

of agitation in Assam. The AASU, it is reported in the press has submitted a memorandum containing 12 demands to the Prime Minister of the country on August 14, last. The 12 point demands include amongst others the very important issue, namely, the assurance of the Government for not invoking article 3 of the Constitution of the country, the assurance from the Government for not invoking of Article 374 of the Constitution of the country; extension of Article 370 which is applicable in case of Jammu and Kashmir to Assam; and an amendment in the legal immigrants determination by Tribunal Act 1983. From these demands, it would be evident that these relate to very important issues involving the constitutional provisions of our country. As a matter of fact, Sir, these are demands—which are patently preposterous—if you allow me to say so and it seeks to perpetuate the existing divide among different communities, different ethnic groups, minorities—religious and linguistic. Sir, Assam today needs a healing touch and it, in no way, calls for any kind of agitation which instead of healing up the wounds perpetuates the division in the Assamese society. The demands, Sir, obviously reflect a parochial and chauvinistic attitude and outlook. The minorities' interests will be put to jeopardy if the demands are conceded. The announcement about the resumption of the agitation has caused a great deal of apprehensions and misgivings among the minorities and ethnic groups in Assam. Sir, the agitation as I have told you earlier, at this stage, will cause incalculable damage to the unity and integrity of the country and if the agitation takes its own course. Under these circumstances, the Government should make a statement clarifying the Government's stand with regard to these demands because of the fact that these demands have been raised in terms of section 8 of the Assam accord. This has raised a very vital question about the interpretation of the accord and this is also going to cause a grave

sense of insecurity among the minorities. Sir, I would once again, through you, request the Government that the attitude and the policy of the State Government of Assam is to be ascertained. The Government should take prompt action in ascertaining the attitude of the State Govt. of Assam and make a statement clarifying the stance of the Government, the attitude of the State Government with regard to the demands raised, demanding a certain interpretation of the Accord itself and certain vital constitutional provisions of the country.

MR. DEPUTY CHAIRMAN: Now, further consideration of Appropriation (No. 4) Bill, 1986. Shri Raoof Valiullah.

THE APPROPRIATION (NO. 4) BILL, 1986—contd.

SHRI RAOOF VALIULLAH (Gujarat): Mr. Deputy Chairman. Sir, I rise to support the Appropriation (No. 4) Bill, 1986. At the very outset, I would like to bring a very important issue to the notice of the Government, which concerns Centre-State relations in respect of sharing financial resources.

Sir, in the last budget, the hon. Union Finance Minister stated:

"It is necessary to improve the return that workers and employees earn on their hard earned savings. I, therefore, propose to increase the interest rate on contributions to the Provident Fund. The rate of interest on General Provident Fund for Government employees is being raised from 10.5 per cent to 12 per cent. To benefit other workers covered by the Employees Provident Fund, Coal Mines Provident Fund Act and the like, interest on Provident Fund accretions invested in Special Deposits with Government is being raised from 11 per cent to 12 per cent. The pattern of investment is also being changed to permit the funds to invest up to 85 per cent of the accretions in Special Deposits with Government as

(Shri Raoof Valiullah)

against the existing limit of 30 per cent."

Sir, it is a welcome feature that the Government has increased the rate of interest to 12 per cent for the employees' hard earned savings in the provident fund. However, there is a catch in the statement of the Union Finance Minister which I want to hamper the resource mobilisation of brink to the notice of this House and which is going to all the State Governments. Sir, according to the Government of India, Ministry of Labour, Notification dated the 15th December, 1980, the provident funds of exempted establishments were required to be invested as follows: 15 per cent of the accretions in Government of India securities; 15 per cent in State securities or any other negotiable securities; 40 per cent in Seven-Year National Savings Certificates, Second and Third Issues or post office time deposits; and 30 per cent in special deposit schemes of the Government of India. But, as per the announcement of the Budget 1986, this pattern of investment is now changed as per the Ministry of Labour Notification dated the 25th March, 1986, and with effect from the 1st April, 1986, as follows: 15 per cent in Government of India or State Government of any other negotiable securities and 85 per cent in the special deposit schemes. And the remaining things have been wiped out. Now, what is the result? In other words, the Government has now withdrawn the investment of 40 per cent of the provident fund in National Saving Certificates and post office time deposits. The effect of this was not understood at the time of the budget which was presented a few months ago. Now it has been realised by the State Governments that it is undoubtedly adverse to all the State Governments. To elaborate my point, I would give some statistics. During the Sixth Five Year Plan from April 1980 to March 1985, there was gross collection of Rs. 24,000 crores in

the small savings and post office deposits out of which Rs. 10,232 crores were the net collections. Of this the States are getting two-thirds share by way of loan; as such, an amount of Rs. 6,032 crores was given as loan to twenty-two States by the Government of India during the Sixth Plan period. Secondly, out of the net small saving collections it is estimated that about Rs. 1400 crores were raised as investment from Employees Provident Fund and on this also the States must have been granted loan on the basis of two-thirds share aggregating about Rs. 900 to Rs.1000 crores. What I want to say now is this that only by announcing in the Budget the Union Finance Minister has withdrawn resources from State Governments to the tune of about Rs.1000 crores on the basis of Sixth Plan period which is likely to be about Rs. 2000 crores during the Seventh Plan period. This is for the simple reason that while the State Governments are getting two-thirds share by way of loan from investments in small savings and post office time deposits, the States are not getting a single paisa by way of loan or otherwise in the investment in the special deposit scheme of the Government of India. Now, the special deposit accretions are 85 per cent and the State Governments are not getting two-thirds share. What will be the resources of the State Governments? The Government of India has also discontinued from 1st April 1986 the cumulative time deposit scheme of the post office on which also the State Governments were getting two-thirds share. During the Plan period a gross collection of Rs. 630 crores was realised out of which about Rs. 250 crores was the net collection. By discontinuing, this scheme also again in the States are put to a loss of about Rs. 150 to 200 crores which the States were getting by way of loan on the cumulative time deposits. This loss to the States would be around Rs. 300 to 400 crores during the Seventh Plan period. Incidentally in the same Budget Speech the Union Finance Minister also spoke thus:

"Several States continue to face problems of resources in the first half of the current year. A number of steps were taken to help them in overcoming these problems. I shall refer to them a little later."

Whatever the concessions granted to the States in this Budget, the fact remains that by a stroke of pen the Union Finance Minister has reduced the share of the States in small savings by about Rs. 2000 to 2,000 crores during the current Seventh Plan.

Another thing in the Budget is about granting concessions to the States for overcoming the resource problems. Both these statements are contradictory. According to my estimates, the gross collection under small savings would be around Rs. 50,000 crore during the Seventh Plan period out of which the net collection as I estimate it would be between Rs. 20,000 to 25,000 crores, and if you take the two-thirds share which was to be given to the States, it would come to about Rs. 12,000 to 15,000 crores by way of loan. Now this Rs. 12,000 Rs. 15,000 crores should not have been taken away from the Government. This announcement of the Government of India in the Budget has become detrimental to the interests of small savings and thereby to the State Governments also. For example, on the one side, the interest rates on the Post Office Deposits are less than on the Special Deposits thus making the Post Office Deposits less attractive and, on the other, the Union Government has also withdrawn the facility of encashment of the long-term Small Savings Certificates after a period of three years which was uptill now allowed.

SHRI JAGESH DESAI (Maharashtra): But, you see..

SHRI RAOOF VALIULLAH: Please do not interrupt me. You can have your say when you get the chance. I have gone through the whole Budget speech and this is what I fear. In fact, even the Maharashtra Chief Minister has written a very strong

letter. So please do not interrupt me.

SHRI NIRMAL CHATTERJEE (West Bengal): On the Special Deposit, what is the interest?

SHRI RAOOF VALIULLAH: They have raised it to 12 per cent. thus making the Post Office Time Deposits less attractive and the Employees Provident Fund money will go to the Special Deposits Scheme which they do not have to share with the States. Therefore, I say that during the Seventh Five Year Plan period, the States will be at a loss of nearly Rs. 12,000 crores; It definitely appears that the steps taken by the Government are in the direction of discouraging the people from investing in small savings and if this trend continues, then the collection of small savings during the Seventh Plan period in the various States would not be as per the Plan projections, but would be much less than the targeted amount which would adversely affect the resources of the State. Sir, because of the incentive and the attractiveness of the National Savings Certificates, the State of Gujarat, for instance, collected a net amount of Rs. 960 crores during the Sixth Plan period which was almost three times more than the total of all the collections during the previous Five Year Plan periods which amounted to Rs. 380 crores only. At this rate the Government of Gujarat would collect—this is according to the Budget speech of the Finance Minister of Gujarat—about Rs. 2,000 crores to Rs. 2500 crores during the Seventh Plan provided the Government of India does not impose uncalled for restrictions. Therefore, I would like the honourable Finance Minister—the Minister of State in the Department of expenditure is present here now—to consider my suggestions which are as follows:—

- (1) The rate of interest on the small savings and the Post Office Time Deposits should be increased to 12 per cent at par with the Special Deposit Scheme.

[Shri Raoof Valiullah]

(2) The Government's instructions with regard to not allowing encashment of the Small Savings Certificates after three years should be withdrawn.

(3) The State Governments should be allowed two-thirds share of the investments, of all the investments in the Special Deposits also from within the States by way of loans just like in the case of small savings investments.

(4) The EPF amount should be allowed to be invested on the previous pattern, that is, 40 per cent of the EPF amount should be permitted to be invested in small savings.

(5) All the steps should be taken with retrospective effect from the 1st of April 1986 so that the State Governments have no losses on account of this.

Sir, in his Budget speech, the Union Finance Minister has praised the efforts in the direction of small savings collection. The minister has said:

"Another heartening feature of the fiscal developments is the sharp increase in small savings collections. This will be 23 per cent higher than the Budget estimates and 32 per cent more than the previous year."

Sir, it is a known fact that two major sources of income of any State Government are sales tax and small savings. The cumulative effect of the changes which have been made in the course of his speech by the Union Finance Minister will be known only after a few years when small savings will come down considerably. then it will too late to mobilise small savings from the people in the States because the States will not get any incentive, that is, they will not get the two-thirds share which they were getting as loan because the small savings have been clubbed and the investments in the Special Deposits will now be, or have been increased to, 85 per cent.

Sir, I would like the hon. Finance Minister to clarify this point because as I understand the Government of Maharashtra has written a very strong letter that Maharashtra only will lose Rs. 300 crores every year on account of this. Gujarat will lose another 200 crores. I can understand the plight of industrially advanced States like West Bengal and Karnataka. Their savings will go down considerably and they will lose 2/3rd shares on this account. By a stroke of pen, the hon. Finance Minister has divested all the State Governments of Rs. 10,000 crores which they were getting as 2/3rd share from small savings.

Other than this, I would like to bring to the notice of the hon. Finance Minister two important things. You know that there was a discussion in the House with regard to the crisis faced by the cotton growers all over the country and particularly in Gujarat, Maharashtra and Andhra Pradesh. Sir, in this connection, I would like to make a few suggestions. Sir, the Government had assured that the floor prices of cotton and remunerative prices given to the farmers will be declared. The cotton season is due to start on 1st September and the Government has not announced the remunerative prices to be given to the farmers so far. I would plead with the Government that this should be done immediately.

As far as the Finance Minister is concerned, I would like to draw his attention to two aspects. The coordination between the activities of the Cotton Corporation of India and the Nationalised Banks is very important so that the cotton growers get their payments quickly and don't bear any loss of commission in encashment. The hon. Finance Minister is from Gujarat and he knows that Rajkot and Surender Nagar are adjoining districts. A cheque from Rajkot takes 1-1/2 months to reach Surender Nagar. Therefore, I plead with the hon. Finance Minister that instructions should be issued to the nationalised banks that encashment to the farmers should be made speedily. This is as far as his Ministry is concerned. (Time bell rings). Another thing that was

debated in this House was Central help to States for famine, drought and flood relief. Sir, the outlay of assistance for relief for national calamities is Rs. 1024 crores in the Seventh Plan. The amount already spent is 447 crores and this is almost half the amount which had been earmarked for five years. I would like the hon. Finance Minister to clarify as to what the Government will do in the next four years. Will they raise this amount and earmark more money for natural calamities?

I would also plead with the Government to revise the Gadgil formula. At present the ratio of matching grant for floods and drought is in the ratio of 50:50. I would like to plead that when there is a case of acute drought or acute flood situation, this should be raised to 70:30.

Sir, another thing I would like to point out is that the Government of Gujarat has submitted a very ambitious plan on rural road development. This is as per the Prime Minister's advice that the rural development work should be employment oriented. Therefore, the hon. Finance Minister has himself initiated discussion with the Rural Development Ministry and other Ministries. I would like to know what the Government's stand is and whether this ambitious plan of the Government of Gujarat has been cleared by the Government of India or not. Thank you.

SHRI CHITTA BASU (West Bengal): While participating in the Appropriation Bill, I would like to invite the attention of the Finance Minister to certain disturbing features in our national economy. The most disturbing feature of the current year is the unabated rise of prices. Sir, you would know that between June, 1985 and June, 1986 the wholesale prices of all essential commodities have gone up by 4 per cent. The all-India consumers price index number rose from 530 in March, 1985 to 584 in March, 1986. The retail prices are estimated to have gone up by more than 10 per cent during last one year.

Sir, while presenting the Policy paper or the Discussion Paper on the Adminis-

tered Prices Policy by the Finance Minister, it has been stated that the direct contribution of the administered price has averaged only 2.16 per cent per annum. That was the claim made by the document on the Administered Prices Policy. But I have got figures to say and according to the report made by the AIEI the administered prices had a widespread impact on and accounted for 30 per cent of the weight in the index of wholesale prices—18 per cent of the private consumption expenditure and 13 per cent of immediate consumption. Therefore, what I would like to drive at is that the administered prices have contributed more towards the price increase. And as I have mentioned earlier, Sir, the price increase has remained unabated and, therefore, the Government should take note of this very disturbing feature because that is going to create an imbalance in all aspects of our national economy. Sir, time is very short at my disposal. I think the Finance Minister is quite capable of understanding the implication of the disturbing aspects of our national economy.

Sir, it has been claimed off and on by the Finance Minister that inflation rate has gone down. I admit. There are now two opinions on that. But what is the long term impact of inflation in our economy? Sir, the rate of inflation was the highest in 1979-80. It was 21.4 per cent. And it has been lower today. It is within 4 per cent or 5 per cent or something like that. But what is ominous is the fact that in 1970-80, the weighted contribution of weighted goods to the general price increase was no more than 51 per cent. In 1986-87, it was as high as 66 per cent. What was 51 per cent when the inflation rate was 21.4 per cent in 1979-80 is 66 per cent in 1986-87 when the inflation rate is low. That means, the impact of that inflation is now being felt by the working masses, working people in a very massive way. And this is one of the impacts of the price policy of the Government. This is also a very disturbing feature of our national economy.

[Shri Chittla Basu]

Sir, I also want to draw your attention to another very important aspect which is very disturbing in our national economy. That is the growing trade deficit. Sir, according to the provisional figures, the trade deficit in 1985-86 is Rs. 7,951 crores or say Rs. 8,000 crores. It is the largest. And it may ultimately turn out to be larger because the Commerce Minister some time ago indicated that the trade deficit for the last year may touch Rs. 9,000 crores. Anyway, the revised figures will tell the truth. And

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this trade deficit is a concomitant result of the

pursuit of the liberalised import policy. But the advocates of the new economic policy which is based on liberalised import policy say that our economy needs to be modernised and in order to modernise our economy we need to import. Sir, this is a suicidal policy and will ultimately lead to our nation's sell out, because the World Bank in its Report has made very significant remarks. In this connection, we should bear in mind that the liberal import policies are the centrepiece of the World Bank's conditionalities. It is one of the conditionalities of the World Bank to have liberalised import policy and we are pursuing that policy. In this connection I want to remind the Finance Ministry about then remark in the latest report of the World Bank and it says: "The timing and level of additional World Bank lending will depend on the adoption and implementation by borrowers of medium term adjustment programme" i.e., if we are to borrow from the World Bank, we justment programme and the adjustment programme and the adjustment programme means liberalised import policy. (*Time bell rings*), Sir, this leads to an inevitable consequence that is the World Bank pressure and I believe they have all started pressurising the Government of India to embark on formal

devaluation of the rupee, instead of the gradual depreciation of rupee's exchange value. It is needless to argue what dire consequences would be in store for us if we go in for formal devaluation of the rupee. And I think the Finance Minister owes an explanation to this House and to the Parliament and through the Parliament to the nation that this disastrous policy would lead to the devaluation of the rupees causing serious injury to our national economy. Would he say something in his reply, tell us something about those possibilities dangerous and our possibilities in the national economy of our country. n

Then Sir, I would only say something about technology transfer and latest danger inherent in it. Sir, I think the House will shudder to now that within the last 20 years India signed nearly ten thousand collaboration agreements with foreign firms mostly in the West and the total investment in the West and the above Rs. 50 thousand crores. Last year alone there were 197 collaboration agreements with U.S. firms for technology transfer against four only with the Soviet Union and another four with Poland. Then 12 collaboration agreements were signed with the German Democratic Republic while as more than sixty collaboration agreements were signed with West Germany, France is also coming in a big way, getting lower than other western countries as the one foothold in the Indian market comparatively new to them.

According to the Industry Ministry sources, the country paid Rs. 125 crores in 1985 towards technology transfer. In the name of technology transfer our wealth is being drained out. It also poses a great danger to our independence, indigenous technological development. Sir, I want to refer to the latest information as has been mentioned today by my distinguished friend, Mr. Gurupadaswamy. I also want to

draw the attention of the Government to that episode, to that move of the Government, to have a consultancy firm with NRI and who would work in conjunction with eight leading public sector undertakings of our country for import of technology.

This is an ominous sign. I hope the hon. Minister of Finance will say something about that particular consultant's company of Mr. M. S. Pathak.

Lastly, I would draw the attention of the Government to the fact that jute harvesting has already started. The Government has fixed certain support price, and coming from my State, I know that from some village areas lot of Jute is coming to the markets. While support price has been fixed at Rs. 235 a quintal, the jute growers were being forced to sell their jute at Rs. 150 to Rs. 175 per quintal. The JCI has not yet started operations, although Prime Minister made an announcement in Calcutta that all raw jute in the market will be purchased by the JCI and that assurance has not yet taken any shape at all. May I request the hon. Minister to contact the JCI and instruct them to begin their operations immediately and also increase the number of their purchase centres so that jute growers are not forced to take resort to distress sale. These are the simple points and I want the Hon. Minister to take note of them.

SHRI V. NARAYANASAMY (Pondicherry): Mr. Deputy Chairman, I thank you for giving me this opportunity to speak on the Appropriation Bill.

I rise to support the Appropriation (No. 4) Bill, 1986. In this Bill, the hon. Minister of State for Finance has sought the approval of the House for the expenditure to the tune of Rs. 1340 crores. In the supplementary budgeting, for agriculture, an allocation of Rs. 15,000 crores has been made. Sir, in the Seventh Plan,

thrust has been given to the agricultural sector and in this supplementary budget also, allocation to agricultural sector is considerably more. But we find that for crop insurance scheme, which has been introduced and implemented in several States, allocation made is only to the tune of Rs. 3 crores. We know, the country has to face a lot of floods and famines and droughts in several parts. If the crops are insured, the agriculturists who suffer due to drought and famine, will definitely be compensated by the insurance company; they can claim the amount from the insurance company for any losses incurred by them. But the implementation of this scheme in several States is rather lethargic and in a slow process. I would urge upon the Minister to issue directions to the concerned State Governments to see that crop insurance scheme which has been introduced to help the agriculturists who are the backbone of our economy, is fully implemented so that the farmers are compensated for their loss due to floods or famine.

I now come to deficit budgeting. Hon. Minister has said that there is a deficit of Rs. 3600 crores. Now, an additional amount of Rs. 663 crores has been provided for in this Bill. When there is already deficit budgeting, when there is inflation with rise in prices and purchasing power of the people is going down, what are they going to do to set right the deficit budgeting or at least to keep the deficit at a lower level. This is what I would like the hon. Minister to answer. Sir, there are two major problems which have destabilising effect on our economy. They are: the working of public sector undertakings and the trade deficit. The other day, the hon. Minister of Finance placed on the Table of the House a discussion paper on administered prices. While going through it, I found that in the Sixth Plan, the allocation in the State sector was Rs. 48,600 crores and in the Central sector, Rs. 48,900 crores. But the actual spending was Rs. 1,10,821

[Shri V. Narayanasamy]

crores. The return which we got from this investment was only 18.6 per cent. In the Seventh Plan, we have earmarked Rs. 1,80,000 crores. What is the return we expect? It is about 32.7 per cent. Half of the Budget allocation is taken away by the public sector, but the return from it is very low. While increasing the prices of petroleum products, the hon. Minister of Finance said, in the month of January, 1986, that the public sector undertakings are incurring a loss of Rs. one crore per day and that, therefore, the Government had to increase the prices of petroleum products. But we find that due to poor administration and malfunctioning of the public sector undertakings, they are incurring huge loss with the result that we are not getting a proper return from them. The return is diluted. Therefore, I would urge upon the hon. Minister that the streamlining of the public sector undertakings should be taken up on a war-footing. The public sector undertakings should be provided all the infrastructure and should see that we get the optimum return from them.

Then, I would like to say something about the trade deficit. Hon. Member, Shri Chitta Basu, mentioned about imports and exports. From 1951 to 1961, the balance of payments position had been quite satisfactory. Even in 1970-71, the trade deficit was only Rs. 99 crores. But we find in the year 1983-84, the imports were of the order of Rs. 15,762 crores and exports Rs. 9,872 crores. This was due to large-scale imports of petroleum products, sugar etc. into our country. Then, we went in for import substitution, manufacture of various items indigenously, and we have been able to maintain the trade deficit at a reasonably low level. As a result of this, the trade deficit which was Rs. 5,980 crores in 1983-84 was brought down to Rs. 5,262 crores in 1984-85. The Government has revised the import-export policy. In this connection, I would like to make a few suggestions

in regard to exports. In the field of exports, there is an urgent need to set up a special cell for looking after export promotion activities. Determined efforts should be made to boost exports.

Then the Government should also set up export development fund for the purpose of developing export, and the export-oriented industries with 100 per cent export capacity should be strengthened. They should be given all financial assistance and infrastructure by the Government.

There is also an urgent need to diversify the direction of the Indian exports to the developed countries. For this purpose an export marketing fund should be created to increase the export. Quality of export and import has to be kept on par or the export is to be on the increase. Recently, our Commerce Minister informed us that the Government is trying to increase the export in accordance with the proposals which have been drawn by the Government. So, the Government should give due attention to the trade and commerce and also to the public sector undertaking so that we can develop our economy as much as possible.

Coming to my State Pondicherry which consist of four regions, Karaikal, Mahe, Yaman and Pondicherry, mainly the Karaikal region is dependent upon the Cauvery water. There are four Southern States, Karnataka, Tamil Nadu, Kerala and Pondicherry which have to get share in the Cauvery water. In 1924 there was an agreement for a period of 50 years to share the Cauvery water with the erstwhile Madras Government and Mysore Maharaja family.

The agreement ended in 1974 and right from 1975 Tamil Nadu and Pondicherry are trying their level best to get their due share of water save the crops in the areas of Tanjore district in Tamil Nadu and Karaikal

region in Pondicherry, that is the real granary region of Pondicherry State which is producing foodgrains for our State. We have got 3600 acres of land in that area and the Cauveri water has not been supplied to us. We are at the tail end of the area. Whenever there is flood, our area is completely submerged and when there is drought we are not getting any water. A meeting was convened in May 1985 between the Chief Ministers of all States, but no conclusion could be arrived at. The Tamil Nadu Government wanted a tribunal to be set up to consider the demands of other Governments. Therefore, Sir, I urge upon the Government to take a decision. The Central Government has to move and call the Minister concerned to settle the dispute. Whenever there is flood or famine we have got money. Last year hon. Prime Minister visited our state and gave us Rs. 5 crores. Now we have submitted a memorandum for Rs. 1.5 crores for drought relief work. But this is not permanent solution. For the purpose of solving the problem permanently, we should get regular water supply for irrigating the lands and therefore, the Cauveri water dispute may be settled at the earliest.

Coming to the other matter of freedom fighters in my State, I would like to submit that our State was ruled by French people till 1954. Our brothers who have fought for the freedom have been treated as criminals by the French people and they have not maintained proper records. In Hyderabad the freedom fighters of these regions have been given a different treatment, they have been considered for pensionary benefits but in our side we see that the Central Government is insisting upon the certificate for the purpose of considering them for pensionary benefits. I would like to submit that the French Government destroyed the records, they did not keep proper records and they treated the freedom fighters of our region as only the persons who involved

themselves in criminal offences. Some leaders like Venkatasubba Reddier who was a freedom fighter, were issued certificates and "who is who" was also published on that basis. I would urge upon the Government to consider their cases for the purpose of payment of central pension to the people of our State who had been involved in freedom struggle.

In our State industries are very limited. We have only got textile industry. There is no other major industry in the State. In the Seventh Plan document 10 major industries have been earmarked. But we do not find any sign of a single major industry, although one year is already over. The Karaikal region is flood afflicted and drought area. The agriculturists are converting the land being used for growing paddy into one for producing sugarcane. So in that area in the co-operative sector a sugar mill may be set up so that the agriculturists and people living in and around that area may be benefited. Our Government to take decision. The Central Government to consider this proposal.

Another aspect of the matter is that in 1971 a foundation stone was laid for an aerodrome in our State. Now it is being kept as it is; no improvement is there. The land was also acquired. Pondicherry is a place of international importance because of Auroville and Swami Aurobindo. A lot of tourists are coming there. To promote tourism and also to give transport facilities for the people who are visiting our State we request the Government to consider the proposal for setting up an aerodrome at an early point of time.

With these words, I conclude. Thank you, Sir.

SHRI T. R. BALU (Tamil Nadu):
Mr. Deputy Chairman. Sir, I am very much thankful to you for giving me this opportunity to participate in the debate on the Appropriation Bill, 1986.

With very great mental agony and distress, I plead before you the

[Shri T. R. Balu]

sad plight of the people of Tamil Nadu. Tamil Nadu is under the clutches of severe drought situation. Our peasants of Thanjavur, Tiruchi and South Arcot districts are starving for want of water like anything. They are selling their bullocks, their cart and their agricultural implements for their daily bread and livelihood. As hon'ble Mr. Narayanasamy has just put forth in this House, there is no possibility or sign of availability of Cauvery water for the granary of Tamil Nadu. In the districts of Thanjavur, Tiruchi and South Arcot, almost all the peasants—about 8 lakh of agricultural labour—have gone out of the district. They are in fact going out of the State for their livelihood. Production of about 10 lakh tonnes of foodgrains has been lost during these months for want of water. At the prevailing prices, we have lost about Rs. 162 crores of agricultural income.

On 3rd of August, we had the Hindu religious festival. In Tamil it is called "Adi Perukku"—water fete. I quote from the Hindu dated August 4, captioned "Parched river bed mars water fete"

"They came in thousands, young and old, scores of newly married couples, the local people, to have a dip in the sacred Cauvery at Tiruvaivaru, for "Adi Perukku" on Sunday. But, they were sorely disappointed, frustrated and shocked.

"What greeted them was not the cool and swift flowing waters of the river, but dry, parched, grey sand-dunes. There was not a single spot in the eight bathing ghats at Tiruvaivaru where one could even wet his heels.

"To their shock, the crowds say small children—who usually drag small chariots, through streets this day—running races on the river bed. Tourists who had come in special buses from far and near decided to go to Tirukattupalli, 15 km

up the river in the fond hope of finding some water there.

"A group of 20 was happy with a bath from a motor-pump in a nearby sugarcane field."

There was no water in the river. Sir, this is the present condition of river Cauvery in Tamil Nadu. Sir, our D.M.K. party and allies, the CPI, the CPM, the Kamraj Congress and the Forward Block repeatedly requested the Chief Minister of Tamil Nadu and the Centre to have useful talk in the Cauvery dispute between the States of Karnataka, Kerala, Pondicherry and Tamil Nadu. But no action has been taken so far. That is why we have launched an agitation, requesting the Central Government and the State Government to take immediate and proper action to settle the dispute. Since no action has been taken, we have launched an agitation. About 50,000 people have been arrested. Even then no action has been taken to solve the problems of starving peasants of Tamil Nadu.

Sir, the upper riparian, the Karnataka State has constructed so many dams. They have constructed the Kabini Dam, the Hemavati Dam and the Herangi Dam which are detrimental to the interest of our State and are against the 1924 Agreement.

The Kabini Dam has been constructed to impound 19 TMC of water. The Herangi Dam has been constructed to impound 6 TMC of water. The Hemavati Dam has been constructed to impound 34 TMC of water, totalling to 59 MS. According to the 1924 Agreement between the States of Karnataka and Tamil Nadu, the Krishnasagar Dam has to be constructed to store water up to the limit of 45 TMC only.

MR. DEPUTY CHAIRMAN: Two minutes more.

SHRI T. R. BALU: Sir, this is an important matter.

Sir dams have been constructed by Karnataka to hold 59 TMC of water. So, 14 TMC water is the excess difference. Due to this there is no surplus water. The government of Karnataka

[Shri T. R. Balu]

say, 'We won't abide by the 1924 Agreement.' The Agreement between Karnataka and Tamil Nadu is only to safeguard the interests of Tamil Nadu, the lower riparian has got the right of using Cauvery water forever. The Karnataka Government has not got any right to intervene and to stop water flowing to Tamil Nadu, as per the 1924 Agreement. The river is an inter-State river. If there is any surplus water, it can be discussed by the State; and could be renewed after 50 years. That is the essence of the contract. But due to non supply of enough water 28 lakh acres in Tamil Nadu could not be cultivated due to insufficient supply of Cauvery water causing severe drought.

So, I request the Central Government kindly to intervene, to have proper talks with those States, to set up a tribunal according to the Inter-State Water Disputes Act, 1956 and to form a proper authority to implement the award of the tribunal.

Sir, we are having by-election in Tirunelveli and Aruppukottai constituencies. Through you I would like to draw the attention of the Election Commission to the fact that the local Government is misusing its powers.

After the election is on, a Public Relations Officer-in-charge of Tirunelveli has been transferred to Madras. The Municipal Commissioner in Tirunelveli Municipality has also been transferred to Dindigul. An Officer of the Tourism and Development department in charge of the Tirunelveli junction has also been transferred. 150 deep wells, new roads and new bus routes are being provided at Tirunelveli and Aruppukottai constituencies in violation of the rules and regulations of the Election Commission. In the Tirunelveli Constituency thirteen candidates are contesting. Two candidates had been allotted symbols on 11th of August. The very next day, within twenty-four hours the Returning Officer has changed their symbols. This

is against the election rules. This has created apprehension among the contesting opposition candidates and they feel that it was due to the intervention of the Minister who is a candidate contesting from that Constituency. Otherwise who is responsible for this abuse of power? I request the Government and the Election Commission to take suitable action in the matter and transfer the Returning Officer from that place so that free and fair poll is held there.

MR. DEPUTY CHAIRMAN: Please conclude.

SHRI T. R. BALU: I will take one or two minutes more.

MR. DEPUTY CHAIRMAN: The House is adjourned for lunch till 2.30 p.m.

The House adjourned for lunch at thirty-two minutes past one of the clock.

The House reassembled after lunch at thirty-one minutes past two of the clock. The Vice-Chairman (Dr. Bapu Kaldote) in the Chair

SHRI VITHALBHAI MOTIRAM PATEL (Gujarat): Mr. Vice-Chairman, Sir, I rise to support the Appropriation (No. 4) Bill, 1986 presented by the hon. Finance Minister. There is a provision of Rs. 24.25 crores for currency, coinage and mint presses. I would like to draw the attention of the hon. Finance Minister that there is a proposal to set up a currency paper mill at Baroda. As far as my knowledge goes, the proposal has been cleared by the Public Investment Board. Sir, we are at present importing currency papers of more than Rs. 100 crores every year. The cost of the currency paper mill is less than Rs. 50 crores. Therefore, I request the hon. Finance Minister to expedite the project of currency paper mill so that our country can save valuable foreign exchange.

A jewellery export centre was sanctioned by the hon. Finance Minister in 1984. After that nothing has happened. Sir, if the jewellery export

[Shri Vithalbhai Motiram Patel]

centre is established at Ahmedabad there will be export of jewellery to the tune of Rs. 1,000 crores. When our country is facing acute shortage of foreign exchange. I think, such project should be expedited.

Similarly, a Diamond Board at Surat was sanctioned and Rs. 100 crores was earmarked for this project. Although money has been granted, no further steps were taken to set up this Board. I would request the hon. Finance Minister to expedite this proposal also.

Sir, there is a provision for crop insurance scheme. This scheme should be made applicable to all the farmers irrespective of the fact whether they have taken loans from cooperatives or not. Those farmers who have not taken loans and managed within their resources should also be given the advantage of crop insurance scheme.

Sir, there is also a provision for Cotton Corporation of India. This is a welcome step. The CCI is not purchasing all the cotton, but they are purchasing limited bales. In my State, Gujarat, there are lakhs of bales of cotton which remained unpurchased by CCI. The Finance Minister should issue instructions to CCI to purchase the cotton bales which are lying at present in Gujarat before the next crop comes into the market.

Sir, there is a provision of Rs. 2.21 crores to construct houses for income tax officials in Rajkot. We know that in Gujarat a number of Central Government offices are functioning in private buildings. I feel that the Government should construct their own buildings instead of hiring private buildings which are expensive.

Sir, I appreciate the policy of the Government about economy cut. There is a possibility of economy in public sector units. I can give you one example. The Headquarters of Oil and Natural Gas Commission is kept in Dehradun. In fact, not a single drop of oil is produced in

Dehradun. Oil is produced in Gujarat, Assam and Bombay High, by and large, but the Headquarters is located at Dehradun.

Sir, I will quote the information supplied by hon'ble Minister of Petroleum in reply to my question in Rajya Sabha on 1st August, 1986. The Minister said that during the period 1-4-85 to 31st March, 1986, O.N.G.C. officials at Dehradun performed 8100 journeys outside Dehradun. My question was about the journeys they have made to Assam, Gujarat etc. Out of these 8100 journeys, 5800 journeys they have carried out by air and 2300 journeys by rail. From Dehradun to Gujarat or Assam, the air journeys minimum bill costs more than 2000 rupees per trip. Besides this, their stay in Ahmedabad, their stay in Baroda and their TA/DA will cost lakhs of rupees to the exchequer. Sir, these are the journeys performed by the high officers. I do not know, how many journeys have been performed by other junior persons in the ONGC. Besides this, they are using their helicopters also. Sir, in this way, it shows that crores of rupees are being spent for the journeys performed by officials. This can be saved. ONGC should set up two Zonal offices—one in Gujarat and one in Assam and senior officials should be posted in both these offices to look after the work of the O.N.G.C. It is not necessary to keep the Headquarters in Dehradun. Gujarat office can look after Bombay High also. This way, expenditure of air trips and other things can be reduced. So, I request the hon. Finance Minister to consider my suggestion seriously.

Secondly, there is a provision of public sector enterprises also. Public Sector enterprises require support from all the corners. At present, some of the public sector enterprises are not functioning efficiently and they are making huge losses especially Steel Industries, Coal Industries and Textile industries. I had visited some of the public sector

units and I am convinced if the Trade Unions cooperate with the public sector enterprises, then a number of units can be made viable. Government should try to seek the co-operation of the trade unions. In most of the key industries, trade unions are dominated by the leftist trade unions and unfortunately, these leftist trade unions are not cooperating with the management and they are always instigating the workers to go on strike or to go slow. There should be moratorium on strikes and lockouts at least for the Seventh Plan period to see that these public sector industries become viable and some way has to be found out to get the cooperation of the trade unions, at least, in public sector industries.

Then, there was a proposal to put up a currency press in Baroda but now, I have come to know that it has been shifted to Pangarh, West Bengal. If my information is correct, Pangarh is about 75 kms from international border and whether to set up a currency press near the international border is right or not, I cannot say anything. This should be examined by experts. It should not be at least near the international border. I personally request the hon. Finance Minister to examine whether the setting up of the currency press near the international border is right or not.

SHRI NIRMAL CHATTERJEE: Mr. Vice-Chairman, Sir, I thank you for giving me this early opportunity to make some comments on this Appropriation Bill. More or less this is taking the shape of a mini-budget discussion. I will also take some liberties in this regard. But before I branch out, let me express my surprise at one or two omissions in the supplementary budget. Sir, this Appropriation Bill will lead to an additional net expenditure of Rs. 664 crores only. Of course, this net has come after credit has been taken for receipts and recoveries of amounts to the extent of Rs. 652 crores. Now the fact that so much is being recovered or can be reallocated does

not speak highly of the budget-making expertise of the Government, which the new Minister of expenditure might take into account. Apart from that, what surprised me, when we heard that a supplementary budget was being placed, is that there is no provision for any additional expenditure on education. I will remind the House that in the last session when the Minister for Human Resources Development was piloting the Bill, he took pride in the new education policy and wanted all of us to be glad that the Prime Minister had requested the Planning Commission to find out an amount which would be equal to 6 per cent of the total budget to be provided for the new education policy. There is not an iota of that amount provided in this budget. This is apart from the fact that Mr. Vishvijit Prithvijit Singh has mentioned a whole area for which adequate provision should have been made and it finds no mention in the expenditure pattern of the Government. If apart from all these, an amount of Rs. 664 crores is to be provided, I want the House to ponder what would be the amount of deficit. Please add to this the sum of Rs. 1,200 crores which has been estimated to be the charge on the Government of India account because of the award of the Pay Commission. After all this, should or should not the House shudder to think what is going to be the quantum of deficit in the budget which has already been estimated in the budget proposals, to be more than Rs 4000 crores?

I know he is Minister of Expenditure and he is not Minister of Revenue, and the head Minister is not there. They will say that income-tax collections were very high. I will come to that later. But, at the outset, let us appreciate what is going to happen to our budget in terms of expenditure. While education has not been provided for while the employees' additional emoluments have not been provided for, in their place what has been provided for? Jagesh and Raoof are too busy with

[Shri Nirmal Chatterjee]
other things. They could not even refer to this. You are spending a very small amount on one item. Mr. V. P. Singh very often tells us : why worry about these small amounts? Therefore, a small amount of Rs. 53 crores has been provided for a great service which the country immediately needs, that is, the Helicopter Corporation of India.

SHRI JAGESH DESAI: I mentioned about it.

SHRI NIRMAL CHATTERJEE: You have mentioned it? Thank you very much. Sometimes he belongs to our category. So, you imagine it. There is a gaping deficit, an increasing deficit. In that context you have the wisdom to spend Rs. 53 crores on the Helicopter Corporation of India, without which not a single individual—the Minister will agree with me—would be starving in our country.

The second item which I may indicate—this could be a pratable item—is that you have provided for Rs. 30 crores for acquiring those properties which have been sold below their market value by a certain percentage. Now, this year's Budget provides that you will acquire only if such valuation of the property is above Rs. 10 lakhs. Kindly see how many properties you are going to take if the worth is Rs. 10 lakhs or more. The estimate is Rs. 30 crores—each crore will get you ten such properties—which means you will be getting in the country no more than 300 properties which in terms of your past record, is worth noting because in the course of the last twenty years you have been able to acquire only 16 properties despite the provision being there in the Income-Tax Act for so long. But I say this is a profitable venture if you could spend more, if you could provide more. If you could acquire property, then two things will happen. That will save much of your expenditure on other properties because you will buy them at the same price and no more. Secondly, this

will hit the black-market operations, transactions, of land. You hesitate to provide no more than Rs. 30 crores while you are prepared to provide Rs. 60 crores for Helicopter Corporation of India. This is what I want the Minister to ponder over.

Then there is a third expenditure. I believe Jagesh's attention should have been drawn to this also—not yours; to yours I will come later—that is, you are spending Rs. 2 crores on Scooters India Limited. Is it not a shameful thing that Scooters India Limited was established on the basis of wholesale purchase of the Italian firm and since then it is running in losses and never could it get away from the colour red which is our dear colour? This is the situation and you allow this. This is your handling of the public sector. You allow all kinds of foreign collaborations including Lohia Machines and others, and they are flourishing, they are garnering huge amounts from the public and you have to provide Rs. 2 crores from the exchequer in order to subsidise the losses of Scooters India Limited. Is that the public sector policy? I will come in this context to NRIs to which he made a reference in the morning. This is not strictly under the Finance Ministry but since the Finance Ministry does out money for public enterprises, the Finance Ministry is providing some money even in this Appropriation Bill, it becomes relevant here. The House should know that it is not in NRI business at all that this comes, the consultancy firm referred to by my learned colleague, Mr. Gurubadaswamy. It is a one-man company. "The Management and Technologies Inc." in the United States—this is the name—"The Management and Technologies International Inc." That INC may be familiar: it also stands for Indian National Congress. But here the suffix used is 'incorporated'. The Indian company has become a limited company. The suffix used is LTD. Do you know the provisions in that? This company has been floated by

Mr. Pathak with 100 per cent shares. Then it is provided—(a) that shares would be given to NRIs but 51 per cent of the shares of this incorporation will remain in the hands of M. S. Pathak—that means he alone will control this Management and Technologies International; (b)—this incorporation provides for another magic 51 per cent; it says—that it will enter into agreements and collaborations with Indian ventures. It is in terms of the corporation itself, where this company will have 51 per cent shares, whether you agree or not, whether the public sector enterprises agree with it or not somehow, Sir, it is the Cabinet Secretary, in consultation with whom this Mr. Pathak has floated this company even before they entered into an agreement. That means what? Now, in India, a joint sector venture company is being formed and that is only, in their interpretation, 'limited' one and the shareholders of this company are the various public sector enterprises whom you are financing. But, as per the terms of that incorporation, they cannot have more than 49 per cent of the share of the joint venture. Sir, what does this mean? It means simply this—forget about the other things like technology, non-resident Indians, etc.—that one individual, one individual only, will control your public sector core industries. This is the kind of agreement that you are entering into and it is to these public sector enterprises that you are providing funds also. Whom do you want to help? Who is taking you for a ride? And, Sir, who is this gentleman, the most patriotic gentleman? He was a Member of the Planning Commission. You gave him that appointment. And it is because of patriotism that he has left the country and it is because of patriotism that he is coming back with this kind of control. This is what the House and the people of this country have to believe.

SHRI JAGESH DESAI: It is not like that. (Interruptions)

SHRI NIRMAL CHATTERJEE: Just a minute. We amend that the Ministers should get a pay much less than that of the public sector executives. We demand and we suggest also that the Members of Parliament, even when their salaries are increased, must be sacrificing, at least must appear to be sacrificing, before the people and they have to indicate and prove also that they are patriots. But this person, who was a Member of the Planning Commission, for a few dollars, has fled this country and is trying to come with control over the public sector enterprises.

SHRI JAGESH DESAI: I think this is not correct. (Interruptions).

श्री भजन लाल (हरियाणा) : श्रीमन्, मेरा प्वाइंट आफ़ ऑर्डर यह है कि जो हाऊस का मेम्बर नहीं है और जो हाऊस में अपने आपको डिफेंड नहीं कर सकता हो और उसका बार-बार नाम लेकर उन पर आक्षेप लगाया जाता है, मैं समझता हूँ कि यह मुनासिब बात नहीं है।

हाऊस की कार्यवाही से इसको एक्सपेंज करना चाहिए।

SHRI NIRMAL CHATTERJEE: Thank you for your objections, Mr. Minister. But I would like to draw your attention to one thing. Perhaps, Sir, this morning he was also here. He is so forgetful that he does not remember what was said in the morning.

श्री भजन लाल : श्रीमन्, यह बार-बार उस व्यक्ति का नाम ले रहे हैं, जो यहां पर डिफेंड करने के लिए नहीं है।

SHRI NIRMAL CHATTERJEE: All right. I will learn from you how many times it is useful to mention the name of an individual. Once or twice? I will do exactly that. But the point that I am making is only this that, on the one hand, you waste money on the Scooters India Limited and, on the other, you enter into an agreement with this kind of an individual—no NRI business; NRIs

[Shri Nirmal Chatterjee]
will come—and he will have control over your public sector enterprises. I wanted to make this point only this morning, but I was denied the opportunity this morning to do so.

Now, Sir, I will come to another point with which he is not directly concerned, but his senior colleague, the Minister in charge of Banking, or their head colleague, Shri V. P. Singh, might advise him as to what to do. It is not merely in the manner, as Mr. Raoof Valiullah has pointed out, that the Centre is depriving the States. But I am sometimes surprised or sometimes am led to believe that the Finance Ministry has somewhere lost its mind entirely or, if I do not make this assumption, I must say that it is diabolical in its game. He has mentioned how through just one change in the provisions for investment of funds the States are being denied. I will mention another instance.

You know about the bonds, about the Public Sector Bonds. Now, Sir, these Bonds are being floated and it has been mentioned in the Press, firstly, that it is at 14 percent interest rate with some tax-free component, up to seven thousand rupees, and that is nothing unusual. It is also proposed that they will float bonds at 10 per cent rate of interest with unlimited freedom to avoid taxes. It is provided for that this return would be entirely tax free. The private sector will garner funds on the basis of 15 per cent. The public sector will garner funds from those section of the population who will not be getting 15 per cent because they don't pay taxes. But when you say you will get this, what does it mean? It means that income-tax collection would be reduced. If income-tax collections are reduced in the name of providing funds to the public sector, who loses? The entire direction of the fiscal measures seems to be, as he has pointed out, that by trying to provide this tax relief, you are depriving the States on the one

hand and you are helping the very rich to avoid taxes on the other hand.

Mr. Salve is not here. I believe he was correctly interpreting the Finance Minister. I say it has become mindless. He has used the expression that excise-duty evaders would be given the concessions. In fact, all of them were not evader, but avoiders. He agreed to it later when I interjected. Just imagine. On excise-duty also you are allowing them to get away with certain amount of collections we all know that 45 per cent of excise-duty collections go to the States. (*Time Bell rings*) in one after another notifications, hundreds of crores of rupees have been hundreds of crores of rupees duty operators. Another Bill is coming in which retrospectively—can you imagine retrospective'y—excise-duty which have been collected from the consumers by the firms will be returned to the firms. They will make a profit. The other Bill is coming. The estimate is only that of 5 crores. But who will get these 5 crores? The consumers or those who are tax-evaders? The evaders will get 5 crores who have already collected this amount from the consumers. It is in this way that they criticise and support the Appropriation Bill. I criticise and consistently oppose this Appropriation Bill. Thank you, Sir.

SHRI GHULAM RASOOL MATTO (Jammu and Kashmir): Mr. Vice-Chairman, Sir, we are going to consider the Appropriation Bill No. 4 of 1986. The Budget has been passed by us only a few months back and it is the Fourth Appropriation Bill to the tune of 1213 crores that is coming to us to be passed. When I was looking at it just now, it reminded me of the 50s when the total Budget of the Union Government was roughly about 1500 crores. It is the Fourth Appropriation Bill that is coming to us for being spent over and above the amount already appropriated by us in the Budget. As Mr. Nirmal Chatterjee has correctly pointed out, I can understand that an expenditure

of 245 crores is an exigency that has arisen because of certain defence expenditure. I can also understand further 100 crores that have been spent on defence. But I fail to understand how Rs. 70 crores have been earmarked for the Ministry of Industry. It takes a lot of time to plan an industry, to prepare the project report and to make a provisions for that. After that, it come up for consideration by the Government and the same is appropriated in the Budget. This means some extraneous circumstances in certain areas of Government have come in, and I would request the hon. Finance Minister, particularly the Minister for Expenditure to put a stop to such expenditure which has not been envisaged in the Budget.

SHRI JAGESH DESAI: It is for subsidy.

SHRI GHULAM RASOOL MATTO: Subsidy on what?

SHRI JAGESH DESAI: For the industries to be taken to the backward areas.

SHRI GHULAM RASOOL MATTO: If it is exclusively for subsidy, then I can understand. What I find is that it is charged to the capital also. I hope the Minister will react to it as to what exactly it is. Sir, there is one thing which I have not been able to understand. Sir, there is the Ministry called the Ministry of External Affairs. It is the Ministry which has the paraphernalia in all the countries of the world and you know how much we have to spend. And there may be an exigency for one crore of rupees here or one or two crores of rupees there. But a further sum of Rs. 25 crores is sought for the Ministry of External Affairs (*Interruptions*) if I am not wrong, it is Rs. 25 crores. Either it is a misprint or if it is not a misprint it is Rs. 25 crores. Over and above the amount envisaged earlier in the Budget, I do not know what exigency has arisen that you are giving this amount of Rs. 25 crores to that Ministry. I have not been able to understand this. You may

kindly enlighten me. I can understand the Ministry of Finance having to spend a further sum of Rs. 11 crores. And as my friend has said, Rs. 30 crores are to be set apart for acquisition of property which is undervalued or things like that. But I have not been able to understand a further sum of Rs. 355 crores on the that the Finance Ministry has to spend wealth-tax. I can understand the ex-capital account. You kindly expenditure over and above the Budget I can understand that an amount of Rs. 30 crores has been earmarked for the expenditure of Rs. 11 crores. But how is it that Rs. 350 crores are earmarked? This may kindly be explained to me.

Sir, a sum of Rs. 25 crores has been earmarked for the Fisheries Department. Again I fail to understand that how such a huge sum over and above the budgeted figures has been earmarked through this Appropriation No. 4 Bill. I have not gone through the No. 2 and No. 3 Bills, and I do not know whether there is any provision for this in those also. I would like the Minister to enlighten me on this. Mr. Gadhvi, I may remind you that certain points raised by us here which may related to your Ministry but which are being mentioned here note of are passed on to the Ministries concerned. I would like you to take note of this. Out of these 25 crores how much is earmarked on this Himalayan rivers cold water fisheries. How much of this amount is going to be spent in Himachal Pradesh, Jammu and Kashmir or the upper reaches of Uttar Pradesh? And a sum of Rs. 85 crores is sought to be spent on currency, coinage and mint. I have just now come from Kashmir. There was this Id festival. And I may tell you, Sir, that there is an acute shortage of one rupee and two-rupee notes in all parts of the country. I can understand the shortage of coins. Your colleague, Mr. Janardhan Poojari has assured us that the shortage of coins will be met by the imports as well as through various new schemes that are under way. But the shortage

[Shri Ghulam Rasool Matto]
of one rupee and two-rupee notes is being felt very much in smaller cities and towns and particularly in the far-flung areas. I would request you to kindly ensure that one rupee and two rupee notes are sent to smaller towns, not merely to the State capitals. Sir, my friend has already spoken about the education. I will not like to dwell on it further. Sir, I would not like to take the time of the House. **But I would request the Hon. Minister to enlighten me on the few points that I have raised is connected with the huge expenditure of Rs. 1,318 crores which has been taken in the Appropriation Bill No. 4. It is an amount over and above Appropriation Bill Nos. 1, 2 and 3. Thank you, Sir.**

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE (SHRI B. K. GADHVI): Mr. Vice-Chairman, Sir, twenty hon Members have participated in this discussion and I highly appreciate and I am thankful to all of them for raising various important national fiscal points. So far as the points raised by hon. Members pertaining to various Ministries relating to their States or specific problems are concerned, I may mention that they will be scrupulously attended to and passed on to respective Ministries attend to them **under intimation to us.**

Sir, before I dwell upon the points which are commonly raised by various Members, I will first deal with the point raised by Mr. Matto regarding the sum we have taken for the Ministry of External Affairs. He raised certain doubts as to why we are asking for such a large amount for the Ministry of External Affairs. I may inform the House and I am glad to inform that our role in helping the developing nations and frontline countries of Africa is very great significance and it is also being appreciated by the entire world. As the Hon. Member and this august House are aware of the fact that in countries around the Sahara there was a very acute famine and people were dying for want of food, India came to the

help of African countries in a very great way by providing them with wheat and therefore this amount we have asked for is to meet that expenditure and if the House is interested I will give the break up of this amount of Rs. 25.08 crores that we have asked for. In fact, this amount has been asked for supplying wheat to these countries: ten thousand tonnes of wheat we supplied to Somalia, 22,41 tonnes of wheat to Sudan, 57,053 tonnes of wheat to Ethiopia, 5,000 tonnes of wheat to Kenya, 5,472 tonnes of wheat to Tanzania, 10,000 tonnes of wheat and 2,000 tonnes of grain dal to Mauritius and incidental expenses. Therefore, the House would appreciate that for starving nations we have gone to their help.

SHRI NIRMAL CHATTERJEE: Nothing to Nicaragua.

SHRI B. K. GADHVI: So, one should not raise the eyebrows.

SHRI GHULAM RASOOL MATTO: Sir, this is a money well spent.

SHRI B. K. GADHVI: I hope you will appreciate that every pie has been properly spent.

Now, Sir, a very common question has been raised about the economy of the country and the role of the public sector undertakings where we have invested a huge amount. It is accepted by all including our Prime Minister that public sector undertakings have to perform well and they have to deliver the goods. Some of the public sector undertakings which are the core industries and which lay the infrastructure for our country are of special significance. Because we have given them their proper place we can today with pride say that we can stand on our own legs. Look at the steel industry, coal industry and other industries which we have nationalised with a view to protecting the interests of the labourers for whom my friend sitting opposite has always been pleading greater attention. But wealth-tax. I can understand the ex- let me inform the House that now, a

lot of monitoring is being done with regard to improvement in management, with regard to improvement in supply of inputs, with regard to improvement in reducing inventories and to bring about more congenial and conducive relationship between the labour and management. My friends would also agree that we are all trying to make these public sector undertakings more viable and capable of rendering more help in the economic sector of the country. But still, however, we would wish that we are able to bring in more and more improvement. There is still much more scope and room for improvement and it would be coming sooner than expected and criticised about by the other people.

So far as industries are concerned, Mr. Matto raised a point. He spoke last but I am referring to him first. And he referred to provision of Rs. 70 crores. It is precisely, what Mr. Jagesh Desai rightly pointed out, for subsidising the new industries set up in the 'No Industry Districts' and, therefore, with a view to have a balanced development, and for the removal of imbalances, the hon. Members would agree that subsidising of industries in the 'No Industry Districts' is imperative and that is why we have come for this additional provision.

Out of the total demand of Rs. 1318.18 crores, the real expenditure, as Prof. Nirmal Chatterjee rightly pointed out, is only to the tune of Rs. 663.89 crores.

For Defence services, an amount of Rs. 400 crores are earmarked. The House would appreciate that we cannot afford any economy over the expenditure for defence, in view of the threat perception where everybody is so much concerned. We have to spend this amount and that is why I am very happy that so far that major item of Rs. 400 crores is concerned, nobody has raised a point and I think it is the appreciation of the services rendered by our defence forces that is manifested in this House, because nobody has raised a point about it.

I am first answering the points raised by various hon. Members on various items but I will come to the other aspects a little later. Now, so far as agricultural sector is concerned, the House would agree that agriculture is very vital and it is the mainstay of our economy.

SHRI B. SATYANARAYAN REDDY (Andhra Pradesh): And that has been neglected.

SHRI B. K. GADHVI: No, it has not been neglected. Against the vagaries of weather, the drought, the famine, the floods etc. upto now there was no security. Agriculture was not at all covered by insurance. But we started it now. Last year, from all over the country, insurance claims came to the tune of Rs. 101 crores. About Rs. 20 crores worth of claims were not found to be admissible; but Rs. 81 crores have been disbursed to the farmers by way of insurance coverage. For this, we have asked for Rs. 15 crores and the rest would be managed by the Corporation and in other ways. I agree with Mr. Patel the scheme covers only the crop and not the agriculturists. I do appreciate that a person who has put in everything out of his own sources into agriculture and if his crop is destroyed because of famine or drought, then perhaps, if there is no coverage for his losses, he is rendered destitute. A comprehensive scheme is desirable. There was also a suggestion that the village as a whole should be taken as a unit. But the answer lies in the fact that we should have primary co-operative societies and agricultural credit societies in the villages and through coverage to all the crops. Some of them we can provide insurance machinery, some institution, should be there which would take care of the interests of the farmers in this regard. Members would appreciate that the Corporation as such cannot go to each and every farmer. I may inform the House that besides agriculture, we are proposing to cover horticulture also. This time we are launching a pilot scheme in the case of apples. We will examine this, we will

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see how it functions and then, if need be, it will be extended to other areas.

Mr. Matto mentioned about fisheries. As you will see from the Bill, the amount allocated is Rs. 25 crores. This is for the purchase of trawlers. I am sorry, since trawlers cannot operate in the Himalayan region, they may not be available to you. Here, you should consider our vast coastline. It is a means of livelihood for our fishermen. These trawlers are being given to them.

A point was raised about mints etc. Then, art and culture. I agree with Shri Vishvijit Prithvijit Singh that our heritage has to be preserved, protected and maintained. I have taken note of what he said, I can assure him that everybody including our Prime Minister is anxious that our cultural heritage should be preserved and protected. I can also assure him that financial constraint would not be allowed to come in the way of preservation of our art and culture.

Then, a point was made about civil aviation, in regard to the Helicopter Corporation of India. You would agree that looking to the topography and geography of our country, specially, when we are making a Herculean effort for exploration of oil, we do need helicopters so that we can have access to the remote areas which are, at present, inaccessible as well as for exploration of oil on the high seas and elsewhere. Presently, we are hiring, but it is not enough. If the opinion of Mr. Chatterjee is that we should not have any advanced means of transport, that we should move only through kutch roads and by using carts etc., until every person is elevated to that status, economic status, where he can afford to fly in a helicopter or something like that, it is a different matter. When a multi-pronged attack is being made for the development of the country, for combating poverty and for raising the standard of living of the people, the Helicopter Corporation of India is only a small ingredient in it. It is not meant for providing luxury. Only

when you feel that something is essential you should money on it. Mr. Chatterjee's viewpoint of ultra-socio-logical and ultra-leftist viewpoint may be of Utopian cogency, but is not that much realistic.

One point that was made by hon. Members related to drought. Andhra Pradesh Members, Tamil Nadu Members and others raised this point. So far as Tamil Nadu is concerned, I may assure the House that a team is going shortly to visit that State to assess the damage and see what assistance is to be given. About Andhra, a team has already gone there. With regard to the floods, there were some altercations this morning but the Prime Minister has very rightly and generously announced the assistance. There was objection to the word 'generously', but I may say that if you entangle the whole position into the procedural wrangle, then perhaps it might be delayed, but with a view to giving relief the amount has already been declared as a ways and means amount and ..

SHRI RAOOF VALIULLAH: Sir, in the Five Year Plan you have earmarked Rs. 1047 crores for calamity but you have already spent half of it in the first year itself.

SHRI B. K. GADHVI: I am coming to it, do not be impatient.

SHRI B. SATYANARAYAN REDDY: I raised the point about drought. Andhra Pradesh Government has asked for about Rs. 300 crores to undertake the relief works, but the Central Government has provided only Rs.40 crores. And then you are referring to the recent floods.

SHRI B. K. GADHVI: I have got your point. Whatever may be the demand, I think there is a procedure. Whenever there is a demand from any State, a team consisting of various officers from various departments, agriculture, rural development, finance, etc. visit the State. They sit with the State Government officers, examine the whole thing, visit the area, make their own assessment and then present a report as to what help is to be given.

The report is then scrutinised by a high-level committee of the Secretaries and that Committee recommends whatever is to be given. The States may make any demand but....

SHRI B. SATYANARAYAN REDDY: The Committee has already submitted the report.

SHRI B. K. GADHVI: It is not the case only with Andhra Pradesh. It may be Andhra Pradesh or Karnataka or West Bengal or for that matter any State, so far as the drought relief is concerned, the pattern, the procedure and the approach is the same and there is no partiality or impartiality to anybody.

Now Mr. Raoof Valiullah drew the attention to the calamity relief fund. Of course last year the drought was very acute in several States. We wish we could have spent a little less but unfortunately, it was not so. But so far as the amount is concerned, you have not to worry because we have a provision of Rs. 270.37 crores in budget estimates of 1986-87 for Central Assistance in the form of Advance Plan assistance for drought and non-Plan grants for floods, cyclones, etc. as well as for Centre's contribution to the Margin Money of States. Besides, we have also a budget estimate provision for 1986-87 of Rs. 800 crores under 'Ways and Means Advance' out of which advances are given to State Governments to meet the immediate relief expenditure.

Thus I can assure the hon. Members that we have adequate funds for Central assistance for natural calamities; and if additional funds are required supplementary grants will be obtained in the subsequent batches, but for want of money no drought-affected States would be allowed to suffer and every assistance would be provided to them. (Interruptions) If necessary, Helicopter Corporation will be 'flying', what is wrong about it—'flying' on relief work.

So far as Cauvery water dispute between Karnataka and Tamil Nadu is concerned, very soon a meeting is to be convened where some solution will

be found out. I agree that so far as the question of water is concerned, it is a national wealth and it should be utilised for national purposes. Parochial approaches and only regional approaches with regard to inter-State rivers or International rivers, going to help the situation. The Prime Minister also brought this to the notice of all Irrigation Ministers when recently, about a month back or so a conference was held in Delhi. It is unfortunate that some States in which there is excess water do not allow it to pass on to the other. That should not be so because in some issues which are national issues the regional and parochial view should gain a subordinate position and not a paramount position. But I assure the House that after the meeting a legitimate approach would be made.

Shri Chita Basu raised the point about the rupee. Let me clarify and let me assure him that rupee is not going to be devalued. His apprehensions are misplaced. So far as his suggestion or his aim at projecting that under the pressure of the World Bank we are liberalising imports is concerned, I may assure the House that at the cost of national interest, nothing would be done and nothing is being done. But there is a trade gap. And for that new efforts are being made. So far as exports are concerned, the House will very well appreciate that there are many constraints and in international competition there are so many difficulties. We have to meet them. We are promoting exports and minimising the imports. Wherever there is no need, we do not just allow imports in a very loose manner. So it would be a wrong terminology to say that liberalised imports are being allowed. Only justified imports are being allowed.

One hon. Member raised the point about remunerative prices to the farmers. And for cotton also. I may say that so far as cotton is concerned, Mrs. Patil, who made her maiden speech, spoke much about agriculture and showed great concern for it. I am very happy that she is very keen

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to have concern about agriculturists. So far as Maharashtra Cotton Corporation is concerned, there is a monopoly and therefore the Cotton Corporation of India is not allowed to enter Maharashtra State. The State and NTC have purchased so many bales—some good quantum—of cotton from the Maharashtra Cotton Corporation and next year also the Maharashtra Cotton Corporation and Maharashtra Government have agreed, with regard to procurement prices, that there would be a uniform level along with the CCI. That is a very happy sign; otherwise it unnecessarily creates imbalance and some conternation between farmers and one State and another State. This year the CCI has come in a big way in procuring cotton from the farmers. Mr. Raoof made the point that certain bales of cotton are not being purchased in Gujarat from the cooperative sector.

SHRI RAOOF VALIULLAH: Ready pressed.

SHRI B. K. GADHVI: That is what I said. I said "bales". Bales can be only with the ginning industry and pressing industry. I will certainly pass on his desire to the CCI and we would try to use our good offices to bale them out.

Shri Jagesh Desai asked for abolition of IDBI and other institutions.

SHRI JAGESH DESAI: Talking about cotton, I said that in Maharashtra, the scheme is extended every year by the Central Government. we want it to be permanent.

SHRI B. K. GADHVI: You can have a permanent scheme.

SHRI JAGESH DESAI: You are not giving it. It is extended for one year. Every two years we have to go to Government and there is a time lag. We want the scheme to be permanent. It is in the interest of the farmers. That is what I have said.

SHRI B. K. GADHVI: As Minister of State for Finance I may say that Maharashtra Cotton Corporation has

paid this year—I do not know about last year—something more than what Cotton Corporation of India used to pay and therefore Maharashtra Cotton Corporation has much more stock than even the total production of Maharashtra State, as the farmers from neighbouring States came and sold it to them. And, therefore, there were some difficulties. But this time we agreed that all over the country there should be a uniform price policy and that the procurement price also should be common. They have agreed. That is a good sign.

Mr. Chitta Basu has raised one point about the Jute Corporation. Now harvest has started, and jute has started coming into the market. So far as the procurement by the Jute Corporation of India is concerned, we would certainly inform the Jute Corporation of India, and we would not wish that farmers should sell their jute at a distress price. The procurement price which is declared would be made available to the farmers, and the Jute Corporation would purchase jute from the farmers. We will tell them to do it.

SHRI NIRMAL CHATTERJEE: One request. Already jute is being sold. It is distress sale. And the JCI has indicated that before ten days they would not be able to enter the market.

SHRI B. K. GADHVI: They have to wait.

SHRI NIRMAL CHATTERJEE: No. The Jute Corporation has said that for ten days it will not be able to enter the market. In the meantime the poorer peasantry is selling jute. Can you do something for them?

SHRI B. K. GADHVI: Can they not wait for even ten days?

SHRI NIRMAL CHATTERJEE: They do not have Minister's salary. This is known as distress sale. You yourself are a teacher. You know, distress sale implies that they cannot hold on to their stocks. Can you not help us in this direction? I mean the

growers. We would be grateful to you.

SHRI B. K. GADHVI: I will find out the position and inform you in a day or two.

SHRI NIRMAL CHATTERJEE: Thank you.

SHRI B. K. GADHVI: One point was raised about the poor power-generation performance. That is in the eastern sector. That is really so. Our total capacity in this...

SHRI JAGESH DESAI: You are talking about the IDBI, are not you?

SHRI B. K. GADHVI: I am coming to it, don't worry. Power is very important.

The power sector performance is to be improved. It is true that we would need additional power also. In the eastern sector also some performance has been made. But a lot of other things are to be done. Power which was available, actually available, to us, was not up to the expectation. In Bihar, in West Bengal, in Orissa, in the DVC etc. the power generation was not proper, but now it is being stepped up. If the hon. Member who raised the point, wants the figures, I will be in a position to give the total figure also.

An Hon. MEMBER: The average generation should be stepped up.

SHRI B. K. GADHVI: We expect it to be 53 PLF. It is a little less. Particularly in the eastern sector it is a little less. It varies from 45. Somewhere it is less than that. The PLF of the thermal stations in Bihar is 34.1; the Damodar Valley Corporation, 49.4; Orissa, 31.7; West Bengal, it is 42.2. So, here in the eastern region it comes to 42. In the northern region it comes to 49.8. In the western region it comes to 55.0. In the southern region it comes to 70.5. In the north-eastern region it comes to 12.7. That is why in the eastern region, including the north-eastern, the power generation is not up to the expectation. But efforts are being made to develop, to enhance it, to speed it up.

Mr. Jagesh Desai made a point about the IDBI and other financial institutions, that they were established before the nationalisation of the banks, but that, in view of the banks' advancing huge amounts to the industry and others, there was hardly any need for these institutions. I may say that banks to advance amounts to a very large extent. But for long-term investment and credit these institutions have come a long way in helping the industry. Hence, for long-term advances, long-term credits, banks are not advancing that much. They are always for short-term...

SHRI RAOOF VALIULLAH: Discounting of bills and refinancing of loans—the IDBI does nothing but these. It is only the nationalised banks which are giving loans. Seventy-five per cent of the assistance given by the IDBI in the last 21 years of its existence is by way of refinancing of loans and discounting of bills.

SHRI B. K. GADHVI: But the IDBI is giving finance to large and medium scale industries directly also. It is not that they do only refinancing.

SHRI NIRMAL CHATTERJEE: The point is that there is a proliferation of financial institutions. Therefore, the coordinating aspect has become very weak. When the IDBI was established, the public sector was not so much in vogue. After that the nationalisation of banks took place. So, what Mr. Jagesh Desai and all of us are suggesting is that it is high time to have a second look and amalgamate these financial institutions so that it really becomes a one-window concept both for long-term and short-term financing. This is the question.

SHRI B. K. GADHVI: But the IDBI mostly gives long-term loans.

SHRI JAGESH DESAI: Uptill now Rs. 55,000 crores have been given to the small-scale industries by the

nationalised banks and the IDBI is not even nearer to that.

SHRI B. K. GADHVI: I appreciate your point. But it is not correct to say that the IDBI and others have no role to play. They do refinancing also. Even the small-scale sector has got many avenues for finances. Some States also have got their financial institutions and the banks also give them help. Besides, the IDBI and other institutions do re-financing. But the point is that the IDBI mostly gives long-term finances.

I do agree with Mr. Chatterjee when he says that there is too much proliferation of financial institutions and sometimes there is overlapping. For the rapid growth of industries coordination between the financial institutions is very necessary so that there is no overlapping and there is no cause for complaint.

Mr. Patel has made a pertinent point pertaining to my Ministry about the establishment of a security paper mill and currency press notes and other things. I think some projects were cleared by the PIB in the past. Thereafter Hoshangabad and other projects for the security papers were expanded. Therefore, the question of setting up more establishments for the purpose has not come up.

So far as the question of setting up the currency notes press in West Bengal is concerned, it has been examined and approved by the Cabinet. Your apprehension that it is near the international boundary is not well-placed. I think West Bengal would protect the press in a better way. Our defence forces are also there.

As far as the case of Gujarat is concerned, I don't say your point is misplaced or invalid. Certainly there is a need for establishing more presses. When a case for it comes, case of Gujarat will also be examined on merit.

Shri Patel has drawn the attention to the fact that the ONGC officers fly many times from Dehra Dun to Gujarat and Assam and to other

places. I can assure the hon. Member that I will pass on his demand for establishing regional offices in Assam and Gujarat to the ONGC and to the Ministry of Petroleum for consideration.

Then, I do not think, anything else remains to be said on this because actually the points raised were many, somewhere of very remote relevance and somewhere of immediate attention which I have tried to attend to. One hon. Member of D.M.K. party raised a point about the Election Commission and other things. It will be totally irrelevant and I cannot attend to it. With these words, Sir, I conclude.

THE VICE-CHAIRMAN (DR. BAPU KALDATE): The question is:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1986-87, as passed by the Lok Sabha, be taken into consideration".

The motion was adopted.

THE VICE-CHAIRMAN (DR. BAPU KALDATE): We shall now take up clause-by-clause consideration of the Bill. There are no amendments.

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

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

SHRI B. K. GADHVI: Sir, I move: "That the Bill be returned".

The question was put and the motion was adopted.

THE APPRENTICES (AMENDMENT) BILL, 1986

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI P. A. SANGMA): Sir, I beg to move:

"That the Bill further to amend the Apprentices Act, 1961, as passed by the Lok Sabha, be taken into consideration".