importance that the State Governments concerned and the administrative Ministries concerned also keep a watch on the price behaviour of these commodities.

Sometimes what happens is that foreign Governments also take a hand in contributing to the fact that the prices do not come down. I am told of a commodity in which a certain foreign Government, as soon as we brought down the customs duty by 30 per cent, raised the price of that commodity which we were importing by 30 per cent. They said that they should get more profit. They raised their prices by 30 per cent so that the effect of customs reduction on our prices were negated.

SHRI GHULAM RASOOL MATTO: This happened in palm-oil also.

SHRI NARAYAN DATT TIWARI: In palm-oil, we have tried to get the price to a lower level. And I may inform the hon. Member that we have succeeded in this because of the measures that we took by streamlining our purchase procedures through the State Trading Corporation; instead of having a weekly Thursday purchase, now, everyday they monitor the prices and whenever it is the lowest, then only they purchase. Thereafter, the whole edible oil price structure has come down, I think, it has come down to a lower level. The graphs

are there to see. Now, regarding the rise in prices, I am thankful to the hon. Member, Shri Jagesh Desai, for having given us a graph of how it happened in prices in the Fourth Plan, the Fifth Plan and the Sixth Plan, and also the average price rise during these Plan periods. So, when you compare the average rate of inflation of 8.8 per cent in the consumer price index and 10.4 per cent in the wholesale price index, it is very significant this time that while the wholesale price index is higher—10.4 per cent—the consumer-price index is lower.

SHRI JAGESH DESAI: For the first time, it has happened,

SHRI NARAYAN DATT TIWARI: For the first time, it has happened.—9.8 per cent—thanks to the co-operation and the climate created by whatever we have said in this House because if we say anything here, it is also reflected there in the price market. So, because of the blessings of this House, we could do this in spite of the unprecedented drought that we faced last year, the effects of which are still evident. I would not like to boast about any success. It is not for me. If we have to take credit, I think all of us deserve the credit for that—not only our Ministry but also all the Ministries, the Government, this House and also the State Governments. The same team work is required in the future also. It is not in a spirit of confrontation that we can fight this evil, this menace of rising prices. It is by a cool, calculated way by building a national consensus that we can fight this battle against inflation. Then only we can succeed. It is not a partisan question because everybody suffers. Different political parties are in power in different States. So, what does anybody gain? Then again, we say that we should have higher prices for different commodities. Now, how can we have a cheaper wheat through the public distribution system in the fair price shops while we give a higher price to the farmer for his wheat? The farmer must get higher prices but then we must also know that the wheat

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price is going up for the consumer when we say that the farmer should get a higher price. Otherwise it means more subsidy. And then if we give subsidies, you say the government is giving more subsidies, there is deficit financing. So, we have to, all of us have to, consider what is good in the totality of the situation. We have to look in all the economic matters. And, therefore, whenever we discuss the question of remunerative prices, whenever we discuss the question of cheaper prices for the consumer, then we have also to consider whether whatever we do leads us to give more subsidies, leads us to more deficit financing, -whether they are wanting it and therefore I seek the indulgence of this hon. House that we should all be considerate on these basic economic questions.

Now, if you look at what was done to check the rise in prices, steps were taken to control the growth or liquidity through increase in the cash reserve ratio, what they call CRR and the statutory liquidity ratio, the SLR, and then also now control rooms have been set up in almost all the districts of the country, I am thankful to the State Governments for having responded to my request to them and the request made by the Civil Supplies Department. Now we have had interaction with all the Chief Ministers not once or twice, but three or four times, that the Chief Ministers should themselves monitor the supply and demand situation in different cities and districts of the country. There is one item on which I would like to lay a special stress. I have been trying to analyse this, the price rise factor during the last few months. I have seen that the rising price of vegetables and pulses is one of the major factors. In vegetable production I find that most of our States, in spite of the fact that they had once more vegetable production, but because of the recent growing demand for vegetables in the cities as a

large percentage of our population is vegetarian. We require more pulses and vegetables and so the prices of vegetables and pulses are going up. That is one of the basic things because of which the prices are going up, especially in the consumer price index. Therefore we have to give special attention to the vegetable and pulses production programme. For potatoes and onions we have a programme. In the case of potatoes, I think we have a good crop. But for other vegetables, I think we have to have a better and enlarged programme in the vegetable sector. I have requested the Agriculture Ministry and I think the Agriculture Ministry himself is taking a keen interest and the Planning Commission is also at it, and I would request the hon. Members to take care of this special feature which I think is being reflected in our price index. Now, regarding the budget deficit, may I mention one thing. I am not a Keynesian but I am just a grassroot level student of economics. I never claim myself to be an economist. But I know this House has many economists and many more veterans who know more about economics than a grassroot worker like me. In all humility I would say that the deficit that has been provided for in this budget, which is reflected in this Finance Bill, is only 2 per cent of the gross domestic product, and I am advised by eminent economists—I have been meeting them—that this can be sustained by the economy. Because even in 1979-80 the budget deficit was 2.2 per cent of the gross domestic product. So I have proposed only to that level. It is 0.2 per cent less than what it was in 1979-80. So, while I am not a proponent of perpetual deficits but in a developing country like ours when throughout the world we have a volatility of exchange rates rising protectionism, imbalances of trade because of volatility of exchange rate, when we find that a silent fight is going on between the dollar and the yen, dollar and the mark; we find ourselves functioning in a very difficult economic world

and, therefore, we find that even countries like Japan—while they have such a high savings rate while they invest so much in the U.S., while they have billions of dollars in surplus; they have 'now' 200 billion dollar investment or the treasury bills bought by Japan—have a huge initial deficit. United States has got such a huge deficit. They "call it by the new word Reaganomics. They have a huge deficit which is financed by borrowings etc. from other countries. > But I am not supporting it. I am only mentioning what is happening around the world. But we have to be careful.. We are functioning in such a difficult world and a complex world. Therefore, we have to be prudent, We have to redouble our efforts to contain the deficit, which I have tried to contain it for 87-88 as promised by our Prime Minister, from Rs. 5680 crore, and in spite of the drought and everything, we managed it up to Rs. 6080 crore or so. So, while I agree that we should be very careful, I may say that the deficit of Rs. 7400 crores is sustainable and hopefully if there is a good monsoon, I am sure there is no question of it going beyond it; it will be sustained and it will even be help-ful in a certain measure to boost our economy. Then there is the question of debt, trap, I think it was mentioned by Mr. K. K. Birla and Mr. Vaghela that it was a debt trap and also about our interest liabilities.... SHRI KRISHNA KUMAR BIRLA (Rajasthan): I did not use the word 'trap' SHRI NARAYAN DATT TIWARI: You used the word 'burden' perhaps. SHRI N. K. P. SALVE (Maharashtra): But both mean the same thing. SHRI DIPEN GHOSH: Result is the same. He said debt burden, and Mr. Vaghela said debt trap. Because of the burden, there is the trap, SHRI NARAYAN DATT TIWARI: And because of the trap, there is the burden. Well, I have a number of conclusions that have been drawn.

These have been drawn, because of the statistical table showing assets-and liabilities of the Government at book value. Whatever we have shown in our Budget documents is book value, That does not mean that the Government is on the verge of falling into a trap. - If you see what we will, also be getting as interest and dividend receipts, you will find it is Rs. 7760 crores on the receipt side, because we also give loans, and if we have to pay Rs. 14,000 odd crore as interest, we also are getting, in the same Budget, Rs. 7760 crore as interest, and therefore the net outgo is only Rs. 6340 crore. Why do we find this sudden jump in our borrowings and our responsibility for this? I may mention reasons of this revenue expenditure increasing for which we have even to borrow. One main reason is the devolution of resources to the States. It is a very important matter that I must refer to., Now, take taxes. In 1978-79, the States' share of the taxes was Rs. 3791 crore. In this Budget, which I have placed before the House which will be 'financed by the Finance Bill partly, The provision is Rs. 10,662 crores. This was because of the devolution of resources on the basis of the recommendation of the Seventh Finance Commission.

SHRI DIPEN GHOSH: Therefore, you-are borrowing?

SHRI NARAYAN DATT TIWARI: We are committed to the states to give them all the funds. Therefore, this has risen from Rs. 3,791 crores to Rs. 10,662 crores.

Then, expenditure on subsidies. Fertiliser subsidy is Rs. 3,000 crores this year. Rs. 2,000 crores is for the public distribution system. Then, on the basis of the recommendation of the Seventh Finance Commission, we had to write off loans given to the State Governments. We had also to give interest holiday and restructure the capital base of a number of public sector enterprises. Therefore, all these things led to borrowing; what they call borrowing even for revenue expenditure. Of course, I agree that this tendency has to be curbed. But I must say that under our dispensation when

[Shri Narayan Datt Tiwari) we have a rising demand, of all types of expenditure, we do not plan for resources. We always talk about expenditure. We always discuss expenditure but we do not discuss resources. Therefore, we have to create a climate for the mobilisation of resources also. We should also discuss mobilisation of resources. If we are all the time discussing expenditure, what will happen? Any political party, saddled with the responsibility of Government, in a democratic framework, will have, sometimes-to resort to deficit financing or borrowing. But we have been very prudent we have tried to be prudent, thanks to the blessings and support of hon. Members. We will try to see that we adhere to the normal principles of financial and fiscal administration

Madam, the task of reducing Government "expenditure is not an easy one." It requires the support of all the Ministries of the Central Government as well as the State Governments. It is very essential that the State Governments also co-operate in this. They should also curtail their expenditure I would humbly say this. All the time the States say that the Centre is not helping them. Many States feel that the Centre is not helping. Well, they know the difficulties the Centre is facing in the matter of raising resources. Therefore, it is not a political question. Let not this question of devolution of resources be a political question. "We should take the question of raising resources beyond the ambit of, I would say con-troversial politics.

Now, coming to the import policy. Mr. Sukomal sen and Mr. Chaturanan Mishra mentioned that our import policy is hurting the economy. I think, if you look at our import policy you will find that it is very pragmatic. We have to keep in view the requirement of earning foreign exchange, as was mentioned this morning during the Question Hour We have to augment our exports. At the same time,

we are trying to minimise our imports. We have a number of schemes for import substitution. However, sometimes, we have to import some components or raw materials or capital goods so that you can, value add and then export more. This is done by all the Countries in the world. I have made a special study of China. I hope, Members of this hon. House would be aware what our great neighbour, China, is doing. They are now looking inward. They are now looking into the question, how they can raise the standard of living of their people how to build a strong industrial base and how to get the latest technology around.

AN HON.' MEMBER; They are importing technology.

SHRI NARAYAN DATT TIWARI: There was a question in the morning. In China, there has been Rs. 2,000 crores of foreign investment in one year. We have only Rs. 100 crore. Of course, I am not saying that we should blindly imitate what is done in China. But we should learn from the experience that our friends are having. What is happening in Hong Kong? China Bank is raising a 70-storey building, dominating everybody, else. They have a special plan for Hong Kong. When they take over Hong Kong in 1997, there will be a system of two Chinese economic zones, wherein they will have a special dispensation for Hong Kong, it is a pragmatic policy. They say that our, socialist structure will not be changed just because of Hong Kong. They have special economic zones, they are growing a little private sector within their control. They are experimenting. And we praise them, 'all world is praising their pragmatic policy. If we do anything like that in India, we just say, "On, there are suspicions, there are motives, he has done this because he has taken something." We are all politicians. Of course, we have to criticise each other, but let us not discuss politics in such a way that we call all of us, the politicians, a corrupt class, a bad class. This sort of atmosphere is not good for a parliamentary democracy. Therefore in all humility I

would say that there is no question of • import policy hurting our economy.

THE DEPUTY CHAIRMAN: Although it is lunch hour, I would suggest, let us sit through the lunch hour, hear the hon. Minister and then have special mentions. Yes, Mr. Minister to continue.

SHRI NARAYAN DATT TIWARI: Now, Mr. Vaghela mentioned about food management. Well, this is a very important question. I would seek the co-operation of the hon. House on this matter 'because our food stocks which were around 23 million tonnes and last year we had to draw down these stocks by as much as 10 million tonnes because we had to, fight the results of drought, to pump in 'additional food through public distribution system and other channels, and therefore, we had to replenish these stocks. Therefore, it is most essential that We have a sound procurement drive throughout the country. We have good rabi crops. I am very thankful to the States that they are fully cooperating with the FCI in this matter. They are themselves procuring 'food. It is of the utmost importance that we have enough food to replenish our stocks so that we can again distribute cheap food through the public distribution system. So, we are very much conscious of it and as a matter of abundant caution we have decided to import one million tonnes of wheat in spite of the good wheat crop. Let God bless us, everything would be good in the monsoon season, we hope so, but we have to provide for 'any emergency and it is because of this that we have provided 'for import of one million tonnes of wheat. So, we have to replenish the stocks. I would request the hon.- Members to exert their influence with the State Governments with regard to the procurement system that they have not only to fulfil their targets but, if possible; also to procure more than the targets that have been fixed.

Regarding transfer of resources to States I would like to give one more figure. Shri Sukomal Sen mentioned this point. I • had mentioned earlier the only resources that have been devolved on the States through taxes, but if you look at transfer of resources, not only taxes and duties but

also other transfers made from the Centre to the States, the Plan devolution, matching grant, etc., then we find that in rupee terms, resources transferred to the States have more than trebled in the last decade. It has gone up from Rs. 4145 crores in 1979-80 to Rs. 15,573 crores in the present budget, more than three, times. Even compared to last year, I have provided for a 12 per cent increase over the Budget Estimates of Rs. 13,907 crores. It is Rs. 15,573 crores which means 12 per cent more, or Rs. 1666 crores more compared to last year. If you look at the figures, they speak for themselves that we have tried to do whatever we can for transfer of resources in favour of the States.

Coming now to the question of direct taxes, I am thankful to Shri Rameshwar Thakur and Shri Jagesh Desai for having made many suggestions regarding the 'Direct Taxes Bill. Mr. Matto has also referred to the Direct Taxes (Amendment) Bill, about which I had proposed making some 'amendments in my Budget Speech. The points made are very well taken. Suggestions have been made. We will take into consideration all those suggestions. We had an indepth discussion with the concerned Chambers or the organisations of chartered accountants and with hon. Members also. So I will give a very favourable consideration to the suggestion made that we bring this Direct Taxes (Amendment) Bill after further indepth discussion with hon. Members and representatives of the Chambers of Commerce and industry. Therefore the suggestion is that we should consider that Bill in the Monsoon-Session. We will come out with the necessary statement within the next two or three days. I am fully prepared to defer this Bill till the next Monsoon Session so that we can have a full-scale consideration of the Bill.

SHRI KAMAL MORARKA (Rajasthan). My request was to refer the Bill to 'a Select Committee.

SHRI NARAYAN DATT TIWARI: Well, it can be referred to a Select Committee only when the Bill is placed before the House.

SHRI KAMAL MORARKA: I would request the Finance Minister to consider whether it could be referred on his own Motion. This may be kept in mind.

SHRI NARAYAN DATT TIWARI: I understand what my distinguished friend who is now the spokesman of the Jan'ta Party, has said. I would request him to give his suggestions even now. We are very much open to suggestions. So I invite his suggestions about what amendments he wants in the Direct Taxes Bill so that we can incorporate it in the Bill. We can consider that. So I invite your suggestions now. I would ask for your suggestions now.

SHRI GHULAM RASOOL MATTO: In this connection...

THE DEPUTY CHAIRMAN: No, no. let him complete his reply.

SHRI GHULAM RASOOL MATTO: I request that, just as you said in the beginning of the Session that you will introduce a Bill about partnership firms, there are some other provisions in the Bill and if certain provisions are to be suspended or kept in abeyance, or certain notifications are to be issued to mitigate the sufferings of the people affected, those should be issued pending the bringing forward of that Bill.

SHRI NARAYAN DATT TIWARI: My distinguished colleague, the Minister of State for Revenue has already placed on the Table a notification regarding partnership firms. Mr. Vaghela had already mentioned that. Suggestions in this regard are under the consideration of the Government. A suitable amendment to the Direct Taxes Law will be brought before Parliament. We agree on that.

Shri Birla had mentioned about the Investment Allowance. I have already mentioned about this in my speech and the list of such industries will be announced very shortly, so that the point made by Shri Birla is very well taken.

Regarding exempting the dividend income upto Rs. 10,000 is proposed to be exempted in the Finance Bill. That means

that the dividend income of majority of the taxpayers will be exempted from tax. I think the Capital market is responding 'now very well. I hope the bears and the bulls of the capital market will respond fully. It is very difficult sometimes how bears come up and bulls go down. Why can't they go together? I would request Mr. Birla and Mr. Morarka...

SHRI N.K.P. SALVE: Which one is the bear and which one is the bull?

SHRI GHULAM RASOOL MATTO: We want only bulls please.

SHRI NARAYAN DATT TIWARI: Whosoever may be the bear or the bull, I am not going to request the Finance Commission to decide on that. Shri Kamal Morarka mentioned about a lower income tax limit. This year also, if he looks at my proposals, he will find that we have exempted from income tax, savings, investments by salary earners up to Rs. 2,000. So, in this Bill itself, I think, it is a quantum jump as far as wage earners are concerned. Again, Mr. Morarka will appreciate that the rates of tax in respect of all categories of tax payers have not been enhanced for the last three years and, if you take into account the inflation and all that, then- you will see that the burden has not increased and it is stable.

SHRI JAGESH DESAI: In this regard I want to say that in the long-term policy also it was mentioned that the exemption limit will be increased according to inflation, but that has not been announced in the last three years. so at least in the next, bud-get you please take care of it. That was one of the proposals.

SHRI NARAYAN DATT TIWARI: Thank you for the suggestion. A Finance Minister always benefits from such suggestions.

Then, honourable Shri Kamal Morarka had mentioned that majority of assesseees are fudging their tax returns and he mentioned that Kaldor

had estimated in 1956 that- there was 10 to 20 per cent of evasion. Now we have the authority of Mr Morarka ' to tell us that much more than 200 to 300 per cent is concealed.

SHRI MURLIDHAR CHANDRAKANT BHANDARE (Maharashtra): Personal experience!

SHRI SURESH KALMADI (Maharashtra); Personal experience... (*Interruptions*) ...

SHRI NARAYAN DATT TIWARI: Well, of course, it is concealed,

Again, he says that raids are ineffective. I would like to have some suggestions of Mr. Morarka as to how we can get at this problem without raids, even if it is considered there are no raids—for which I have no authority to say no because it is law. So, what to do, how to make this 200 to 300 per cent concealed income come out? I would like to invite suggestions from Mr. Morarka as to how we can get this without raids.

My friend, Mr. Jagesh Desai, gave all the statistics about raids. It is not harassment. We had a number of searches and for one year it was 8,464 and the value of assets seized was Rs. 145 crores. Compared to Rs. 100 crores in 1986-87, the value of assets seized was Rs. 145 crores in 1987-88. Tax payers admitted Rs. 147.49 crores to be unaccounted income during the year up to 31st March 1988. I may assure Mr. Morarka and honourable Members of the House that it is not our intention to harass anybody or just to give anybody a bad name, it is only when there is definite information. And we do not prepare the list and we do not know what are the names and who are being raided and all that. Sometimes, even when we are going for a survey, it is thought that we are raiding. All types of surveys are considered as raids. So, let us not use this word "raid", "raid" "raid" all the time. Also I find, a new term being coined as "Raid Raj."¹ I think there is no Question of any "Raid Raj." But sometimes even surveys are misunderstood-

stood as raids. If there is a known concealment, what shall I do?. The law has to take its own course. There can be no compromise with law. The law should be implemented, and I think Mr. Morarka will agree with me that there is no question of any compromise on this that if anybody comes within the ambit of law, he has to go through the process of law. There can be no compromise on that.

SHRI KAMAL MORARKA: Madam, I made two points, both of which have not been answered.

SHRI A. G. KULKARNI: Has the Minister finished his speech?

SHRI KAMAL MORARKA: Just a clarification which he has not given.

SHRI A .G. KULKARNI; We also want clarification.

THE DEPUTY . CHAIRMAN: Mr. Minister I request you not to give the floor to the hon. Members. (*Interruptions*)

SHRI NARAYAN DATT TIWARI: I have also mentioned about his point on direct tax laws and legislation. A suggestion was made that section 115 J is counter productive and pernicious. Well a large number of companies have arranged or managed their affairs in such a way that by ' taking advantage "of the exemptions and deductions provided in the Income-tax Act they were not paying any tax. The rationale for introduction of section 115J is that when a company is in a position to pay dividend, it should also pay tax. That has been the rationale. I hope, Mr. Morarka will agree with this.

Regarding liquor^ the criticism that Mr. Morarka made was regarding section 44AC. The definite information is that in many states those who are engaged in the trade of liquor, either pay no tax or pay much less tax than they should. Many persons who bid in auctions for liquor, are *benami*. Thereafter after the accounting year is over, the persons engaged in the liquor

(Shri Narain Datt Tiwari)

trade, disapeiar; many of them disappear. It is mainly for the states. As has been pointed out in this House, 85 per cent of the income-tax income goes to the States. It is mainly to help' the States that I have done this, I have proposed this, I have made its rigours rather lighter by proposing only 40 per cent of the advance tax in the case of liquor, I think, this step is going to help the States, and I am sure that I will have the support of the hon. Members in this regard.

Madam I have covered most of the points, and, then, if there are any other points I can discuss-those points later on separately also.

May I requet through you, Madam, the hon. House to bless us, to bless this Budget this Finance Bill because it is only one step forward. We have to take so many steps. I hope the whole House will agree that it is a progressive step, and we have taken this step so that we can take further steps forward. In this respect I commend this Bill for the consideration of the House.

Thank you.

THE DEPUTY CHAIRMAN: Mr. Kulkarni.

SHRI RAJNI RANJAN SAHU; Madam, I was informed that immediately after the Minister's reply I would seek clarifications.

THE DEPUTY CHAIRMAN: Mr. Kulkarni's point Was to be replied. But it has not been replied. I am giving him chance now. After that I will give you.

SHRI RAJNI RANJAN SAHU; if you want to deprive me of my opportunity to speak, then, I can't help it. You deprived me of my opportunity to speak.

•THE DEPUTY CHAIRMAN: E am 'giving you chance.

SHRI RAJNI RANJAN SAHU: You have given a .slip that I would be. given, chance to speak immediately' after the

Minister replies. And now you are asking someone else to seek clarifications. 'You are depriving me of my right to speak.,

THE DEPUTY CHAIRMAN: I would like to clarify. Mr. A.G. Kulkar-ni had given notice of a Calling-Attention. He wanted to raise & point. I told him that he could ask the Minister when the Minister replied. That is why he did not ask for the Calling-Attention. I have also written a letter to the Minister that during his speech he should reply to those points. So, now I am giving 'him a chancee. Later I will give it to you.

SHRI A. G. KULKARNI; Madam Deputy Chairman, I just wanted to draw the attention of the Finance Minister to some four or five points that I made while making my speech.

THE DEPUTY CHAIRMAN: You mention only the points you want to make.

SHRI A. G. KULKARNI; I am making only the points.

One was about regularisation of clarification by the Central Board of Excise to various suggestions like the cast iron foundry industry. I made the suggestion yesterday also in my speech. I do not want to elaborate that.

Then, Madam, 'about Jaldhara, diesel engines are being sold. Spare parts of diesel engines do not attract duty. But when the agriculturist has received the diesel engine, if it is under repair, the spares attract duty. That is the second anomaly.

Third, Madam, as the Finance Minister stated, I have also written him a letter with documentation on how the prices have risen and how the synthetic manufacturers have raised the prices. Today I received a research paper from the Parliamentary Library. It says:

Despite the tax concessions in the Budget for drugs, medicine, synthetic fibre, leather goods, the prices in drugs have increased by 19-per cent and in synthetics and synthetic textile's, they have increased by 12 per tent."

The hon. Minister is taking a stand that the implementation part is the responsibility of the implementing Ministry. The Finance Minister is giving concessions and we 'are to follow the Ministry which is going to implement that policy. A weaver of synthetic yarn from Swat or 'from UP would like to know who is responsible for all this. When you said it will be withdrawn, I thought you are going to make some Agni Pareeksha, tout now you have gone back and stated that the Ministry will monitor it. The two or three things that I have spoken about, can be done by your Officers. I don't say they cannot be done. But on the point about price. increase .you have to wars *THE IN*-dustrialists that your warning is not a supine warning, but a warning which, if not heeded, will be followed by effective action.

SHRI RAJNI RANJAN SAHU: I wanted to congratulate the hon. Minister, but unfortunately, I was not given an opportunity. Anyhow, I want to seek certain clarifications and suggest certain things.

Concessions and tax reliefs have been given in the Budget and in the Finance Bill. The idea behind this is to lower the prices and to give benefit to the consumers, I would like to, know from the hon. Minister whether he is having a monitoring cell under his Ministry itself, because the Finance Ministry has got the propriety over the other Ministries.

Secondly, he has given relief under Section 115J to the exporters. Under this relief the exporters will be benefited by 100 per cent tax exemption under the policy of export benefit. But nothing has been said about the sick industries. I would like to know whether this benefit is going to be given to the sick industries also. Otherwise the sick industries will become, more sick.

I am obliged that the hon. Minister has said that he will place a Direct Taxes (Amendment) Bill some time later, probably in the Monsoon session. While doing so at feat time, he should consider at least two or three suggestions that I

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am giving, if he cannot consider them now.

There are a few sections in the Income-tax Act. For example there is Section 10—"income not included in the total income." There are as many as 30 sub-sections of Section 10 and each sub-section has got minimum two and maximum 15 sub-clauses with several provisions. As I said these do not include in the total income. There are certain sub-sections, such as sub-section 5 of Section 10 which have out-lived their life and they are not applicable now. There are several anomalies in this section. I don't want to go into their details. There are 10 to 12 such sub-sections which have Out lived their life. May I know whether he would like to abolish or delete them? Regarding Section 80 C...

THE DEPUTY CHAIRMAN: Are you seeking clarifications? Don't make a speech.

SHRI RAJNI RANJAN SAHU: I am seeking clarifications only.

THE DEPUTY CHAIRMAN: You just seek clarifications.

SHRI RAJNI RANJAN SAHU: Yes. Regarding section 80 C you are giving benefit to the higher income group people. May I know whether you are proposing to amend section 80 C for the purpose of giving benefit to the lower income group people?

With regard to. direct taxes, I would like to ask two or three clarifications.

THE DEPUTY CHAIRMAN: No, no. I am not allowing that.

SHRI RAJNI RANJAN SAHU: He has said about 'Jal' Dhara' scheme and he is going to spend more money on this scheme. There are about 20 lakh ponds in the whole of the country. May I know from the Minister whether he is thinking of renovating these ponds under this scheme or not whether this scheme is meant only for' wells and tubewells?

Madam, he has placed before the House a liberalised scheme for import of medical

[Shri Rajni Ranjan Sahu]

equipment and medicine. But what about the money that runs into hundreds of crores which is being usurped by the big multinationals and big companies? They are not paying to the Government. May I know from the Minister what proposal he has got to realise that money which is lying under the head 'Drug Price Equalisation Fund'? Thank you.

श्री वीरेन्द्र वर्मा (उत्तर प्रदेश) :
माननीया, आपने सत्र से कहा था कि जब वित्त मंत्री जवाब देंगे तो उस वक्त आप प्रश्न पूछ लें।

उपसमापति : आपका सवाल पूछ लिया गया है। आप यही पूछना चाहते हैं कि जो कंसेशन दिए गए हैं वे कंज्यूमर तक नहीं पहुँच रहे हैं। उसका रिप्लाइ मिनिस्टर साहब दे रहे हैं।

श्री वीरेन्द्र वर्मा : माननीया, इसी से संबंधित मेरा एक सवाल और है। माननीय वित्त मंत्री जी ने 29 दिसम्बर को कंसाइनमेंट टैक्स के बारे में मुझे एक पत्र भेजा था जिसमें उन्होंने लिखा था "I would like to inform you that the matter is under active consideration of the Government."

इसलिए माननीय मंत्री जी से यह बताने की कृपा करें कि तब से महीने बीत चुके हैं, क्या माननीय मंत्री श्री कंसाइनमेंट टैक्स के बारे में कोई कदम उठाने जा रहे हैं ?

SHRI NARAYAN DATT TIWARI: Madam Deputy Chairman, I am very thankful to hon. Member, Mr. Kulkarniji for having again raised the important matter which he thought I should deal with. Regarding excise duties in cast iron and forgings, I presume that the reference is to unmachined forgings and castings which have been subjected to only surface treatment up to proof machining stage. Is that correct?

SHRI A. G. KULKARNI: Yes.

SHRI NARAYAN DATT TIWARI: Well, whether such forgings and castings

could be subjected to specific rates of excise duty is presently under examination. A final decision will be taken on this issue upon enactment of the Finance Bill. It is not necessary to put it under the Finance Bill itself.

Regarding extension of excise duty concessions to the spare parts of oil engines which he has mentioned, we will also consider this question. It is very difficult because spare parts are of universal application for all types of engines and how we can restrict it only to the agricultural sector? That is a moot question. Therefore, I would like to have time for considering that.

Regarding the question of passing of concessions given to manufacturers to the consumers, I am in agreement with what the hon. Member has said. Now, as I said, the Textile Ministry being the concerned Ministry they would look into it. They have already held two or three meetings. They have informed me that in some synthetic fabrics the prices have already

been reduced by Rs. 0.50 to 2.00 P.M. Rs. 2 per metre. But the Textile

Minister is having further meeting and then if necessary we shall have a joint meeting in this regard, But let us give them enough time.

Shri sahu raised certain points. I am very thankful to him. (Interruption).

SHRI A. G. KULKARNI: Mr. Minister, I just want to ask... (Interruptions)

THE DEPUTY CHAIRMAN: Don't interrupt. You can see the Minister afterwards. (Interruption)...

SHRI A- G. KULKARNI: Out of Rs. 600 crores concessions, Rs. 300 crores... (Interruption)...

THE DEPUTY CHAIRMAN: Mr. Kulkarni, I have not allowed you.

SHRI NARAYAN DATT TIWARI: Mr. Sahu asked whether Section 115j would be applicable to sick industries or not. I am happy to inform him that those sick industries which are 'under approved' rehabilitation scheme will get the benefit

of Section 115J They will be exempt under section 115J from paying the required tax.

SHRI RAJNI RANJAN SAHU: Who will approve the sick industries?

SHRI NARAYAN DATT TIWARI: The BIFRA the Bureau of Industrial Finance and Reconstruction. That is the body which has been approved by the House. Now regarding JALDHARA AND JEEWANDHARA, he has suggested that we should have these re-examined and he mentioned about 20 lakh ponds in the country. Well, as far as JALDHARA, scheme is concerned, it is meant for providing mobile pumps. As far as JEEWANDHARA scheme is concerned it is meant for providing a million wells to the Scheduled Castes. Now an amendment is under active consideration so that in these wells, they can also have pumpsets, they can have boring schemes and not just wells. They could have bored wells with pumpsets also installed. That is under active consideration.

As far as suggestions for the direct taxes amendment Bill are concerned, we will certainly take all suggestions given by Mr. Sahu into consideration. We will certainly consider them. As far as the consignment tax proposals are concerned, they are under our consideration. We have not taken a final decision... (Inter-*ruption*)...

SHRI DIPEN GHOSH: How long it will remain under active consideration?

SHRI LAL K. ADVANI (Madhya Pradesh): Madam Deputy Chairman, there has been a very disturbing report from outside. A short While ago, there has "been a bomb explosion at Connaught Circus in the American Citi Bank located ... (Inter-*ruptions*) _____

THE DEPUTY CHAIRMAN: Please excuse me. I have to get the Finance Bill passed first

The question is: "That the Bill to give effect to the financial proposals of the Central Government for the financial year 1988-89,

as 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 to 88, the First Schedule, the Second Schedule, the Third Schedule and the Fourth Schedule were added to the Bill.

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

SHRI NARAYAN DATT TIWARI: Madam, I move:

"That the Bill be returned." *The question was proposed.*

SHRI DIPEN GHOSH: Madam Deputy Chairman, I would like to draw the attention of the Union Finance Minister to a particular issue which is agitating the minds of 'as many as 50 lakhs' Central Government employees. Madam, you are aware that Rs. 800 crores were provided for the payment of dearness allowance to 'the' Central Government employees according to the Government of India's decision on the recommendations of the Fourth Pay Commission. The D.A. has to be given twice in a year on the basis of annual average calculated once in December and again in July. So from January 1st, another 5 per cent "of dearness allowance" has become due to the Central Government employees and they are entitled to get it. It has been announced by the Central Government. Money has already been there. It has been provided in the Budget but still till now, i.e. May, that money has not been released. So, will the Finance Minister kindly state when that order is going to be issued so, that the Central Government employees may get the five per cent extra dearness allowance which they are entitled to? I would require a reply.

SHRI NARAYAN DATT TIWARI: I am fully aware of this matter. I have already met two deputations in this regard. Only yesterday, a deputation of Mr. Harish Rawat and Mr. Kumaramangalam and others met me. Before that, I met a deputation of Mr. Dhar and others.

(Shri Narayan Datt Tiwari] have also received a letter from' Mr. Madhusudan and others. We will be taking a decision very shortly.

THE DEPUTY CHAIRMAN; The question is:

"That the Bill be returned."
The motion was adopted.

RE. BOMB EXPLOSION IN CAPITAL

SHRI LAL K. ADVANI (Madhya Pradesh).. Madam, I am grateful to you for permitting me to raise this matter. I am happy that, the, Leader of the House and the Minister of Parliamentary Affairs are also here. As I said earlier, there been a bomb explosion in the heart of New Delhi in Connaught Circus. The newly constructed LIC Building there housed the American Citi Bank and it was there that this explosion took place. There have been a number of casualties. Because I have varying figures about how many died and how many have been injured, I am not mentioning any figure. But there have been deaths and a number of people have been injured. At this point of time, I am not in a position to say that this is a continuation of what is happening in Punjab or what happened in Haryana the day before yesterday. But, on the face of it, *prima facie* it would seem. to be that. It is imperative that the Home Minister makes an immediate statement in the afternoon before the House rises today on what has happened and what our apprehensions are and what the Government proposes to do to see that this definite and imminent threat to the welfare and the peace and tranquillity of the capital also is properly met. I request, through the Leader of the House, that the Home Minister- makes a statement in the afternoon today.

THE DEPUTY CHAIRMAN: The Minister of Parliamentary Affairs will get in touch with the Minister of Home Affairs.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI M. M. JACOB); Yes, Madam.

THE DEPUTY CHAIRMAN: Mr. Virendra Verma. (*Interruptions*)

SHRI M. S. 'GURUPADASWAMY: (Karnataka): Are you not adjourning the House?

THE DEPUTY CHAIRMAN-. What will happen to the Special Mentions? (*Interruptions*) All right. In the afternoon, we will take up all the Bills and then the Special Mentions. Now the House stands adjourned for lunch. We will meet again at 3 P.M.

The House then adjourned for lunch at eight minutes past two of the clock.

The house reassembled after lunch three minute past three of the clock

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

I. THE CUSTOMS AND CENTRAL EXCISES LAWS (AMENDMENT) BILL, 1988

II THE CUSTOMS (AMENDMENT) BILL, 1988

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): Mr. Vice-Chairman, I beg to move—

"That the Bill further to amend the Customs Act, 1962, the Central Excises and Salt Act, 1944 and the Customs' and Excise Revenues Appellate Tribunal Act, 1986, as passed by the Lok Sabha, be taken into consideration.'"

Sir, I also beg to move—

"That the Bill further to amend the Customs Act, 1962, as passed by the Lok Sabha, be taken into consideration."

It has always been the endeavour of the Government to simplify, rationalise, and - streamline law and procedure relating to Customs and Central Excise duties.