

या तो मन्त्री जो को गलत जानकारी दी गयी या मन्त्री जो ने खुद किसी गलतफहमी में यह वक्तव्य दे दिया, दोनों में से कौन सी बात सही थी, अगर गलत बात कहीं गई तो क्या कार्यवाही की गयी ?

श्री बंसो लाल : ऐसी कोई गलत बात नहीं कहो गयी । जैसे कि मैंने अपने बयान में बताया है कि डेढ़ बजे यहाँ से हवाई जहाज जा चुका था । सिधिया जो पीने दो बजे से पीने चार तक हवाई अड्डे पर इंतजार करते रहे । जैसे ही हवाई जहाज वहाँ पहुँचा हवाई जहाज के पायलट ने बताया कि अगर हम यहाँ से अब रवाना हुये तो वे दिन छिपने के बाद पहुँचेंगे और इससे वे आगे पलाई नहीं कर सकेंगे । इसलिए अच्छा यह होगा कि हम रात को 12 बजे चलें और सबेरे 6 बजे वहाँ पहुँचें ताकि हेलीकाप्टर उसके बाद चलेगा उससे पहले नहीं चलेगा । सिधिया जो इतनी दूर गये इतनी दूर अये, 16-17 घंटे उन्होंने लगाए, मुझे इस बात का ताज्जुब है कि इसका एप्रिसिएशन करने के बजाए उल्टा क्रिटिसिज्म हो रहा है । मुझे आनरेबल मੈम्बर के इस रवैये पर हैरानगी है । (व्यवधान)

श्री प्यारे लाल खंडेलवाल : आपने गलत जानकारी दी । (व्यवधान)

श्री बंसो लाल : मैंने कोई गलत जानकारी नहीं दी । (व्यवधान)

श्री प्यारे लाल खंडेलवाल : हैरानगी तो हम को होनी चाहिये ।

Shri Nirmal Chatterjee mentioned about the inequity of the system. I do agree that there is inequity in the socio-economic system. And when we analyse any such system or the process of production of Wealth, it cannot be divorced from its social context. Wealth has to be understood in relation to man. When we examine the process, of generation of wealth, then the harmony that was promised by the self-equilibrating system Or mechanism of the free market eludes us. It is just not there. It is something wrong. There is something in it which is off the centre. It does not tell what is the true balance on both the sides of the balancing machine. We see a system where most of the people are deprived of the very resources they generate and their livelihood is just a by-product of the profit drive of the economically stronger. It is this inequality that has to be corrected. And one way to attempt to correct this is to give the means of production to those who are deprived most. The strategy of our allocations has been to pump resources to those sectors, to those sections, so that they have greater bargaining power to bargain a better future for themselves. That has been the rationale of our allocations for our anti-poverty programmes and of the budget philosophy that we brought. It can be the social security scheme which has been extended to 200 districts this year from 100 districts last year and the allocation for anti-poverty programme or the housing scheme for Scheduled Castes and Scheduled Tribes named after Indira Ji as Indira Gandhi Griha Nirman Yojna Or the new scheme for the urban poor, the rickshaw wala, rehriwala or the municipal salai wala. It is the whole group. So, this is the basic way.

Well, some of my friends on the left would advocate much greater structural changes. The question is at what rate and in what fashion we go ahead. So far as subsidy is concerned, I think that is the rationale of

THE BUDGET (GENERAL) 1986-87 GENERAL DISCUSSION—continued.

MR. DEPUTY CHAIRMAN: Now, I call upon the Finance Minister to reply to the Budget discussion.

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH): Sir, I am thankful to the hon. Members for the suggestions and also to the hon. Members on the opposite side for their criticism that was sliced with compliments also.

[Shri Vishwanath Pratap Singh]

subsidies also because there is a section of people to whom the trickle-down effect of this mechanism does not reach. Growth follows the socioeconomic contours and does not reach the lowest level. Therefore, it is necessary to pump direct resources to those sections. That is the rationale of subsidy, be it food subsidy or fertiliser subsidy. What has been done in this respect is that we have provided for substantial amount of subsidies. I do not have to go into the figures. But I will go into it later when it comes, to resources and as to how we balance subsidies and the social need of it and the most genuine need also to invest in the public sector. How to balance the twin need, the social need as well as the future growth need? This is the vioposed which I want to share with this House. It is a serious question. I think on this basic issue a collective thinking will be necessary and at some period of time when we discuss the paper on Government Expenditure. Perhaps, I will have the benefit of the views of the House as to how we cope up with these twin-needs which are both essential.

Sir, a mention was made that the working class has been neglected. I do not have to repeat the things all over again. All that I have to say is that it was this very Government that last year put the workers' debts *pari passu* with secured debts, gave it first ranking along with others. It was this Government which brought for the first time stock option scheme and also compulsory stock option scheme. It was this Government that raised the eligibility limit for bonus payment upto Rs. 2,500. And when it came to protection of the wages of industrial labour in the public sector, we protected it at that point of time raising from Rs. 1.30 to Rs. 1.65. So, we do not have to prove our credentials. We carried on the same thrust in this Budget by taking care of the fixed salaried group, by increasing the interest rate on pro-

vident fund, by increasing the standard deduction from Rs. 6,000 to Rs. 10,000. I remember, my friends in the trade unions, when the pie-Budget discussions were being held, were asking that the general limit of tax exemption be raised from Rs. 18,000 to Rs. 25,000. For the fixed income group and for the working class, by raising this standard deduction we have given more than what the trade unions were asking. It is this Government which has come up with this. And for the workers' housing which is a big problem we have given the incentive in this Budget—for the fixed income group also—by the removal of ceiling of Rs. 400 as, house rent allowance. That also will benefit the fixed income group. And several measures in that strain have been taken. So, here is a Government and the Budget which had committed themselves to the poor and the working class, and not by mere slogans but by concrete proposals which I have presented before you.

Sir, what has been personally very frightening to me in this year's budget debate is that Part-A of the budget has come in full focus of debate by the hon. Members in both the Houses. By and large, it was the Part-B, the taxation proposals, concession here or concession there to this group or that group, which is important, I do not minimise its importance. But all that that is done in Part-B has any relevance when it contributes to Part-A? Part-A is the part that is the people's part of the Budget. Part-B may be the businessman's part of the Budget. But it is the Part-A which is the share of the people in the Budget proposals. And I am thankful to the hon. Members that they did focus their attention on the various proposals that were in Part-A. We have taken a bold step and, perhaps, against the very instincts of the walls of the room I sit in the North Block, of opening up the Finance Ministry, of an attempt to

share with the people, with the Parliament, with the hon. Members the problems we have and also the possible solutions we have in mind. And it is in this context which has, perhaps, been so much noticed. But in the Budget at a Glance, if you see the proceeds of Part-A for all the four years, a tentative allocation as per the Seventh Plan has been given Ministry-wise—for the years 1985-86, 1986-87—the year of the Budget—1987-88, 1988-89 and 1989-90. We have given Ministry-wise what the possible allocation should be according to the Seventh Plan. Now here is sharing not only this budget but future budgets also, upto 1990. We have also decided to conduct part-budget discussions. This is an attempt to continue the philosophy of open-budgeting because we pass the budget finally when we pass the Finance Bill. This interim period, I personally felt, it should be fully made use of. We could discuss the things here. We could discuss matters with the various groups of the society. I am meeting trade union leaders. I am meeting economists. I am meeting industrialists. I am meeting small scale sector. I am meeting urban poor. In this process if the Government feels that there is need for amendment or improvement, we will be willing to amend it, because once we have an open dialogue, it does not mean to listen only and not do any-

thing, that is not communication.

VCommunication means that when you listen, you should be ready to change and this is the reason why we are meeting the different sections of the society and we want to know what their opinion is and if it is of use, it will be incorporated in the actual actions of the Government.

Sir, one of the suggestions was regarding the search of residential premises at inspector level. Many Members expressed that and I think they are on sound advice and we could again look into it and I would be willing to look into it.

Also came up the matter of inter-corporate dividends, and unit trust is also getting affected. I think there is much force in some of the suggestions. So, we still have time till we do not have the last brush with the Finance Bill and when it is applied then the painting is complete. So, we will try to improve upon by these suggestions that have come.

With regard to MOD VAT there is a little confusion. Being a new thing in the speech itself I said that the Government will be ready to remove anomalies; whenever a new thing comes there are bound to be some such things. By MOD VAT we have touched about ten thousand items. Several items have been touched by our new classification in MOD VAT. So, what we have decided is that for the next fortnight every day from 3 p.m. to 5 p.m. from the Ministry itself upto every excise collector in every part of the country he will be available to the people to explain MODVAT and whatever problems are there they can come and they can be discussed and we can disseminate any information that may be there. We have decided to continue this for a whole fortnight from 3 p.m. to 5 p.m. Every Collector of Excise will be available to people to explain it. So, we will continue this process, what has been done this year and also last year. There may be differences of opinion but a very major reform of tax system has been undertaken. A major reform of the tax structure has been done. And, I can say that this will be remembered as an era of tax reforms. Last year I took steps about direct taxes. This year I think the steps that have been taken relate to indirect taxes, of classifications, bringing them to international standards, of excise, of customs, of MODVAT or rationalising the customs structure. I think there has been a much larger sweep of reform this year than of last year. Last year, because of direct taxes, some-

[Shri Vishwanath Pratap Singh] how the personal taxes have higher perceptibility, though their amount may be small, the impact was felt more but the major reforms that have been done this year will go a long way than what was done last year. Now, on the customs side, we have done the rationalisation with the machine and the components that was promised in the Long Term Fiscal Policy. There is 15 per cent differential between 'component and the machine, the final product' so that there is a greater impetus on indigenisation. Wherever there is indigenous industry, we shall take care of it and protect it, though an undue protection is not needed; but due protection will be given.

SHRI NIRMAL CHATTERJEE (West Bengal): In that same chapter where you permitted concessions to components and the difference is 15 per cent, that is, ten per cent on components and five per cent on the machinery, more yield from that will imply larger import. I mentioned that in the Consultative Committee also.

SHRI VISHWANATH PRATAP SINGH: We will take note of the individual cases and wherever needed, we shall make amends. But the general pattern of getting differentials of 15 per cent between the final product and the component will be that instead of people importing machines directly, there will be an advantage to make those machines through the components process. That incentive is there and you will have to agree. If your case is this that if there is indigenous capacity in the components area that will be taken care of and a policy would be devised for that. I think that can go into in details, but we have done the general framework. Sir..

SHRI JAGESH DESAI (Maharashtra) : It will generate more employment also.

AN HON. MEMBER: Manufacturers will have increased profitability.

SHRI VISHWANATH PRATAP SINGH: I am talking of tax structure. Sir, there were 132 items subject to special excise duties; they have been abolished in one stroke. There were 11 slabs of auxiliary custom duties; they have rationalised to three. Now, for MODVAT, people say it was done in haste. I had to choose between the so-called haste and hesitancy. For a decade there has been hesitancy, people would say, let us find out this data; let us have that accounting system; let us have computerisation; let us be more matured and then we should do it. All this was going on. We have now taken a bold step. I know it will take a little time to settle down. And we have indicated our willingness that wherever there will be some problem, we will solve, and we have been able to bring MODVAT which was being held up for more than a decade. It is an existing reality today. We will take any corrective measure and it will work smoothly after a short while. Only one thing is there that MODVAT has increased the price of Maruti. But where there is a general decision to levy more duty, how can MODVAT help you? When there is a conscious decision to raise duty on passenger cars, on air-conditioners, on refrigerators, how can MODVAT help you? It will also not help those manufacturers who have high import content. This is one very good feature of MODVAT that till now we used to have phasing programme, indigenous phasing programme with Industry Ministry. In spite of the assurance on indigenisation within a particular time, they still continue to import on one pretext or the other. Now, MODVAT gives an edge to those who have got high indigenisation because they get set-offs. Customs duty will not be set off. And so, if they do not indigenise, they will be phased out. Those who have got

high content of imports, are complaining against MODVAT that it is not helping them. It is not designed to help them. We should not feel shy. It is not designed to help them. It is designed to help the indigenous producers. I suppose, now, it will also help, in some way, many people who are not showing all the expenses. Perhaps, because, MOCVAT will give some benefit, it will induce them to show more expenses. It will be beneficial in the sense that it will help us in tackling the parallel economy to some extent.

Now, Sir, as far as the small-scale sector is concerned, it has been our strength in regard to employment, in regard to distribution of industries all over the country, and as a bulwark against concentration of wealth. This we consider to be one of our most important areas which should be given full support. For this sector, a separate special fund in the IDBI is being created. Now, as far as the limit is concerned, they can go up to Rs. 1.5 crore instead of Rs. 75 lakhs. They can grow larger and at least compete with some of the stronger ones. MODVAT will also be beneficial to them. Then, we have also raised the limit of the aggregate value of machinery and plant for Income-tax purposes from Rs. 20 lakhs to Rs. 35 lakhs. In the case of the handloom sector, we have got positive proposal of exemption of excise duty on blended polyester cotton and polyester viscose yarn. We have also removed the excise duty on the processing of certain blended fabrics by the hand-loom organisations. Therefore, these are the positive aspects which we have in the case of the small-scale sector.

One point has been raised about the TI 68 people. They constitute only ten per cent of the business. Let us see. They are complaining that this Rs. 20 lakhs has been reduced to Rs. 7.5 lakhs. This is their basic complaint. I am meeting them. I should not prejudge. I will listen to them. The reason which went into

the Government's consideration. I should share with hon. Members because many of them must have come to you and asked about it. You must be wondering. You must be thinking why the Government has hit the small-scale sector. I would like to share it with the hon. Members. The bulk of the small-scale sector has been benefited by the proposals which I have mentioned. One advantage is that, set-off will be given now to the small-scale sector. Previously, what they actually paid, that was given. Now, they will be given full set-off of the duty. What is the history of this TI 68? This is a very good item for a Finance Minister. If he wants a few hundred crores, he can just twist this and money will come in. It started with one per cent. For statistical purpose, beware, when the Finance Ministry even starts counting, you should be alert. Because it was a miscellaneous category, industry-wise details were not gone into. Since it was a miscellaneous category, a duty of one per cent was levied. The exemption limit of Rs. 20 lakhs was decided upon against what the small-scale sector regularly enjoys—Rs. 7.5 lakhs. Please remember. In the case of the small-scale sector, the exemption limit was Rs. 7.5 lakhs. This has not been lowered or tampered with. But in the case of TI 68 category, it was made Rs. 20 lakhs. This levy went up from one per cent to 5 per cent, 10 per cent and 12 per cent. All the time, they were complaining that this should be removed.

This is not correct and economically it was not correct 4.00 P.M. because without assessment of paying capacity, tax was being levied. So, when we made international harmonised classification in December we did away with TI 68. Now if you do away with TI 68, it is normal to go to the small scale sector and enjoy benefits or burdens whatever are of the small scale sector. So,

[Shri Nirmal Chatterjee] it was classified under various slots of the small-scale sector and the duties and limits were applied to those.

They enjoy more benefits. They can go up to 1-1/2 crore. Earlier they got set-off not on all items only on items under TI 68, but now they will get set-off on all items that they use. Still they remember the 20-lakh exemption. It is like when the Maharajas were abolished, there was an ex-Maharaja category which wanted privy purse. Coming to TI 68, privy purse has the 20-lakh exemption. After you have done a major thing - of reform of excise duty, having aligned it with the whole international system, then, if you have a separate category of TI 68, will that be rational?

So far as the fear of inspectors etc. is concerned, I have already announced those measures. We can discuss them. Virtually, it can be a simple affair where any harassment by too much procedure or by inspector himself can be caused but then that can be taken care of. For that I am ready to have a dialogue. We can simplify those things and certainly we will do that.

SHRI NIRMAL CHATTERJEE: On the scale of operation, it continues to be delinked from the scale of ownership (Interruptions).

SHRI VISHWANATH PRATAP SINGH: Beg your pardon.

SHRI NIRMAL CHATTERJEE: Supposing MRTP or big houses own a small scale operator, this kind of distinction which was discussed you have not touched even now.

SHRI VISHWANATH PRATAP SINGH: In these aspects we always have the benefit of Shri Nirmal Chatterjee's advice. Anyway, I have taken a note of it.

The other area was about the thrust on reforms, how when we

simplify the tax structure, it will make the rates reasonable. Have we reduced rates, laid trust on the taxpayer? One-lakh rupees income return today is not scrutinised. It is just taken on trust that it has the correct entries. How can you say that this Government does not trust the taxpayer? It has shown the greatest trust in the taxpayer and we are still more firm about implementation. Pranabji asked yesterday, did you get your revenue increase only because of tax reduction? Is there any co-relation? I have never said that it is only tax reduction. Whenever I have talked about this, I have given three reasons. The one is reasonable tax, the other is trust in taxpayer and the third is firm implementation. It is the trio. If you reduce the benefit of evasion, that reduced tax structure takes care of, and the benefit is reduced. Increase the cost of evasion by firm implementation and adherence to the law of the land. So, we have reduced the benefit of evasion and increased the cost of evasion. That has worked and it is the combination of all the three aspects. But much has come in the press

श्री कैलाशपति मिश्र (बिहार) :
एक छोटी सी बात मैं जानना चाहता हूँ ।
30 लाख से घटा कर 20 लाख कर दिया
गया । उसके बाद शिकायत आयी कि
बहुत से यूनिट्स सिक हो गये , अब 20
लाख से साढ़े सात लाख पर आप आ गये
और उसके लिये आप तर्क दे रहे हैं कि
कोई अन्तर नहीं पड़ेगा । तो मेरा एक
छोटा सा प्रश्न है कि सिक यूनिट्स की जो
कंप्लेंट आ रही है, सरकार ने कभी जांच
कर के पता लगाने की कोशिश की कि
सबसे अधिक सिक यूनिट्स कितने हो गये हैं ?
या केवल ऐसे ही बकासा हो रही है । उसका
आधार हो तभी तो आप की बात जस्टीफाई
हो सकती है ।

श्री विश्वनाथ प्रताप सिंह : जो 20
लाख के ऊपर आज लगा रहे हैं उसके अन्दर
जो इयूटी पोशन है वह बहुत ज्यादा नहीं आ

रहा है। जो, तीन परसेंट आ रहा है। सिकनेस का कारण यह नहीं है। इसके और बहुत से कारण हैं। जहाँ तक आप का सुझाव है कि यूनिट्स सिक नहीं होने चाहिये, उसके लिये प्रयास होना चाहिये लेकिन इसका वजह से सिकनेस हुई हो इसका बहुत कम सम्भावना है। इस पर बाद में आऊंगा।

Now coming to this, I have said when a certain portion which is due to be paid as tax or duty is evaded, it is the 'store of the poor' which is taken away and when any money is stacked away at road, it is exploitation of the country. That is what the British were doing. How is it any way better than what the British did? And it is also not fair competition, if we take the free market ethics. Here, you see, if there is equal competition, you are supposed to run from the same line. But you evade taxes, sneal behind a bush, take a position in advance and start running and then say "I have won the race." However, in any economic terms, it is harmful to the economy. Unfortunately day in and day out, Government has been faced with editorials and writings in the press, with statements as if the Government is doing something wrong in attempt to correct this aberration, I had given an assurance that we will not give to the press unless we go and prosecute or file a case in the court and by and large after one major action, we did the Government did restrain itself. But this restraint

SHRI JAGESH QOESAT: Why should you show restraint?

SHRI VISHWANATH PRATAP SINGH: Well, I am telling you that while we the Government did show restraint that we will not come out with anything like that or an official statement, every day a statement would come that the Government has taken action without much home-work, flimsy grounds, that Government is harassing the industry, is demoralis-

ing it and that it is going to be the end of industrialisation in the country.

SHRI SAT PAUL MITTAL (Fun-jab): Vested interests.

SHRI VISHWANATH PRATAP SINGH: In fact it has been described by one of the writers and protagonists that the Government action is not worthy of a civilised government. To that extent it has been used. Well, they have used the press. I have not used the press, but I will use the Parliament and the Members of Parliament to say all that we have to say. It has been brought to the forum of this House and if I keep quiet in the forum of the House, it will be deemed that the Government is in the wrong and it concedes all the points.

SHRI SAT PAUL MITTAL: You must not be cowed now.

SHRI VISHWANATH PRATAP SINGH: I will just read a part of evidence that we came across. And I did hold my restraint till it has become impossible to do so. I again say that we will show restraint, but I want to share what we were confronted with. Here I have Mr. Kirloskar's case. Without any apprehension on the merits of the case, which is sub judice I do not want to make any comment and I will not make any comment, but I will only share facts and leave it to you to assess it. Here is an internal noting by one of the General Managers which fell in our hands. It says:

"Warranty charges were received by us on a day-to-day basis and the amount was also utilized by us to meet normal factory expenses. Money was physically collected and utilized by the company".

All these are facts where the Excise Consultant felt that there was a strong possibility of penalty and prosecution under the Central Excise Act. They themselves realised this position and the advice of one of their Consultants

[Shri Vishwanath Pratap SirghJ their Legal Adviser Mr. Sapre, is this. This we came across as evidence. In the first place let me make it quite clear that is what their consultant is giving as advice to the Kirloskar Company.

"In the first place, let me make it quite clear that the p<3nalty could be as high as three times the value of the goods in addition lo the i-e-covery of duty short-levied, not to mention the provision lor confiscation of land, building, machinery etc. and the provision for prosecution for evasion of duty".

That is their own well-wisher's advite, not ours. And it goes *on* to say:

"I have already indicated my opinion that warranty charges cannot be excluded from the as.essable value even if they ai"e mentioned se-parately. However, KSL's (That is Kirloskars Ltd.) intention seems to be to contest the i;sue "

Now, after having such an evidence, what do we do? If we keep quite will ic be a Government worth its name after getting that evidence?

SOME HON. MEMBERS: No. (*Interruptions*)

MISS JAYALALITHA (Tamil Nadu); May I make an interruption with your permission? I am spying this in support of the Finance Minister. Just novv you made a reference 'lo the press and the mischievous propaganda in the press. There was a report, I recall, just two or three days earlier in one Of the financial papers in which it said that there was a letter of protest from the Indusa-y Ministry to the Finan'e Ministry, Sir, this is a very mischievous report from your view point So Sir, should you not

refute this, at least take action against the concerned paper or make a refutation because it implies that I he Union Government are not pulling together as a whole' The report in the paper regarding your Budget proposals was that the industry Minister had sent a secret letter to you.

SHRI VISHWANATH PRATAP SINGH; We are pulling together, I assure you^ whatever the press report is. But certainly we exchange views and sometimes they do not coincide. That is the normal fusicioning of the Government. That ig anothisr thing. But. So far as perception is concerned, there is no diilerence of effort and disection to go once a decision is mad3. Before, there can be consultations and difference of opinion. That does not affect the unison in working of the Government.

Then, I am coming to Voltas, and much has come. The Crawford Bailley and Co. which is a very respec table firm, has this to advice the Vol-tas;

"In our opinion the* switch-over in method of assessment to excise duty in respect of the said goods which the company proposes, is fraught with serious legal consequ ences. The Excise authorities are bound to know that for some reason the prices of the said goods under the proposed change-over is lower than the earlier priCe *hase*^ on the manufacturing cost plus profit. We are, however, cf the view that the course of action, outlined above is fraught with danger, and We would not advise the company to adopt it."

It i* their lawyer who lias observed. And I have the opinion of Mr. S. C. Talwar, which he had give to the Voltas. And it is this;

"In my opinio.n, it is not permissible in law to exclude expenses pertaining to this servfce from the

assessable value for several reasons. The service has been rendered before the sale takes place, and to charge a separate amount for this would hardly be a rational explanation of the situation."

That is Mr. S. C. Tahvar's reply. What do we do when we come across it?

Then, here is Mr. Bata. This is the evidence we came across.

SHRI SAT PAUL MITTAL: This reminds you of vested interests.

SHRI VISHWANATH PRATAP SINGH: This is one Mr. T. K. Mukherjee.

SHRI KAILASH PATI MISHRA: Sir,.... (Interruptions)

SHRI VISHWANATH PRATAP SINGH: Mr. Mishra, I will yield a little later. Let me complete this point.

श्री कैलाशपति मिश्र : आप जो कुछ बता रहे हैं उस पर विरोधी दल की तरफ से किसी ने भी आपत्ति नहीं की है। क्या सत्ताधारी दल के लिए यह सफाई दे रहे हैं? आप किसके लिए सफाई दे रहे हैं?

श्री विश्वनाथ प्रताप सिंह : मैं सदन का आभारी हूँ कि हमको चारों तरफ से समर्थन मिला है। इसका किसी ने विरोध नहीं किया। हमारे सदस्यों ने भी नहीं किया। पूरे सदन का समर्थन मिला है।

SHRI LAL K. ADVANI (Madhya Pradesh): So far as this issue is concerned, I do not think that the Finance Minister need labour so much. I feel slightly worried about the propriety of reading out the advice given by a legal counsel to that firm. I am perturbed because I would think that that advice given by a legal counsel to a firm is privileged; even though the Government is entirely entitled to draw conclusions from the documents

It has seized, I do not think it would be fair or proper for the Finance Minister to utilise the House of Parliament to read out these things. He can even otherwise point out what is wrong with the activities of any firm or individual if there are things that Kirloskar has done or anyone else has done, no one holds brief on their behalf. (Interruptions) But I hold that the advice given by any lawyer to a firm is privileged. Is it right for the Minister to try to bolster up his case by reading out that advice?

MR. DEPUTY CHAIRMAN: Advice is not a secret document and he is not arguing any case out of it. It is a statement of fact. So, I do not think there is anything wrong in reading it out.

SHRI NIRMAL CHATTERJEE: It is a good thing that we are allowed to hear these things. Let Us know the facts of the business in the country. The Finance Minister is doing a service by reading that out.

SHRI VISHWANATH PRATAP SINGH: Now, this is Bata India Ltd. Here is the noting of one Mr. T. K. Mukherjee.

"The above two rates were computed taking into consideration the duty paid on synthetic rubber as the main ingredient, although we were using duty free natural rubber as the main ingredient."

You will observe from the above that in reality we were able to get a higher rate than what it could have been as per the following details. That is duty drawback. How they could get higher duty drawback that is given. On BIMSAL, which is one of their make of shoe? it could have been 0.63 and finally what is settled by this new device is 1.10. 'C

I have nothing more to say except to share with the House that if there is the Press on one side and Parliament and the people on the other, where do we go? Government is pilloried day and night as if the

[Shri Nirmal Chatterjee]

Government is doing something very harmful to the country. (*Interruptions*)

SHRI VISHWANATH PRATAP SINGH: While all these actions by the Government were called uncivilised, how all their actions could be civilised? They want that we should deal with them in 'drawing-room manners.

Now I come to the point about the trust on industry. We have showed trust on the tax-payers. As I have mentioned the greatest proof of our trust on the tax-payer is that up to Rs. one lakh returns filed by them will be accepted as it is- Some people think that they are the people who are the only tax-payers. They are the industry, and if you touch them you touch the whole country. They think of harassment. But what about the harassment of the economy by these methods? Shri Birlaji mentioned about the image abroad and asked whether every industrialist is a crook. We never said that they are crooks. Let it not be said; what will be the image? If it is said that this is a Government which is hand-in-hand with the crooks, that will be a great demoralisation of the country and the country's image.

SHRI KRISHNA KUMAR BIRLA (Rajasthan): I only suggested that in these matters a certain amount of care should be taken. I had mentioned that in respect of those who are tax evaders, do not show any sympathy to them. But whenever you conduct any raids there should be a certain amount of caution. That is all.

SHRI VISHWANATH PRATAP SINGH: If this is the way you have stated, then, I am ready to give a time window, a roof to come clean as we have done in direct taxes and also amend laws for them. But We are not going to compromise with the tax evaders.

SHRI KRISHNA KUMAR BIRLA: Nobody has asked to compromise.

SHRI VISHWANATH PRATAP SINGH: It is a welcome statement;

But I can say that within a short period coming to grips with what interests can combine together and what picture they can present through the media as we have of the public sector today, by personal experience I can say that we have it in the country. We have the people's sector—agricultural sector and the small scale sector which holds the economic reigns and the direction can be main- ' tained where the people want it. I want to express and share this with the House in the short period that I have been in the Finance Ministry.

Sir, I share the view that on our balance of payments scenario, we will have to be cautious, though we do not have to press the panic button. We have been prudent and we will exercise some prudence in future also. What we have done for agriculture is also a strategy of Coping with our balance of payments situation in future, because IMF loans are now due and We have started repaying from this year. It was » help but We have to pay it now. The oil which is a major saver of our foreign exchange will not be available to the same extent as was available in the Sixth Plan. Concessional flows are drying up. Pressure is on commercial borrowings which is a high cost money. In this context self-reliance has to be our key. It is an economic reality and not a question of wishful thinking. If we are to steer through self-reliance this has to be our guiding light in this scenario. In the context of the self-reliance that we had given in this Budget major thrust on agriculture and capital goods industry which has been the main hub of our self-reliance in agriculture, it is not only the balance of payments, but if we have to make any serious attack on poverty it is through the agricultural sector that ' we can gain the maximum.

It was the agricultural sector that contributed about 5.2 per cent growth in the Sixth Plan. With regard to employment strategy again it is the agricultural sector that can give us this potential of meeting the unemployment problem. That is why we are coming forth with a long term price policy in agriculture for major crops. The farmer does not know what is going to happen and all the time he is guessing. After sowing the seed, he does not know what will be the price. So, now he will know that over the years, this will be the price for this crop, this will be price for that crop and so on, and he can make his decision. This will go a long way to help the farmers.

We have extended the crop insurance scheme to fruit cultivation. There was a cess on copra, cotton and vegetable oilseeds. That we have removed. The export duty on un-manufactured tobacco has been removed.

Then in regard to minor oilseeds. We are importing something like Rs. 1,400 crores of edible oil. Now we being an agriculturist country, there is no reason why we should be importing agricultural products. On the one side, we have the problem of how to utilise wheat. On the other side, more than Rs. 1,000 crores is paid for edible oil import. Now price relationship, we will have to see internally and we have to get rid of this import. I am sure that if we give the farmer an impetus, he will within two or three years—as he has shown earlier when given an impetus—free the country of these imports. But there is no painless way to self-reliance. In this interim period, if the oilseed prices do go up and the farmer gets the benefit, while not unduly hitting the consumers, within those limits, we should not be rushing for imports. That way we will never be self-sufficient. We will have to bear and tide over" *Wis*.

The fertiliser subsidy for the farmer in this budget is Rs. 1,950 crores.

And the investments that will go into the anti-poverty programmes and the power sector will also go to the benefit of the agriculturist.

On the capital goods industry, which has been the hub of self-reliance, we have consciously raised the duty on projects from 45 per cent to 55 per cent. Earlier it was 65 per cent. We had brought it back to 45 per cent. But this year, in the context of our capital goods industry, to give it, positively, consciously, some more protection we have raised it to 55 per cent.

On exports, this strategy of self-reliance in the balance of payments context, becomes very important, and here many steps have been taken. One is that pre-shipment credit facilities have been liberalised. Again MOD VAT will help in exports. Then exporters can now share the concessions with the manufacturers. The duty drawback on garments, which is a labour-intensive area and suits our socio-economic pattern, has been increased from 7.5 per cent to 10 per cent. Then the import duty on machines for processing and packing marine products, to help modernisation, has been reduced from 100 per cent to 40 per cent. Then the duties on machines, equipment and tools for gems and jewellery, which have a big potential for export, were ranging from 40 to 228 per cent. They have now been reduced to a uniform rate of 25 per cent. I will be meeting the exporters again and after consultations, whatever more possible we can do, we will try to do and give a boost to our exports in the context of self-reliance.

One point was raised as to why when the crude prices have fallen internationally, the prices of POL products have been hiked up in the country. One basic fact should be understood, that is, the international crude, even after the price reduction it has undergone, is still costlier than the indigenous crude. This fact should be understood to understand

[Shri Vishwanath Piatap Singh] . the whole thing. Now, in 1984-85 we ; were importing 20 per cenV of our total consumption of crude. And this year we are importing 33 per cent of our consumption in crude. So, while the international prices have fallen but still being costlier than Indian crude, if a higher percentage of the cos'lier crude is mixed, the average cost will still go up. Last year when the average cost was Rs. 1625 when mixed in 20 per cent, this year though less costly crude is mixed in 33 per cent, the average cost of crude mix as indigenous crude went up to Rs. 1785, an increase of about 7 per cent. That has been the reason that is many times missed.

The point raised by Pranabji was : How long can we afford this cos-ly hydrocarbon? If we have- coal as a source of energy, we will have to think that when there is an indigenous source of cooking, do we have to spend foreign exchange and dollars for cooking the same food? Can we not tolerate for our own country a li'tle smoke? And then there are

- newer methods of smokeless chulhas. This sometimes we have to boldly say. Think about our strategy. It did mention that we have a policy
- J where the soft coke is costlier than , imported kerosene. These are the economic things we will have to think in the overall context of our economic independence. (/interruption by Shri Nirmal Chatterjee) Where we can increase electricity, we must substitute diesel by electricity and
- for that sake rail transport and as rail transport improves its efficiency, that much of what is used in road as diesel, it is .six times or five times more efficient in railways. So that will help in our overall balance of payments position.

I will now come to some of the conceptual things, some of the general economic debate. One was deficit. We are adopting as mentioned in this Budget, the economic definition of deficit. Till now only the

deficit was shown. The RBI credit to the Government was shown as borrowings but in economic terms that is also deficit. So we have come boldly, accepted the Chakravorty Committee Report and from the next year we would be coming with deficit where the RBI credit as well as the Budgetary deficit would be shown with a comparative picture of the previous years also so that people can have an as^essment. (Interruptions) We are sharing everything. If you have a difficulty, it is better to share it rather than try to conceal it. That is why the Finance Ministry should not come as a curtain between the people and their money. It is the people's money we are spending. So why should the Finance Ministry or anyone come as a curtain between the people's money and the process by which it is going to be utilised? If you have a problem, tell the people. Share your problem with them; they do understand. They have come up to the occasion and given their support. Therefore, we have that trust.

Now about gaping deficit. I think when I hear of deficit, I do not want to undermine or say that deficits have no impact. I do not want to undermine. One has to be cautious and as a Finance Minister I have to be more cautious. Not that I advocate runaway deficits, I think since the earlier days if you see, hardly there will be a year when it will not have been said that deficit is larger. I think this criticism is like when Ramlila comes, every year there is one samvad here every year. That I can say, of course, only in a lighter way, not in a serious way. We have to see what variable should be compared to what. Now, deficit is inflationary ^you increase it, other things being equal; it will tend to be, unless it is neutralised by other factors. The greatest misconception of comparing this year's deficit to the previous years is assuming that everything is equal. Now, the next year's economy is not equal to the previous year's.

The basic assumption of comparison is lost. So one gets statistically bound up in a static conception of the economy. So it should, relate to the dynamic variables of the economy and relate the deficit to percentage of GDP or the percentage of money flow. If we see in these terms, then the deficit in 1979-80 was Rs. 2427 crores; the deficit in 1985-86 is Rs. 4490 crores. In the ordinary statistical sense, 4490 is the double of 2427. You will say that the deficit has become very large. But if you see it as percentage, this 4490 is a smaller deficit than 2427. When we see it as a percentage of GDP or a percentage of money flow, Rs. 2427 crore deficit in 1979-80 was 2.3 per cent of the GDP, whereas Rs. 4490 crore deficit is only 1.9 per cent of the G.D.P. So it is a smaller deficit.

SHRI NIRMAL CHATTERJEE:
Selection of the year. . .

SHRI VISHWANATH PRATAP SINGH: In 1980-81, Rs. 2576 crore was the deficit, and as a percentage of the GDP it was 2 per cent. And this Rs. 4490 crore deficit is only 1.9 per cent; it is a smaller deficit as a percentage of money flow. Why? It is important because the Budget deficit is not the only budget deficit under RBI credit to the Government and the increase in the money flow. Now, you can manage the inflationary impact of the deficit by using these variables and manage it. This year, in fact, in spite of the high deficit, we could manage the money growth to 17 per cent. It was good management of money flow, though we took the third variable and took care of this. As a percentage, I will give only one year's example. Which year would you like? *(Interruption)* All right. I will select another year. In 1980-81 the deficit was Rs. 2576 crores; it was 5.5 per cent of the M3. Now 4490 is 4.4 per cent, which is smaller. And this is the dynamic consideration that one has to take care of when talking about deficit.

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SHRI NIRMAL CHATTERJEE: There is another variable, inter-national trade deficit.

SHRI VISHWANATH PRATAP SINGH: I will come to that. Why are you worried? The other point raised by Shri Nirmal Chatterjee was that now you have bound yourself with the long-term fiscal policy, your hand is tied on taxation and therefore because you cannot go ahead in taxation you have to go in for price rise; that is his argument. I do not think he has read the long term fiscal policy. Now, kindly read part 5.19.

"The rates of corporate taxation will not be reduced further."

This is the sentence. "The rates of corporate taxation will not be reduced further." But lie says, "You have tied your hands." Then, in para 5.4, with regard to personal taxation, we have said *like* this;

"In order to provide the necessary stability, the Government intends to keep the present rate schedule of taxes on personal income and wealth unchanged for a minimum of five years."

We have said this and so, that takes care of it. So, Parliament is supreme about its intention.

SHRI NIRMAL CHATTERJEE: What about the surcharge? You have not said anything. *(Interruptions)*

SHRI VISHWANATH PRATAP SINGH: Sometimes you should take up your earlier speeches and read them. You have said that the Government is levying the surcharge and is not giving it to the States and now, when we have abolished it, you say that the percentage, the Centre's percentage, has come down. • Anyhow, I will come to it and I will fix you on that. You are arguing both ways.

SHRI NIRMAL CHATTERJEE: We want the basic thing. *(Interruptions)*.

SHRI VISHWANATH PRATAP SINGH: I will come to that and I will come to every point. Technically speaking, Government's hands are not tied. But it is not a question of technically only. All right. For the sake of argument, I will concede your point and say, "All right. You are right." But what is your submission? They say that they will increase the tax rate and solve the problem. All right. You have increased the tax rates. In the case of direct taxation—this is what they say—the whole thing has gone out of our hands. But Rs. 5,500 crores is the realisation in direct taxes. Increase it by ten per cent. What will you get? Only Rs. 550 crores. More? So, Rs. 200 crores is the personal tax and Rs. 250 crores in corporate taxes. Now, of this Rs. 200 crores of personal tax, 85 per cent you will give to the States and you will get Rs. 30 crores and out of the Rs. 250 crores of corporate tax, half you are paying through the public sector and it is from one pocket to the other and the net is Rs. 125 crores plus Rs. 30 crores, that is, Rs. 155 crores, which is what is bandied about politically and is being trumpeted as a solution to the deficit of four thousand crores. This is your solution. So, before giving this worth ten per cent of the value, what to say about its being half the solution! It is not even one-tenth of the solution. So, before giving this political colouring and saying that we have done this and we have done that, you should have studied this. It is because of our strategy that today we have the highest collection in a decade and the growth is about 23 per cent. The proof of the pudding is in the eating. It was our strategy of reducing the tax rates to a reasonable level, of firm implementation and our trust in the taxpayer, which has paid us. So, there is no question; We are in no doubt on its realisation. What we have assumed in the Plan we will fulfil for the country and we will get those taxes and the rich will pay for it and I will assure him on this. (*Interruptions*).

Now, Mr. Nirmal Chatterjee had made the point that India has the highest rate of savings and that this is due to, what he calls, unequal distribution. Does he mean to say that if we have lower rate of savings there will be more equal or equitable distribution? I want to know, Mr. Chatterjee, one thing: How do you collect your ideas? (*Interruptions*). Eighty per cent of our savings is in the household sector. Do you mean to say that all this is from the rich only? Let us not give colouring to it.

SHRI NIRMAL CHATTERJEE: You reverse it. If this kind of logic continues, you mean to say that all this is from the poor. It is absurd. It is because of inequality in distribution that the rate of savings is high.

SHRI VISHWANATH PRATAP SINGH: The other point he made is that the rate of saving is high. Then why is there the resource constraint? It looks very plausible. The saving rate is high. The resource constraint is there. We will have no resource constraint if we are satisfied with the rate of our growth. We have "resource constraint because we want to invest more. We want to give more to our public sector. We want more of anti-poverty programmes. We want to grow faster. It is our desire for growth. Growth is a relative term. We don't want a static society. In that case, we won't have any resource constraint.

The other point was made about indirect taxes. Last year, we have improved our performance of direct taxes and the percentage has increased in relation to GDP. But it is not unusual in developing country to rely on indirect taxes. There is narrow base of direct taxes when a large population is below the poverty line. When your base consists of low-income groups, it becomes low. Agriculture is not in the central income-tax net. We find that it is not easy to touch the pockets of self-employed

people. So, in this scenario these are some of the problems that we face.

So far as the growth of indirect taxes is concerned, we had low industrialisation. When industrialisation grows, the indirect taxes, excise duties, etc. grow much faster because they grow with industrialisation. Now, customs duty does not have only revenue angle. It has a protection angle to our industry. So, we should not really compare the customs duty because it has a protective angle and not only revenue angle. It is so far as comparison with direct taxes is concerned. (*Interruptions*) Still our indirect taxes are progressive in the sense that we have subsidies and we do take care of low income groups on food, common cloth, etc. We do have this.

Now, where does our problem lie? It is not on the tax side. We will be able to raise all the taxes to the full, I may tell you. It is our public sector. It is envisaged that the public sector will contribute 53 per cent of the total outlay for the plan. It has been able to give only 34 per cent and this year 39 per cent. Now, public sector has been the mainstay of our economy. It has contributed to our self-reliance and the strength of our industry. Now we have to have an outlook in which labour gets more participation in management. The management and the Government have to come together and evolve a method by which the public sector contributes to the kitty and the common weal. That is the direction that we are taking.

On the non-plan side also, we have to look to the issue of subsidy versus basic investments in the public sector. How to balance the two? Where can we cut the cost of Government and governance? Certainly we are on this exercise. We have taken steps. We will continue it. On the expenditure side I propose to bring a paper to the House for discussion and seek your advice on how we can

tackle this difficult problem. Ultimately it is not the Government's problem. It is the problem of the country. Now about the States it has been said that we always do it just like the annual Ram Lila and that the Centre has deprived the States. In fact, it is unfortunate that we formulate our proposition in this respect. What is the Centre and what is the State? You tell me which investment of the State does not contribute to the strength of the country and one beneficiary of Central expenditure who does not belong to some State? Are these not representatives from the States themselves in the Parliament, in the Central Government? How can we divide the people of India? The people of India cannot be divided by Governments. They are one and it is one nation. So, we should understand that it is not the Centre and the State in abstraction. The Constitution has given a different task, responsibility to each Government. For defence, for heavy investment in industry and in infrastructure and communications and railways, the Country as one gave the responsibility to the Central Government. Education, agriculture, law and order and the whole thing was given to the States. Both are essential. Both are absolutely essential. One is not superior than the other. It is not a question of sharing our resources. It is a question of pooling our resources. We have to pool our resources together to see that the country is one. Therefore, I do not claim that we have slogged and got an extra Rs. 600 crores in direct taxes. 85 per cent has gone to the States. I am ready to slog again this year and give it to the States because it is the same country. But it is not the problem that the States do not have resources. In the Sixth Plan, every State not only fulfilled the additional resource mobilisation target but also exceeded it. It is a compliment to the Chief Ministers and the States. So, it shows that there is no lack of resources with the States. Their problem is the erosion

[Shri Vishwanath Pratap Singh] of resources through their electricity boards and road transport and the losses they make.

SHRI NIRMAL CHATTERJEE: And price rise by the Centre.

SHRI VISHWANATH PRATAP SINGH: And if that is the case, how fair it is—let us search our hearts—that these losses should be underwritten by undermining the defence and the basic investment for the country in the public sector? That is the debate. And it is in this form that one has to understand it, not in abstraction or a confrontation between the Centre and the State*. And if we see it, the mechanism that we have for transfer of resources to the States has been fairly stable—33 per cent, 34, per cent—30 per cent is the present mechanism—of the total resources which the Centre has been transferring. And over a period of time, the share of the States in the total revenue of the States and the Centre combined has increased and not decreased. So I will not elaborate it. May be at some other time we will go into the further details of this aspect. I drew the attention of the House. And if you see the Budget Estimates for 1985-86 itself, the States' share of Income Tax was Rs. 1338 crores. It shot up to Rs. 1,846 crores. That is a rise of Rs. 508 crores. Similarly, in the case of excise duty, the Budget Estimate was Rs. 5,370 crores and the realisation was Rs. 56.25 crores. 45 per cent is the States' share from that. That has been the contribution to the States and their resources. The other point made was that the Centre's net share has gone down. Mr. Nirmal Chatterjee pointed out that the income-tax collection after transfers to States was Rs. 551 crores in 1985-86 against Rs. 690 crores in 1984-85. And he makes out a case that the net share of the Centre has gone down by all our measures. His oxnevtise, I just admire. I really admire his expertise. I do not want to repeat it. The

total collections in 1984-85 was Rs. 1928 crores. In revised estimates it was Rs. 2,397 crores. There is a rise of 24.3 per cent in total collections of income-tax. But what he says is correct. But what he conceals is that we abolished sur-charge last year. And, all the time, previously he used to say, you raise surcharge, you take your share, it is not shared with the States, and you are taking the whole cake eating it all along and the States are being deprived. These are his previous speeches. When you abolish surcharge, he says Centre's share has gone down, this is what you have done to the Centre. This is the thing. The other point that he made is that he gave quite a lot of statistics and data that the country is not growing, not developing.

SHRI NIRMAL CHATTERJEE: What happened to the promise of that consignment tax, which is an additional resource without affecting the Centre.

SHRI VISHWANATH PRATAP SINGH: Sure, Sir, this is a diversionary tactics. When he cannot meet that point, now he has started this diversion. It is just as in the case of warfare when somebody is attacked, he does not run away by the same route, he takes the other route to run away.

Now, Sir, one should know about the per capita GNP of this country. Between 1950-51 and 1984-85, the per capita GNP has doubled, in spite of discounting the inflation. Population has also gone up and we discount inflation and the per capita GNP has almost doubled. This is the credit of management and when you compare with other countries, Mr. Nirmal Chatterjee, you please super-impose only two conditions, namely, that the burden of defence should be from their own resources as in our country and there should be democracy surviving in that country. You superimpose these two conditions and compare India with any other country and then say that India is behind or anything else. And even coming to

recent data, if you have given any data that India is lagging behind, may I point out to put the record in a...

AN HON. MEMBER China is considered a democratic country...

SHRI VISHWANATH PRATAP SINGH: I will not comment because I have superimposed two conditions. You think about these conditions. (Interruptions) I have given you two conditions.

Let me now come to the other few points that I have left. I have almost come to the end of my speech. Coming to the latest figures of growth of Indian economy and the contention that the growth has been slow, let us look at some of the current figures. Between 1981-85 the world annual average growth rate has been 2.37 per cent. In the case of developing countries it has been 2.2 per cent and in India it has been about 1.5 per cent. That is the proof of our advance. I won't go into other figures, I have got more data but I won't go into that. One thing in respect of this Budget I want to emphasise. Apart from this, quite an emphasis has been made on human resources. (Interruptions)

श्री केशवप्रतिमिश्र : एक प्वाइंट और रह गया । पिछड़े हुए राज्यों के लिए कुछ अलग से व्यवस्था की गयी है क्या ? इस का जल्द बजट माधुन में है । 1947 में बिहार छठव स्थान पर था और अब 22 वें स्थान पर पर कैपिटल आमदनी के मामले में चला गया है । ऐसे जो पिछड़े हुए राज्य हैं उनके लिए कुछ व्यवस्था की गयी है क्या ?

SHRI VISHWANATH PRATAP SINGH: There are special categories like the North-East and there are special provisions for that. We have the Gadgil formula where there is a certain element of population and some element of performance. How can we make it performance alone.

SHRI NIRMAL CHATTERJEE Bihar is a neighbour of U.P.

SHRI VISHWANATH PRATAP SINGH: It is not a specific thing, it is a general thing. The other important point from all this data is the emphasis on human resources because after all data is made, compilation is made but the man is not made. The human being is still above all data and that is one element because the power machine, or be it the market process, there is commodification of man. In the marketplace, he has a price-tag. In the power set up, he is just a pawn to be placed here or there...

SHRI NIRMAL CHATTERJEE: Using Marxist terms; I welcome.

SHRI VISHWANATH PRATAP SINGH: How can we restore the value of man. And in this we see that wealth alone is not his measure. We are today confronted with a consumer society which is now ready to consume itself. That is the value crisis of a consumer society which is not able to see the future ahead, whether it will survive or not. And in this, the spirit of India is to be revived within us. That is one thrust which our Prime Minister is making and has given a call to the country that along with material progress, it is the progress in values which also we have to aim at. And that is one thing we have in mind. There may be many failings in this Budget; nothing is perfect, nor can any Budget be perfect; but it has shown that the planning process is alive in India. It has been buffeted by many by invasions, by natural calamities, by all shocks but it has survived. The planning process has proved that it is trim; it can deliver the goods; it can strengthen democracy, give growth as well as equity, and this Budget is committed to these objectives of our national priority of growth with equity, and that has been the purpose of this Budget which I have submitted.

MR. DEPUTY CHAIRMAN: Now, The Appropriation (Vote on Account) Bill, 1986. Shri V. P. Singh to move the motion for consideration.

THE APPROPRIATION (VOTE ON ACCOUNT) BILL, 1986

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH): Sir, I beg to move;

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

Sir, the House had a general discussion on the Budget 1986-87. The Appropriation (Vote on Account) Bill seeks two months' supply to enable the Government to carry on, pending detailed consideration and passing of the Demand for Grant for the full year and the connected Appropriation Bill.

The total amount provided in the Bill is Rs. 40,027.49 crores of which Rs. 30,830.42 crores is charge on the Consolidated Fund of India and the balance of Rs. 9,197.07 crores has been voted by the Lok Sabha.

Necessary details of the Vote on Account are given in the pamphlet already circulated to hon. Members. I move.

The question was proposed.

SHRI K. MOHANAN (Kerala): After the marathon exercise of the General Budget debate and the reply of the hon. Finance Minister, I know the House is not in a mood to discuss any other matter; especially on the same subject. Exactly, this vote on Account is part of the Budget itself. As the Finance Minister has already mentioned this Vote on Account is to

enable the Government to spend money from the Consolidated Fund of India for a part of the financial year till the full Budget is passed by Parliament. So, as part of the General Budget itself, this is a reopening of the discussion of the General Budget. Naturally, it will be a kind that of budget discussion. I am not going into the details not only because of paucity of time but also I am not an economist or a financial expert. I am approaching the whole situation from the point of view of a layman.

SHRI NIRMAL CHATTERJEE (West Bengal): That is the definition of a Member of Parliament.

SHRI K. MOHANAN: Yes. But I am not an economist like you.

Sir, I would like to make some general comments on the existing situation and the Government's attitude toward the various economic problems of the country. This is an era of new policies. The Government, headed by Shri Rajiv Gandhi, thinks that the policies followed by the earlier Government, led by Shri-mati Indira Gandhi, were wrong and they are following new policies of their own. For this purpose, every week and every month, they are coming out with new policies. But unfortunately these policies are like some new brands of cosmetics and soaps. These new brands are not only condensed in quality but they are also worse than the originals.

The Government has claimed that there is a shift in the economic policies. I agree. There has definitely been a shift. But the question is, for whose benefit and in which direction, these policies are going? For example, the shift in the economic policies, is illustrated by the new computer policy in November, 1984, the General Budgets for 1985-86 and 1986-87, the Import-Export policy,