

के दूसरे सदस्य जब रोते हुए पुलिस चौकी पहुँचे, तो पुलिस इतनी खराब है और प्लाट मालिक के साथ मिली हुई थी कि उलटे जहाँ हत्या का केस चलवाना चाहिए था, रजिस्टर में लिख दिया कि यह आत्महत्या का मामला है। दो बार पहले हमला हो गया है, एक साल से लगातार उसको भगाने की कोशिश हो रही है... (समय का घंटी)... अब उसके बाद पुलिस ने लिख दिया है कि इन्होंने आत्महत्या की है।

इस संबंध में मैं एक बात कहना चाहता हूँ कि स्वास्थ्य मंत्री के आवास के ऊपर कई दिनों से आतंकित मजदूर, जहाँ पर जाकर, डटे हुए हैं। बारह-तेरह लाख बिहार से आए हुए गरीब मजदूरों का भाग्य उससे बंधा हुआ है।

इस संबंध में मैं सरकार से कहना चाहता हूँ कि पुलिस रिपोर्ट के ऊपर भरोसा न करके इस घटना की सी० बी० आई० द्वारा जांच करवाइये। सी० बी० आई० को पूरी घटना की जांच करने दीजिए, जो निर्दोष होगा, वह मुक्त हो जाएगा, जो दोषी होगा, वह उस अत्याचार का शिकार होगा, लेकिन अगर सरकार और उसने मेरा मतलब ऊपर से नहीं है, नीचे के थानेदार आदि द्वारा यदि प्लाट मालिक के साथ षड्यंत्र में रह कर इस घटना को दबाने की कोशिश होगी, तो उपसभापति जी, यह इतने बड़े भारत की राजधानी दिल्ली है जिसमें तीस लाख की आबादी आज झुग्गी-झोंपड़ी में रह रही है, ऐसा अनर्थ होगा। इस अनर्थ का पर्दाफाश होना चाहिए, सी० बी० आई० द्वारा जांच होनी चाहिए।

THE FINANCE BILL, 1984

MR. DEPUTY CHAIRMAN: Now we shall take up the Finance Bill.

THE MINISTER OF FINANCE (SHRI PRANAB KUMAR MUKHERJEE): Mr. Deputy Chairman, Sir, with your permission, I beg to move:

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1984-85, as passed by the Lok Sabha, be taken into consideration".

Sir, the salient features of the more important proposals in the Finance Bill, have been explained in my Budget speech. The details of the proposals in the Bill, have been set out in the Explanatory Memorandum circulated along with the Budget papers. I would therefore, not like to take the time of the House by traversing the same ground.

The Bill has now been before the hon. Members for about two months. During the general discussion on the Budget as also thereafter, hon. Members from both the Houses have made valuable suggestions in regard to the various provisions of the Bill. A number of suggestions were also made by trade and industry, professional organisations, economists, tax-payers, tax experts and others. I would like to thank warmly the hon. Members and all others for making useful suggestions and comments on the provisions in the Bill.

After a careful consideration of these suggestions, I had moved certain amendments to some of the provisions in the Bill in the Lok Sabha, which have been accepted and incorporated in the Bill as passed by the Lok Sabha.

I shall at this stage, confine my observations to the main changes which have been made in the provisions of the Bill during its consideration in the Lok Sabha. I will begin with the modifications relating to direct taxes.

Hon'ble Members will recall that the Bill, as introduced, sought to withdraw the concession under Section 80 CC of the Income-tax Act in respect of investment in equity shares offered for public subscription after 29th Feb. 1984. Under the Bill as passed by the

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Lok Sabha this concession will continue for a period of three years, that is, in relation to shares offered for public subscription before 1st April, 1987. This will provide sufficient time for a further review of the impact of this concession in stimulating new investment.

Some changes have been made in the provisions in the Bill relating to contributions to so-called welfare funds for employees. Under the Bill, as introduced no deduction is to be allowed in contributing the taxable profits in respect of monies contributed by employers to such funds. These provisions apply retrospectively from the assessment year 1980-81.

Retrospective operation of this provision might have created hardship in cases where such funds or trusts had, in fact, utilised such contributions for the welfare of the employees to the contributor. With a view to avoiding hardship in such cases, the provisions in the Bill has been modified to provide that any expenditure incurred by a trust, fund etc., before 1st March, 1984 for the welfare of the employees of the contributor will be allowed as deduction in computing the taxable profits of the employer of the accounting year in which such expenditure has been incurred. The deduction will be allowed to the employer to the same extent as it would have been allowed to him had such expenditure been incurred by the employer directly.

A provision has also been made in the Bill to enable any employer who has made such contributions before 1st March, 1984 to claim the contributions remaining unutilised be returned by the trust or funds, etc. where such contributions have been utilised for acquiring any capital asset, namely, land, building machinery, plant or furniture, the employer will be entitled

to claim that such assets would also be transferred to him by the trustees.

While these provisions are intended to remove legitimate concern against the retrospective operation of the provisions in the Bill, it was felt that it is also necessary to prevent attempts by companies to circumvent this measures through novel devices. One such device seems to be the formation of new companies under Section 25 of the Companies Act, 1956. As the provision in the Bill, as introduced, applied only in respect of contributions to a trust or fund, it could be circumvented by making contributions to such new companies, instead of trusts or funds. The scope of the provision in the Bill has, therefore, been extended to contributions made by employers to companies associations of persons, bodies of individuals, societies registered under the Societies Registration Act and other institutions, besides trusts and funds.

Under the Bill, as introduced, all charitable and religious trusts including those entitled to exemption under Section 10 of the Income-tax Act, would have forfeited exemption from the wealth-tax, if they did not confirm to the investment pattern for trust funds laid down in the Income-tax Act, or use the income or property of the trust for the personal benefit of the settlor, trustee, etc. in contravention of the provisions contained in the Income-tax Act. On forfeiture of exemption wealth-tax would be charged in such cases at the maximum marginal rate. The Income-tax Act however does not provide for forfeiture of exemption from income-tax in the case to charitable and religious trusts which are entitled to exemption under Section 10 of that Act. As it would have been anomalous to provide for forfeiture of exemption from wealth-tax in such cases, the provisions in the Bill relating to forfeiture of exemption from wealth tax in the case of charitable and religious trusts have been brought in

line with the corresponding provisions contained in the Income-tax Act. As a result, charitable and religious trusts entitled to get exemption under section 10 of the Income-tax Act will not forfeit exemption from wealth tax under the provisions in the Bill.

Under the Income-tax Act, income derived by a tax-payer from investments in specified financial assets is exempt up to an aggregate amount of Rs. 7,000. In addition, under a separate provision contained in the Unit Trust of India Act, a further deduction up to Rs. 3,000 is allowed in respect of incomes on units of the Unit Trust of India. The Bill seeks to enlarge the list of specified financial assets to include deposits under the National Deposit Scheme. Under the Bill, as introduced, deposits under the National Deposits Scheme had also been placed on a par with units of the Unit Trust of India by providing that income from these two financial assets would be eligible for a further deduction up to Rs. 3,000 in aggregate, with a view to providing a greater incentive for making larger deposits under the National Deposit Scheme, the provision in the Bill has amended to provide an additional exemption up to Rs. 2,000 in respect of interest on such deposits. The Bill has also been amended to similarly provide an additional exemption under the Wealth-tax Act in respect of such deposits up to Rs. 25,000. As mentioned by me in the budget speech, the National Deposit Scheme is a temporary scheme and will be discontinued when the target of receipts is reached or earlier, if monetary developments so warrant.

The Bill, as introduced, provided for compulsory audit of accounts in cases where the annual turnover in business exceeded Rs. 20 lakhs or the gross receipts in profession exceeded Rs. 10 lakhs. With a view to allowing some time to trade and industry, as also to those in the professions of law and accountancy to adjust themselves to the new measure,

the Bill has been amended to provide that in the case of persons carrying on business, the requirement of compulsory audit will apply only if the annual turnover in business exceeds Rs. 40 lakhs, as against Rs. 20 lakhs under the Bill.

Under the provisions of the Income-tax Act, the Central Government is overpowered to acquire immovable property having a fair market value exceeding Rs. 25,000 in cases where the declared consideration for the transfer of the property is less than its fair market value. Under the Bill, as introduced, this monetary limits was being raised to Rs. 50,000. In order to provide relief to a large number of small house owners, this monetary limit has been further raised to Rs. 1 lakh. As a logical consequence, the relevant provision in the Bill has also been amended to provide that the prescribed statement regarding transfer of immovable properties need be filled before the registering officer only in cases where the consideration for the transfer exceed Rs. 50,000 as against Rs. 25,000 under the Bill.

I shall now refer to the amendments to the provisions in the Bill relating to indirect taxes. Hon. Members will recall that the budget proposals contained a package of concessions for the paper industry. In view of several representations received from small and medium paper mills producing paper out of non-conventional raw materials to the effect that lowering of the general rate of duty had reduced the advantage enjoyed by them earlier, even though the duty paid by them was also reduced proportionately and with a view to providing further relief to the small and medium paper mills, the duty for such paper mills with clearances up to 3,000, 7,500 and 16,500 tonnes in the preceding financial year has been reduced to Rs. 275 Rs. 550 and Rs. 730 per tonne respectively. After these modifications the concessions enjoyed by

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small and medium paper mills will be about 10 percentage points more than was the case earlier. A new slab in respect of paper mills not having any bamboo or wood pulp plant and with clearances exceeding 16,500 tonnes but not exceeding 24,000 tonnes in the preceding financial year has been introduced, with a rate of Rs. 950 per tonne for printing and writing paper as against the earlier rate of 7 per cent *ad valorem* plus Rs. 645 per tonne and Rs 1,200 per tonne for specified kraft paper as against 7 per cent *ad valorem* plus Rs. 900 per tonne prevailing earlier. The proposed concession has, however, been restricted to only those varieties of paper for which duty was reduced in the Budget. The revenue implication of these concessions is expected to be about Rs. 9 crores in a year.

Hon. Members may also recall that I had proposed reduction in the Customs duty on wood pulp imported for the manufacture of paper so as to reduce the pressure on our forest resources and to make available the imported raw materials at reasonable prices. On the basis of representations received in this regard, the same concession has been extended to wood pulp imported for the manufacture of paper board also. As a result the duty on such wood pulp has been reduced from 87 per cent to 30 percent *ad valorem*. This measure involves a revenue sacrifice of about Rs. 1.47 crores in a year.

As the Members will be aware, the customs duty on specified machinery and equipment for the newspaper industry went up from 35 per cent to 40 per cent *ad valorem* on account of general increase in the rate of auxiliary duty announced in the Budget. On the basis of representations received in this behalf, such specified items have now been exempted from the auxiliary duty increase effected this year. The concession is likely

to result in a revenues sacrifice of about Rs. 3.5 crores in a year.

Excise duty on polyester blended fabrics containing more than 40 per cent but less than 70 per cent polyester was reduced to 2 per cent in this year's Budget. This concession was not available to fabrics containing polyester filament yarn. As a measure of further relief to the textile industry, the concession given to polyester/cotton fabrics in the year's Budget has been extended to such fabrics containing polyester filament yarn also. The exemption, however, would be limited to fabrics whose value per square metre does not exceed Rs. 25. This concession is likely to result in a revenue sacrifice of Rs. 8 crores in a full year.

The concessions announced in respect of indirect taxes would result in a revenue sacrifice of Rs. 22.02 crores in a year. The concessions on the customs side will be about Rs. 4.91 crores and the excise side Rs. 17.05 crores.

There are a few other amendments of a relatively insignificant or drafting nature over which I do not wish to take the time of the House.

I had indicated in my Budget Speech the intention to set up an expert committee to go into the question of change in the financial year. It has since been decided that this committee will be headed by Shri L. K. Jha, Chairman of the Economic Administration Reforms Commission. The committee will include representatives of the Central Government, State Governments, Reserve Bank of India, Comptroller and Auditor General of India besides non-officials representing commerce and industry.

I am confident that the Hon'ble Members would lend their support to the Bill as passed by the Lok Sabha.

Sir, I commend the Bill for the consideration of the House.

The question was proposed

SHRI NIRMAL CHATTERJEE (West Bengal): Mr. Deputy Chairman, you and I know that of the seven wonders of the world one is situated in India. My reference is not to Mrs. Indira Gandhi but the Taj Mahal. In any case, this makes India a wonderland of the Alice variety. I say this because the Finance Bill which is a part of the Budget, and Budget, as has been correctly stated by the Finance Minister, is an instrument of Government's economic policy, is full of curiosities and curiosities and riddles and riddles. Perhaps that is inbuilt. I am reminded, just as a preface, that only the other day when the MRTP Bill was being discussed, I suggested that monopolies can be controlled only by eliminating them. To that the Law Minister who replied said I do not believe in mixed economy. What he implied was that believes in socialism which contained monopolists. Now this is a very strange and queer situation in India and for the benefit of the house I might mention that almost all the political parties in India have socialism inscribed in their banners and as an immediate agenda except two political parties and these two parties are the two Communist Parties of India. They do not have socialism as their immediate task. For our party it is the people's democracy and for the CPI it is somewhat different but not socialism.

SHRI PRANAB KUMAR MUKHERJEE: Ultimately you recognise the other party as the Communist Party.

SHRI NIRMAL CHATTERJEE: Yes, we do.

SHRI PRANAB KUMAR MUKHERJEE: It is a new development.

SHRI NIRMAL CHATTERJEE: For the benefit of the Finance Minister, I might add that if he has not

seen a very recent report that the leading Communist Party in the world, namely of the Soviet Union, has been kind enough to recognise the CPI(M) also as a Communist party.

I will come again to the discussion on the MRTP Bill. During that discussion I made a mistake. I made a mistake in quoting Jawaharlal Nehru. I forget that he is dead now almost twenty years and a reference was made to some statement which was made forty years ago. I forget that, one of the important conditions of life is to be able to forget which has been excellently developed by the Finance Minister and the ruling party.

Therefore, in this discussion on the Finance Bill, I will refer to documents of rather recent vintage. The same set that was in the Government then is also in the Government now. I begin with a reference to the Sixth Five Year Plan. I refer to Chapter IV on public sector outlay.

The Hon'ble Lady Member over there is smiling. I hope she will not interrupt me today.

Sir, in the above document some interesting figures have been given. On page 55 of the Sixth Five Year Plan document there is a reference to the total public sector investment outlay. I am distinguishing between total plan outlay and total investment outlay. At 1979-80 prices the public sector investment outlay is given as Rs. 84,000 crores. And the private sector was allotted Rs. 74,710 crores. That is, the public sector was allotted 54 per cent of the total investment in the economy. The Finance Minister is juggling with figures and hiding them and so it is difficult to understand this. So, I had to do some home work. Of the total public sector outlays of Rs. 97,500 crores, the Centre was allocated Rs. 47,250 crores and the States and Union Territories were allocated Rs. 55,250 crores. It was proudly mentioned in that chapter in true Gandhian spirit about

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decentralisation, that 51.54 per cent of the public sector outlay would be in the State sector including Union Territories.

3 P.M.

A minor adjustment is necessary and if we make the adjustment then the allocation between the allocation between Centre on the one hand and the State and the Union territories would be 50:50. If I am wrong—the Finance Minister is here today, he was not there at the time of the Budget speeches—the Finance Minister may correct me.

Now, I come to things of still recent origin: the Mid-Term Appraisal. In the Mid-Term Appraisal, on page 19, Chapter IV, some figures have been given. Which figures? Figures of the total investment made till then. The public sector has secured 43.96 per cent and the private sector 56 per cent. So, there is a reversal. I have taken into account—I have done my home work—the proposals contained in Part A of the Finance Minister's Speech and I have deflated them. He has given only the total outlay and not the total investment outlay and I have deflated the investment outlay and deflated it in terms of the 1979-80 prices. All these figures are in terms of the 1979-80 prices and I find that the public sector investment, as a percentage, would be still lower than indicated in the Mid-Term Appraisal. Now, what about the distribution between the States and the Centre. I have calculated that also. The total Plan outlay is going to be in terms of the current prices, Rs. 1,10,000 crores. In terms of the current prices, it is more than what was visualised in the Sixth Five Year Plan, but only in terms of current prices. Of that, how much is being spent by the Centre? Sixth thousand crores. How much by the States? Fifty thousand crores of rupees. Now, to my mind again, it seems that in the initial Sixth Five Year Plan, it was for a 50-50 divi-

sion or for a slight edge for the States. But, in the course of operating the Plan, through a sleight of hand or through a brilliant performance and management, the ratio between the Union and the States is 6:5, that is, in the case of expenditure in the public sector. The Finance Minister takes pride in this saying that he is consistent, and I will come to that also later. The Finance Minister says incidentally, that he has, in this year's Budget, increased the Plan allocation at the Centre by 25 per cent. Now, is it true? Yes, by half. He has compared this year's figures not with what has been achieved in the course of 1983-84, but with something else. If it is compared with that the growth is only 17 per cent at the Central level. The Finance Minister has claimed that he has increased the Central assistance over the Sixth Plan period by a figure which is about 16 per cent. The Finance Minister does not enlighten the House that this increase of 16 per cent is in the background of an increase in the prices by more than 50 per cent. Now, these sets of figures lead us to the following conclusions

I want the Finance Minister to carefully listen now.

Firstly, the Finance Minister is—may be unknowingly—misleading the House. Secondly, it seems from figures that either he is powerless or he is colluding with the private sector so that the private sector gets a higher share. Third, he indicates his muscles in relation to the States, not to the private sector, and takes away what was promised to the States. This may be 'Centralism' or—if you like, Mrs. Usha Malhotra—authoritarianism. (Interruptions)

Now, what really does it mean—the fact that more is being spent at the Central level, Union level, and less at the State level? It means the Finance Minister's consistency in distorting the Plan priorities of the Sixth Five Year Plan. What are the heads which are in the State sector? Irrigation, Educa-

tion, Health. In Bengal we are debating Health; we have gastro-enteritis trouble. We know about Education. Today during the Question Hour we were told more about our targets of literacy and other education. And the State sector also means the small-scale sector. The Finance Minister elsewhere takes credit for a brilliant food production of 149 plus something almost 150 million tonnes. Is it necessary to remind the House that the food production belongs to the State sector? Now the Finance Minister, I believe, like the private sector, has direct link with Nature. He says that when food production is below the target it is Nature which is responsible. And then in the final year of the Plan, in the penultimate year, before the Elections, his control over Nature is exercised for having a bumper crop. (*Interruptions*).

Now, Sir, despite this shortfall in the State sector, should we not from this Council of States take our hats off to the States that eminently they have succeeded. . . (*Interruption*) The climatic condition is not good at least in West Bengal. . .

AN HON. MEMBER: God is not helping you.

SHRI NIRMAL CHATTERJEE: God suspects that the Communists do not believe in Him. A legitimate suspicion! (*Interruptions*). And for anything that is creditable, the Finance Minister takes the credit. He takes credit in terms of industrial production. May I suggest, Sir, that it is in terms of the small-scale sector. In his Budget speech and in the Economic Survey he has referred to a rather sluggish growth in the large-scale sector; but the small-scale sector is booming. Is it due to this fate? I wonder.

[The Vice-Chairman (Shrimati Margaret Alva): in the Chair.]

Now, I will now come to the second set of figures, before I come to the Finance Bill proper. I will come to the Finance Bill also. (*Interruptions*) I guarantee you, Madam, that I have a meeting at 3.30 p.m. valedictory

meeting of the PAC, and I will stop before that. (*Interruptions*).

Now, I said that this is a wonderland. I have mentioned this at the time of my Budget speech. Let me pinpoint that once again. Our national income targets are in the way of being fulfilled—the growth rate. It is not today 5.2; we are about to cross that boundary. And this is very interesting that our national income targets are being fulfilled, without the targets, without the baskets which make the national income, being fulfilled. It is truly Gandhian, Madam—truly Gandhian—that we are able to have our national income targets realised, without the required generation of electricity. That is how it may be Gandhian. We are failing in our targets in electricity generation which is the key to production and it is so assumed, if not in Gandhian terms, at least in Nehruvian terms. There is a shortfall. Whereas the target was to generate 191 billion units, the promise in the Mid-Term Appraisal is that of 176 billion units and the possibility or probability of realisation is much less than that. There will be a shortfall. In terms of generation of electric capacity, the shortfall is higher still, ruining the prospects of the Seventh Five Year Plan. Today, a close friend of the Finance Minister, the Railway Minister, has helped us in the Question Hour also. On the basis of the income growth rate, goods are being produced and they are to be transported. If goods are not transported, one suspects that some magician has come into the fray. According to the target of 5 per cent growth rate of national income, the originating goods would be 309 million tonnes for the Railways. What is happening? The Railway Minister was kind enough to inform us in the morning and in the Mid-Term Appraisal also, which is the instrument of half truths, the figure was estimated as 280 million tonnes and not 309 million tonnes. How old is the Mid-Term Appraisal? In reply to Question No. 140, the railway Minister said today that it will not be 280 million tonnes.

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It will be 172 million tonnes. In reply to Question No. 124, he says that it will be even less. i.e. 169 million tonnes.

Let us take the wagons. We have all discussed it. Goods are being produced. They are not being transported. Goods are being produced without the help of electricity. In the meantime, they are fulfilling the national income target. Look at irrigation. You have denied the States their legitimate share. We all know the target of irrigation in the Sixth five Year Plan. We have discussed it. I was in the P.A.C. and we submitted a report on the Planning Commission and Irrigation. What does it say? It says that the potential will be 11.45 million hectares instead of 13.7 million hectares. All credit goes to the finance Minister. And yet we have approached the 150 million ton mark in foodgrains. Actually, the target was 13.60 million hectares. Achievement is 11.50 million hectares. Once again, it is a promise. Take it from me that this promise also will not be fulfilled. So, in Railway, in electricity, in irrigation, three basic infra-structure facilities if you may say so, you have failed and yet you have been able to succeed in having our national income target realised.

May I, Madam, mention two other examples? Sometimes, by mistake, we say that we are in the steel age. Perhaps it is right. The steel target was 11.51 million tonnes. We are succeeding. Once again a promise. I am not sure. I am not in the Government. It is 10.90 million tonnes. You think of aluminium, a basic metal. The story is the same. You think of Electricity. You think of transformers. The target was to produce, in terms of million kilovolts, some 35. Success is 25. Therefore, in this wonderland, I have failed to piece together these two kinds of statistics, realisation of the national income target along with this kind of situation. It may mean one thing, I am sure. It is that the plan priorities have been seriously distorted. Growth may have taken place, you

know. If our salaries are increased and our daily allowance is increased, that also enters into the national income. You can take it from me. I do compute such things. So, it is possible that the Plan priorities are so distorted that the growth has taken place in all such areas which were not intended in the Plan and it has not taken place in such areas as they pledged to the people for purposes of elections. Now, Madam, this does not mean and I do not want to maintain that in all our targets we have failed. We have not. For instance we have succeeded in one field. What is that? The Finance Minister is smiling. In our targets of foreign borrowings, we have overfulfilled. It is said that we have succeeded so much that while the target for the entire period was somewhat less than Rs. 51,000 crores, in the course of four years only we have crossed that figure of Rs. 51,000. We have also succeeded and overfulfilled in another direction, in another way of resource mobilisation, and that is deficit financing. The Central deficit financing is far beyond that visualised for the Sixth Plan. And mind you, despite this commitment, the Finance Minister did not hesitate to stop the overdraft drawals from the Reserve Bank of India by the West Bengal Government. May I submit before the House that, in fact, the overfulfilment in the case of deficit financing is more at the level of the Union than at the level of the States. And yet the Finance Minister forget for an hour the due that is to the States. Madam, in terms of foreign borrowing. I know, it is wonderful that we gave up 1.1 billion SDRs from the IMF. What was the argument? Patriotism? No, Madam. The argument was that we want to pass off this IMF loan to other countries. We were fighting against the IMF from all the Third World dias but we are giving it up in order that the IMF is in a position to embrace countries which do not have as strong a Finance Minister as we have. And by giving up 1.1 billion SDRs have we turned the corner in foreign exchange? We are simultaneously, Madam, trying to have a two billion dollar loan from the ADB. It is fortunate or unfortunate

ate, I do not know, but they say that we are trying to get two billion dollars. We were not able to convince them. But, a more important thing is there. I will give you another example of what we are trying to do in terms of our foreign exchange crisis. The Report says, of course, that we have been forced into commercial borrowings. Unfortunately the elections are near. So, the IMF has been dispensed with. In order to compensate that, the commercial borrowings have to be resorted to. And the Chase Manhattan—a famous name—is already with its offer of a 300 million loan to India. The Bank and the public borrowings are there open. They have opened their room for India. There is another thing. We are in love not only with our MRTP concerns but also with the FERA companies and foreign multinationals. Are you aware that in that inglorious year of 1979 when unfortunately the present Prime Minister was not in saddle the number of foreign collaborations we had was 267, and in the year of Grace 1983 the number is 673? So, we have expanded, we all know, we are famous for our internationalism, and we are expanding our international contacts via foreign markets, via foreign multi-nationals, via foreign banks and IMF and in other ways and also via the ADB. (Time bell rings). Impossible. I have not even entered upon the Finance Bill.

THE VICE-CHAIRMAN (SHRIMATI MARGARET ALVA): You have only two minutes left out of your time. If your introduction takes so much time...

SHRI NIRMAL CHATTERJEE: I will now directly come to the subject since you are so unkind.

THE VICE-CHAIRMAN (SHRIMATI MARGARET ALVA): You will miss the meeting also. (Interruptions).

SHRI NIRMAL CHATTERJEE: I will now speak on the Finance Bill. You please give me 10 to 15 minutes.

THE VICE-CHAIRMAN (SHRIMATI MARGARET ALVA): That is not pos-

sible and you will miss your other meeting also.

SHRI NIRMAL CHATTERJEE: The Finance Minister says, I remember very correctly, that it was always his policy to give relief in terms of the income-tax. Is it true? Only by half, once again. May I inquire from him through the House who was it who increased the surcharge from 10 per cent to 12½ per cent? Was it this Finance Minister? Let him answer. So, the claim that it was his policy, that he was consistent in his policy, I can not understand through this figure. And, then, Madam, this is called charity at somebody else's cost. In the old Finance Bill we have made this point again and again. It is overlordship and charity at the cost of others. Income-tax rates are reduced and surcharges are retained, despite, Madam, the recommendation, a specific recommendation of the Choksi Committee. Then Shri L. K. Jha, that favourite gentleman is there. The Choksi Committee recommended to away with all surcharges on income-tax. Through some sleight of hand, Madam, the collections from income-tax do not grow, but the collections from the Corporation tax grow. The magic behind it is that corporation tax is not divisible, income-tax is, so that the benefit freely flows to the Union. That explains how the Plan outlay on the Union sector is more than pledged in the sixth five year plan. Now, I will cut out some portions.

Madam, the National Deposit Scheme is another example. What was the argument? The Finance Minister grew wise during the proceedings of the Budget debate. He realised very clearly that his target of Rs. 500 crores, despite the threat that it is a time-bound programme, and in the current year he will fetch Rs. 200 crores, would not materialise. He has introduced a welcome amendment so that there is some success, even which I doubt. And, again, why this? The argument is that the banks are flushed with money and the Government wants directly not in the form of public sector banks, it directly wants to have

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some Rs. 200 crores from the public which is flushing the banks with money. *(Time bell rings)*.

THE VICE-CHAIRMAN (SHRIMATI MARGARET ALVA) Please conclude now.

SHRI NIRMAL CHATTERJEE: Last year the post office could, because of that 12 per cent tax savings certificate, collect Rs. 500 crores. This year his estimate is that the post offices will collect Rs. 200 crores and the National Deposit Scheme will collect Rs. 200 crores. Why? Very simple. Of the Rs. 500 crores in the post offices, Rs. 400 crores will go to the States and Rs. 100 crores will come to the Centre. So, he has introduced, like the income-tax surcharge, a competitor. Why could he not have liberalised some scheme in the post offices? Well, what would that have meant? That would have meant less overlordship on the States. The States would be a little bit stronger in terms of the financial resources and the Union cannot permit that. Now I come to fair market value. May I inform the House that this is down-right misleading including the amendments that he has suggested. I will give you the story. It has come out in the P.A.C.'s Report. Take the case of acquisition of property where there are registered deals. Previously, all such cases above Rs. 10,000 were to be submitted to the income-tax authorities, and according to law, if the value is Rs. 25,000 or more and if the fair price and the market value difference, that is the difference in the fair price and the declared price, is more than 15 per cent, such properties are liable to be confiscated. Here now is the story. Do you know that previously, there were 77 lakh cases of transfer of property in this manner, out of which only 55,000 came under scrutiny? Do you now how the reduction took place? There is an administrative instruction that limit of Rs. 10,000 and Rs. 25,000 need not be adhered to, but the limit may be fixed at Rs. 50,000 and Rs. 1 lakh. That is

in the P.A.C. Report, I am not disclosing any secret; it has been mentioned there. And there is an end to that story also. In the course of proceedings in these 77,000 cases, do you know how many actual confiscations took place? When the P.A.C. was seized of the problem—Shrimati Pratibha Singh will stand witness to me—the number of property that was commandeered by the State, that came to the State, was—can you imagine the figure?—more than zero; it is one only. Of the 77,000 crores, only one case was there when property was confiscated. In the course of P.A.C.'s investigations, something happened and the number rose to a phenomenal figure, from 1 to 15. Do you all not know how the black money is generated in land deals? I propose in a constructive way that instead of that—and it is part of the PAC's recommendations also, Mr. Finance Minister—don't put a limit. Put a limit above an amount and compulsorily examine all of them, and for the rest, have a stratified random sample selection. If you raise it to Rs. 50,000 or Rs. 25,000, you know how tomorrow the friends of the ruling party will behave. Previously, when it was Rs. 10,000, they would never cross Rs. 9999.

SHRI SYED SIBTEY RAZI (Uttar Pradesh): Friends from the ruling party in West Bengal.

SHRI NIRMAL CHATTERJEE: Yes, you are invited to West Bengal to see....

THE VICE-CHAIRMAN (SHRIMATI MARGARET ALVA): You are far exceeding your time; I am sorry, already you have taken so much time.

SHRI NIRMAL CHATTERJEE: I am concluding.

Then about weighted deductions. I draw his attention to this aspect. I suggest to the Finance Minister not to enforce it on two things; one is scientific research, and the other on handicapped persons. Why I say is this. The most surprising thing in the export-import policy statement, para

[1 is about foreign collaborations. Can you imagine which kind of collaboration we are promoting under the need technological upgradation? We have got foreign collaboration in agriculture, including dry farming. We have to get foreign collaboration in optimum use of water resources; we have to get foreign collaboration to develop pulse seeds and oil seeds. And this is the kind of list we have before us. For God's sake, kindly eliminate these things. About the small-scale sector, I will not mention. But I have to mention one thing before I conclude. There is a provision, Mr. Finance Minister, in your Budget speech, page 36, para 115. He has been very soft. He has been concerned about the porcelain ware and table ware. He gave several concessions. The Bengal Potteries is in goldrums. Does he have this in mind? The story is, Birlas have entered this field and the concessions are specifically meant for them. Then, Madam, there are some administrative changes. (*Time bell rings.*) Once again, authoritarianism is in evidence. He has mentioned in his Budget speech. I am not mentioning all of them. In one such administrative change, in place of the Appellate Tribunal, under the Excise and Customs Act, power has been placed in the hands of the civilians. I will not refer to other things. (*Time-bell rings.*) I will be retiring as an employee. If I do not talk about the employees. I will be doing a wrong thing. (17 15)

I would like to mention something about employees. I would like to draw his attention to the financial provision, where you have provided for a sum, say, one lakh of rupees of financial holding from which income generated to the extent of Rs. 12,000 will be tax free. Papers made a mistake by mentioning this as Rs. 15,000. Let us say, a salary earner, instead of having that one lakh of rupees, buys a house or constructs a house; then, he has to pay tax, not because he is holding it in a financial form, but in the form of a residential house, wherein, there is

a tremendous shortage in the country.

He does not get any tax relief. (*Time-bell rings.*) Now, you have said that you are giving relief to the salaried people. There has been a demand that the city compensatory allowance received by the Government employees should not be taxed. Why are you continuing with this? Why are you continuing with the Compulsory Deposit Scheme? (*Time bell rings.*) Then about market value. In regard to evaluation procedures, in the case of Wealth Tax Act, Gift Tax Act and Estate Duty Act why are you not proposing an Evaluation Board so that the many loopholes are plugged? Then, there is another thing. (*Time bell rings.*) Interest paid on provident fund is also an amount. (*Interruption*) Mrs. Usha Malhotra, have you been inducted into Vice-Chairmanship.

THE VICE-CHAIRMAN (SHRIMATI MARGARET ALVA): Mr. Chatterjee, you should conclude now. You are a senior Member. You cannot do this.

SHRIMATI USHA MALHOTRA (Himachal Pradesh): Mr. Chatterjee, you should be thankful to us. You have gone on uninterrupted.

SHRI NIRMAL CHATTERJEE: Despite being a democrat, I surrender to the authoritarian rule.

SHRI ANAND SHARMA (Himachal Pradesh): Madam Vice-Chairman, I thank you for giving me this opportunity to make my maiden speech and speak on the Finance Bill, which is presently being discussed in this House. In the beginning, Madam, I would like to assure the distinguished Members of this House of our sincere determination to maintain the high traditions of this House and to make a positive contribution to the deliberations being made here.

The Finance Bill which has been moved by the Finance Minister speaks of the objectives of the Government of India. The Budget which has been

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presented by the Finance Minister is an unique one. It is a people's Budget. It is growth-oriented. It aims at accelerating the pace of development, progress, particularly in the rural areas. While supporting the Finance Bill, I congratulate the Finance Minister for the special emphasis he has given to rural employment schemes, rural development schemes and the plight of educated unemployed youth as well as farmers. And that is the reason why I support this Bill. The document deserves support from all sections of the House. I am surprised to find sometimes unjustified criticism purely for the sake of criticism. When something positive is there, when some progressive measures are proposed, they deserve support of all, including our friends on the opposition side. There has been improvement in the state of our economy ever since Shrimati Indira Gandhi took over in 1980. We have the facts and figures to prove that. The gross national product has increased by 7 per cent. The national growth rate has increased by over 5 per cent. The national per capita income has increased by about 3 per cent. And this is in what background? One has to see the background when one evaluates the results achieved in the first four years of the Sixth Five Year Plan. During this period we have achieved much more than what was achieved in the earlier Five Year Plan. The food production today has touched 148 million tonnes. In the fields of coal production, oil production, we have made giant strides. Similarly, if we talk of cement, if we talk of pulses, the production has shown an overall increase. And what was the background? When our friends in the opposition talk of inflation, when they talk of price rise, the background was a dismal one, a gloomy one. You are trying to overlook the sad effects of the Janata rule. You are trying to overlook the inflation which was prevailing in 1979-80. It was 22.2 per cent. I congratulate the Finance Minister for his initiative, for his imagination for controlling inflation to a

single digit. The achievements which I have quoted have been made in the face of heavy odds. We have seen droughts, we have seen natural calamities, but in spite of all that, the face of production has not been slow. Attempts have been made to sabotage industrial production. Attempts have been made to hamper the growth of this country, to prevent the growth of this country's economy, but the movement is there, the economy is on a take-off stage—that is for anybody to see. I may say that the nation has resumed its onward march.

Madam, Vice-Chairman, I have been listening to the debates on the Appropriation Bill, I have been listening to the observations made by the worthy leaders of the opposition where they have questioned the very existence of our economic policy, where they have questioned the ideology of the Indian National Congress. May I say, the nation has made significant achievements since independence? We have to see what the picture of our economy was in 1947, what we were in the field of industry, agriculture, education be it the rural development or the health facilities for poor people. What was the number of people living below the poverty line? What was the national income? We have made significant achievements in all fields, be it the field of industry or agriculture or science or technology. We should be proud of our achievements, of the contribution of the people of India. We should be proud of the achievements of our scientists and engineers the labourers, the peasants and the working class of India.

All these achievements have been made possible because there was a definite policy guiding it, there was an ideology guiding it. Those who question the ideology or the economic policy of the Congress should know that the foundation of our economic policy was laid by Pandit Jawaharlal Nehru. The commitment of the Congress has always been to ensure social, political and economic justice

to the people of India. It is not what I say in 1984. This was spelt out by our leader, Pt. Nehru, in 1936. And there had been positive measures. Regular steps have been taken to implement that, to translate that into reality ever since Independence. And I may cite the process of planned development which was initiated by Jawaharlal Nehru and the concept of democratic socialism—which I say is very difficult for those who are looking for a text-book definition of this concept to understand. This experiment is a unique experiment. And this is a great concept. There are nations who talk of democracy, but they do not talk of social and economic justice. And there are nations or political parties who talk of socialism but they do not talk or believe in democracy. It is only the Indian National Congress and our leader, Smt. Indira Gandhi, who believe in combining democracy as well as socialism. Whatsoever we have achieved is the result of that policy.

In the field of socialism, our commitment has been to ensure social and economic justice. You overlook the fact that the reforms which have taken place in this country were started with the abolition of Jagirdars and Zamindars, the subsequent land reforms, the abolition of privy purses, the nationalisation of banks and the recent 20-Point Programme. This is the policy of the Indian National Congress. And may I say that the Congress has identified itself with the poor people, with the working class, with the down-trodden. Congress is a movement of the people of India. Congress has never discriminated between regions or religions or between various sections of our society. And may I ask: what has been the contribution of our friends on the other side? Consistent and unjustified opposition even to the progressive measures. Can it be denied? May I ask today in this august House which were the forces that challenged land reforms or distribution of land to the landless? Who were the forces who were challenging nationalisation of banks or the abolition of

privy purses? And today the commitment of Smt. Indira Gandhi and the Indian National Congress to socialism is being questioned by those very people! It is indeed unfortunate.

Today when I come to the 20-Point Programme, may I say that it reflects the hopes and aspiration of India. It is a solution to the present day problems of this country. And I must congratulate the Finance Minister for laying more emphasis on the implementation of the 20-Point Programme, particularly when we see the Plan outlay in the present Budget, which is Rs. 30,132 crores, which shows an overall increase of 19 per cent. Friends in the Opposition may try to challenge or disprove these figures. There is a provision for rural development which has been doubled from Rs. 480 crores to Rs. 932 crores. For the Integrated Rural Development Programme, Rs. 216 crores have been provided. For the National Rural Employment Programme, Rs. 230 crores are there, plus this amount is to be correspondingly matched by the States. Similarly the allocation of Rural Landless Employment Guarantee Programme has been increased four times—from Rs 100 crores to Rs. 400 crores. This is not all. This has succeeded in generating employment in the rural areas, in transforming the face of rural India. And there are people who question these priorities. Is it a wrong priority to supply drinking water to the people of this country? Is it a wrong priority to create employment opportunities for the unemployed youth? What priorities are required today? We know. Had these provisions not been made, the Government would have been charged, the Government would have been accused of ignoring the youth, of ignoring the problem of unemployment, of ignoring the problem of rural development. But when the provisions are made, there is no appreciation, no support. Through the IRDP, Madam Vice-Chairman, 8.8 million families have been provided employment. Through NREP 300 million

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mandays have been created. Are these achievements not laudable? Should we not be proud that today when we have a Plan of Rs. 110,000 crores, 93 per cent of the developmental expenditure is being met by us through our own resources. And then the resource mobilisation is being questioned. There are other great objectives and I may briefly mention them.

Besides the drinking water schemes there are special schemes for the upliftment of the Scheduled Castes and Scheduled Tribes—the provision is Rs. 209 crores. For the implementation of the 20-Point Programme which, I say, is the nation's programme today, the provision is Rs. 11,858 crores which is 40 per cent of the total Plan outlay. For the Hill Areas Programme a provision of Rs. 560 crores is there and in this Hill Areas Programme, the States of Tamil Nadu and West Bengal are also included. The Tribal Sub-Plan is for Rs. 470 crores and for the north-eastern region a provision of Rs. 340 crores is there. Besides this, there are concessions. I may not dwell in detail on them but there are concessions in exercise duty, particularly for paper, textiles, khandsari sugar and electricity generation. Whom is it going to help—the poor or the rich?

There was a reference to the concept of mixed economy. We do believe in it and today it is being acknowledged the world over. The roles of the public sector and the private sector have to be properly understood. Similarly, the role of the medium-scale industry and the large-scale industry also has to be understood. The public sector, may I say, has made a great contribution to the development of this country? I am pained to hear when the public sector is being criticised. When the evaluation of the public sector is being made, it is compared with the performance or the commercial output of the private sector. We have to see what was the objective of the public sector—what was the objective behind it—and which are the fields,

which are the areas into which the public sector has chosen to venture. Development process is to ensure the development of the backward, remote regions. The private sector does not go to the tribal areas, the backward areas where there are no roads, where there is no electricity—I am talking of the time when the process of planning started in this country. It was the public sector which ventured into these areas, and it is because of the public sector that the poor people could enjoy the fruits of development. I may mention that it is wrong to go into the profit details of the public sector: commercial aim is not there. Similarly, I may say that the policy of the Government to give the key industries to the public sector and to restrict the private sector to specified areas has been of great help. Key industries like coal, generation of electricity and railways etc. are there in the public sector—I will not go into the details—definitely it has helped the poor, it has accelerated the developmental process. There is another talk, and I think I must make a mention of it. That is about the Centre-State relations. I am very much pained at it. I am pained at the controversy which affects the nation, particularly at a time when the enemies of this country are out to weaken the unity and integrity of India, when there are forces which are trying to challenge the strength of India, the integrity of India, our worthy friends from the Opposition have chosen to rake up this controversy. Though the Finance Minister in his Budget speech had made a mention about the appointment of the Sarkaria Commission which we all welcomed when the question comes up, I will not go over to the political aspect of it and I will strictly confine myself to the financial aspect of it. The accusation has been there that there is discrimination in grant of loans and disbursement of loans, in the Plan outlays between those States which are ruled by the Congress and those States which are ruled by non-Congress (1). This is untrue. This is far from facts. And may I say that those who

have raked up this controversy must try to appreciate the guiding factor which was there before the framers of our Constitution, before our leaders like Mahatma Gandhi and Pt. Nehru. Why were more powers given to the Centre? It was to ensure the unified development of the entire nation—I do not talk in terms of States but in terms of the backward regions, the under-developed areas—so that there is just and equitable distribution of national wealth. If we have something and it helps a neighbouring State, we should be happy about it. I come from a State which has tremendous hydel potential. We do not utilize even 5 per cent of it. We do not grudge, rather we love to share our resources with the people of other States, our brethren. And let me meet this charge that there has been any discrimination by saying that there has been no political scrutiny by the Planning Commission in this country. And if there is economic scrutiny, however, why so much of noise is being made?

Madam Vice-Chairman, the States which are being ruled by the Opposition have got a preferential treatment, a better treatment. I have got the statistics; I have got the figures. And I will quote them. Discrimination is possible in the field of loans. What has Uttar Pradesh got? I am saying per capita; and these are the latest figures. Uttar Pradesh has got 17.41; Bihar, 17.64; Andhra Pradesh, 29.18; and Karnataka, 25.53. And these are the latest figures of 1983-84. Similarly, as far as the Central assistance is concerned, the same situation is there. Had political considerations been there, things would have been different. Here too the same situation is there. U.P. 117.90; Andhra Pradesh, 130.35; West Bengal (the Congress ruled State), 113.61; and Bihar, 129.15. Why have I quoted these figures? Only to counter the wrong accusation that political discrimination has been there. Maybe some of our friends who are there in the Opposition may feel the pinch. Why do they feel it? The developmental grant, the money which

is given by the Government of India for the developmental works, for the development of the rural areas, to generate employment in the rural areas, to supply drinking water in the rural areas, to supplement the primary health facilities in those States, is diverted. This is my charge. Funds are diverted to finance populist programmes, political programmes. Their leaders will give subsidies on rice price, destroy the revenue machinery, create new schemes, divert the developmental funds, and then accuse the Centre. May I say, the funds given for development must be utilised for development. Under no circumstances should any State divert them. If there is a programme for development, a national programme, then, may be a State is ruled by any party, how can they go out of the national mainstream as far as the question of development is concerned?

Congress has given democracy to this country, Congress has nurtured democracy in this country. Democracy also means that when a programme is adopted by the nation, that has to be followed and everybody has to make an attempt for the implementation of the same. And this controversy, let me remind my friends in the Opposition, it has dangerous portents for the future. You seem to forget that the unity of India has been achieved through struggles and sacrifices, that the freedom was not given to us, but that the freedom was taken by us we struggled for it, it was the Congress who fought for it. India did not become one, the unity was not achieved, without any effort; the unity of this country has been carefully woven through a process of struggle and sacrifice. Is it not the bounden duty of all the citizens, particularly those who are expected to lead the society, to sustain it, to strengthen it and to fight all those divisive forces which are trying to challenge that concept, which are trying to undermine our unity?

But what actually is happening, I am sorry to say, that even our friends who claim to be progressive and

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leftists, who say that they do not believe in regionalism or communalism, those who oppose parochialism, in their policy to appease the various regional groups, have raked up this controversy of the Centre-State relations because they sit with those regional leaders in conclaves, in the United Front, in alliances. Nothing is more important than India, may I remind my friends. You want to please the Akalis. You were having conclaves with them whether it Sri Nagar or in Calcutta, whether the National Conference was there or the Bahali Dal was there. It started from Vijayawada, of course. And those who do this and practise these things, are trying to lecture us on the concept of national development! They are trying to question the intentions of the Government of India or of our leader Shrimati Indira Gandhi. Why this is happening is quite evident. It may be a misfortune. I may say, that there is no national party in this country, except Indian National Congress and that there is no leader who thinks of India except Shrimati Indira Gandhi. Why the criticism and why this negative approach, may I ask?

When the Finance Minister was accused of presenting this Budget with an eye on the forthcoming election, I was quite amused and surprised. If something good is there, if some concession to the people is there, then, this is a political Budget, this is Budget keeping an eye on the further elections! And had it been a strict Budget, had some pinch been felt, then, it would have been an anti-people Budget! So, criticism is their policy. Negative approach is their only yardstick.

Before I conclude, Madam, Vice-Chairman, may I also talk about the State of Jammu and Kashmir. Accusations have been there of discrimination by the Centre against

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the State. I was going through the statistics. The Annual

per-capita Central assistance to the State of Jammu Kashmir is Rs. 2,158. The annual rate surprisingly is Rs. 258. Then we are accused of discrimination I may say before concluding that our friends in the Opposition have to do some self-introspection. If a positive effort of the Government is there to ensure speedy development you must join in that effort. You must contribute in that effort. If some laudible programme is there it has to be supported and not to be sabotaged or criticised. I give an example. To generate rural employment, the Government had also created Gramin Banks. Nationalised Banks are also asked to advance loans to unemployed rural youth, as well as urban educated unemployed youth. For this purpose, mass loaning programmes were started and an attempt was made to create an infrastructure so that educated unemployed could become self-employed. A lot of criticism was made, about mass loaning programme to the unemployed youth alleging there have been attempts of discrimination about providing mass loans. This is the common charge. This was the example which I quote. I wish to enlighten my friends on the other side that there are some national programmes which deserve your support also. There are some objectives before the Government today to ensure rural development, to eradicate poverty and unemployment. These are the nation objectives. May I humbly submit to the Hon'ble Finance Minister, we hope that the Government will lay this right priority. The Government will lay increased emphasis on these two problems. You will provide more funds in future for these two programmes. There are other fields where something has been done for them. Take for example Defence. I don't think anybody will question why expenditure on defence has been increased. Why more budgetary provision is there? It is the need of the hour. It has to be increased keeping in view the threats on our borders, keeping in view the conspiracy against India, and keeping

in view the pumping of sophisticated weapons in our neighbourhood.

Similarly, about education something more is required to be done particularly vocational education. Otherwise we may have a situation in this country where we will have educated unemployed without proper suitable jobs for them or we will have a large number of unmarried specialists jobs without technical personnel to man them. May I submit that this also requires special attention of the Government.

Inflation has been contained. I appreciate the steps taken by the Government to control the price-rise. But more efforts are required in this field. Why I say, I once again repeat that the inflation has been contained to a single digit. It has been mainly because of increased procurement, strengthening of the public distribution system and particularly availability of essential commodities.

In the field of power generation also, I may say, more emphasis should be laid on hydel generation in which only the initial investment is there. Only the initial expenditure is there.

I come from a State which has got tremendous hydel potential and not even three per cent of it is tapped. May I urge upon the Government to consider the possibility of starting work on the Chamara hydel project and the Naptha-Iakhri hydel project, which will augment not only our power supply but will create surplus power in the entire northern India.

I shall make a small submission before concluding, that Himachal Pradesh has got tremendous tourism potential but it is unfortunate that still the airport project in Simla is progressing at a very slow pace. Let that pace be accelerated so that we people in the hills also see a plane landing in our own Capital.

I conclude, Madam Vice-Chairman, thanking you for this opportunity and

once again appealing to our friends in the opposition to consider what the nation has to achieve today, to ponder over the threats which the nation faces, and not to be indifferent to the dangerous problems. And you should not forget your own responsibility towards India. I do hope that all our friends will make a joint effort to ensure a powerful, self-reliant, developing nation, which has the most stable economy amongst all the developing countries. I do hope you all will respond positively. I am full of hope and I always say that this nation has the strength, this nation has the creative ability of the youth, this nation has the leadership of Shrimati Indira Gandhi to confront all the problems, to solve all the problems.

I must mention one thing—I will just take one minute—about those who are trying to question as to what this nation has achieved. They say that India has achieved nothing, that the number of poor people is increasing and that the gap is increasing. This is the misleading picture which our friends in the opposition want to give to the rest of the world. This is the picture which they want to give to the younger generation, to those who are studying in schools, colleges and universities in the country. May I say, Madam Vice-Chairman, that to try to break the willpower of any nation is the biggest crime against that nation. If the willpower of the younger generation is sought to be destroyed by always saying that India has nothing, that India is a nation full of paupers, that India lacks imagination that India lacks skill, then it is not doing any service to the country, it is not doing justice to the country. I have been very indulgent. . . .

THE VICE-CHAIRMAN (SHRIMATI MARGARET ALVA): I have been indulgent

SHRI ANAND SHARMA: Sorry, it was a slip of tongue. I have taken a lot of time and I thank you for giving me this opportunity and I thank all

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the Members for listening to me patiently. I conclude by once again assuring the hon. Members that it shall be our joint endeavour to contribute for the development and progress of India.

MISS JAYALALITHA (Tamil Nadu): Madam Vice-Chairman, in this discussion on the Finance Bill, at the outset, I wish to quote a few excerpts from our great departed leader Anna's speech in the Rajya Sabha when he took part in the discussion following the introduction of the Finance Bill in 1966. Anna said:

"Whenever we from this side of the House rise to offer our criticism on any of the measures brought forward by the Government of India, we do so with a kind of hesitation because the sincere criticisms offered are, for erroneous reasons, commandeered from the other side of the House as misrepresentations."

Anna goes on to say—

"No civilised Government should depend on taxation alone for its welfare measures. A Government, if it is to be called a welfare government, a progressive and modern government, should not crush the people with taxation merely because it needs more and more money for expenditure."

The same thought has been expressed by Mr. N.A. Palkhiwala in his own inimitable style in an article which he has written for the Illustrated Weekly of India. He says—

"It is my firm conviction that no nation living today or which has flourished in any past historical epoch, would remain honest under the giddy rates of direct taxes which prevail today in India. Our people, like any other, fall into three segments—those who would be honest, however heavy the burden, those who would be dishonest, however light the burden, and those—and

they constitute the overwhelming majority—who are basically not dishonest but the nature of whose response to the law is conditioned by the quality of law. Our tax legislation ignores the first class, is preoccupied with the second, and alienates the third."

At another point in his speech, Anna declared—

"Since every plan must evoke popular response if it is to be successful, and since the ultimate objective of planned development is improvement in the conditions of living of the people, investment on commodity production has to be matched by allocation of adequate resources to those activities which constitute an investment in human resources so that the common man may feel that whatever he is paying by way of taxation, he derives benefit from it."

Here I wish to lay emphasis on these words, "allocation of adequate resources to those activities which constitute an investment in human resources." Can the Government of India honestly proclaim that it has carried out this policy of allotting enough money for social purposes in respect of human resources? Last year Tamil Nadu unfortunately found itself in an adverse situation due to a prolonged period of drought, unprecedented both in its severity as well as duration. The honourable Finance Minister, Shri Pranab Mukherjee, knows very well that the financial resources of a state Government are extremely limited. When a state in the Indian Union is badly hit by unforeseen natural calamities, it is the duty of the Government of India to extend all possible assistance to the beleaguered State Government. The Tamil Nadu State Government formally requested the Government of India for financial assistance and in the expectation and belief that the anticipated aid would be forthcoming, on its own the Tamil Nadu Government spent Rs. 114.28

crores for drought relief from 1982 to 1983 and 1983 to 1984. The Tamil Nadu Government has only made an application to the Government of India that the State Government should be reimbursed for the actual expenditure already incurred for drought relief works which have been completed. The State Government has not asked for financial aid for any new projects still to be undertaken under drought relief. The Government of India sent a team to assess the drought situation in the State. The Central Study Team highly commended the drought relief works carried out by the Tamil Nadu State Government and noted with appreciation that apart from providing immediate relief to the drought-stricken people of the State, permanent assets have been created in the State in the form of drinking water resources and irrigation, and transport facilities.

Tamil Nadu had barely extricated itself from the suffocating grip of the protracted drought and was endeavouring to restore the economy to normalcy when the State was ravaged by unusually heavy downpours which created a flood situation and wrought widespread devastation in several districts resulting in heavy damage to property and loss of life. The State Government has asked the Centre to sanction Rs. 128 crores for flood relief. So far the Central Government has sanctioned only Rs. 41 crores. On its own the State Government has so far spent Rs. 37.54 crores. The Government of India sent a five member Central Study Team to assess the flood situation in the State and review the relief works carried out by the State Government. According to the "Hindu" dated Sunday, April 29 1984, "the Collectors and other district officials have acted promptly. We are satisfied that whatever should have been done immediately after the flood has been done". The leader of the Team which visited the affected areas—Mr. K.G. Paranjpye told newsmen at the conclusion of the Team's 4 day visit to the affected districts—Complimenting the State offi-

cials on their good work he said—

"We are happy about the work already done and we did not hear any complaints from the villagers." Since the Central Study Team has seen for itself the extent of the damage wrought by floods in the State, the Tamil Nadu Government earnestly hopes that the amount asked for will be sanctioned without further delay by the Government of India.

If we study the history of India over the past hundred years, we will notice that at regular intervals—not only Tamil Nadu—but the whole of India has been affected by intermittent periods of drought. A study of old almanacs relating to events during the past hundred years will prove that these periods of drought recur at regular intervals. Since this is a known, proven fact, it is my request that the Government of India should anticipate these regular periods of drought and chalk out plans so that the Government is prepared to meet the situation when it arises.

Similarly, floods occur regularly all over the country. Every year the Ganges—the River Ganga—is in spate and causes widespread damage because of floods so also the River Brahmaputra. Every year a flood situation is created by these two Rivers. Whenever this happens, there is a lot of talk about finding a permanent solution to this recurring problem. Then everyone forgets all about it until the next year when again floods recur and again the same remarks are repeated and yet again the matter is left at that and forgotten.

Is it not high time for the Government of India to really do something to solve this permanent problem? Is spending crores of every year on flood relief the only way out? Is this the only solution we can think of?

If we calculate the stupendous amounts spent so far since Independence, during the past 37 years, on

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flood relief operations necessitated by the havoc drought by these two Rivers alone—the Ganges and the Barhamaputra—the total adds upto gargantuan dimensions. Instead of regularly incurrin^g this colossal expenditure on flood relief, surely the same gigantic amount could have been better spent and would have been sufficient to implement a permanent solution to this problem?

In this context, it is vital to seriously consider and expedite a project to link the Ganga with the Cauvery. Indubitably this will involve an expenditure of staggering sums of money. The Government of India could obtain the necessary finance as foreign aid from friendly countries. The linking of the Ganga and the Cauvery will prove beneficial to the whole country in several ways. Not only will it boost the nation's economy by increasing the production of electricity in the country, not only will it provide irrigation to several thousands, indeed lakhs, of acres of land, but above all, it will foster and nurture a new awareness in the minds of the people that India is one. A scheme to link the Ganga and the Cauvery would be one of the best ways to promote national integration and strengthen national unity.

With pardonable pride, I may say that the Chief Minister of Tamil Nadu, Dr. M. G. R., has already shown the way to the rest of India with the active co-operation of the Chief Minister of Andhra Pradesh, Mr. N. T. Rama Rao. Breaking through all barriers of red tape, these two Chief Ministers jointly formulated an agreement between the Government of Tamil Nadu and the Government of Andhra Pradesh on the 18th April 1983 to implement the Krishna River Water Supply Scheme. This project is a standing monument to Inter-State cooperation. The River Krishna has its source in Maharashtra, it flows

through Karnataka and then reaches Andhra Pradesh. Now the water of the Krishna will also flow into Tamil Nadu. Not only will this project provide a lasting solution to the long-standing problem of providing adequate drinking water supply to the city of Madras. It will also irrigate several thousand acres of arid hitherto uncultivable land in the Rayalaseema area of Andhra Pradesh.

Exactly a year ago, on the 2nd of May 1983, the Tamil Nadu Chief Minister Dr. M.G. R., met the Prime Minister, Mrs. Indra Gandhi at Delhi and personally requested the Prime Minister to sanction Rs. 250 crores as grant and Rs. 200 crores as a long-term loan from Central funds, to help Tamil Nadu to meet its share of the estimated project cost. The Union Minister for planning informed the Government of Tamil Nadu that the easibility of acceding to this request would be thoroughly examined and that the possibilities for including this scheme under the Plan programme of the Central Planning Commission would also be investigated. We hope the Union Minister for Planning will soon announce a favourable decision in this regard. Out of the total project cost estimated at Rs. 1,907 crores, by the time the first stage of the Krishna river water project nears completion, taking into account the probable higher price index at that time, it is calculated that the Tamil Nadu Government will have to incur an expenditure of Rs. 410 crores as its share of the project cost. The Tamil Nadu Government has asked the Government of India for clearance to obtain this amount as a loan from the World Bank. This sanction has not been granted as yet by the Centre. We are unable to understand the reason for this delay. After all, the Tamil Nadu Government has only asked for permission from the Government of India to obtain this amount as a loan from the World Bank. The Tamil Nadu Government earnestly hopes that his permission will be granted without further delay.

As compared to the rest of India, today, Tamil Nadu is relatively a haven of industrial peace. Strikes and lock-outs are comparatively minimal in the State. Yet, at present a lock-out is in force in six textile mills in Tamil Nadu. The Tamil Nadu Government has requested the Centre to take over these six sick textile mills. Out of these, with the exception of the B&C Mills in Madras, all the other five are very small mills employing only 110 or 250 or 700 workers at the most. The refore it should not pose any great difficulty to the Centre to take over the administration of these six mills. Only a few months ago, the Centre announced its decision to take over 13 sick textile mills in Maharashtra. An erroneous impression should not be encouraged to grow in the minds of the people that the Government of India is only too ready to take over sick mills if they happen to be located in Northern India, but the same Government of India is indifferent to the plight of mills, in a similar State, in the same condition, in South India. Therefore, the Tamil Nadu Government renews its plea to the Government of India to take over these six textile mills now under closure in the State.

While discussing the Finance Bill, it is relevant to mention the subject of Centre-State relations which, in recent months, has become a topic of nation-wide interest on which the nation's politicians, parliamentarians, the public and the Press have focused attention. This subject has a direct bearing on the matter under discussion. With exception of one non-Congress State Government in 1958, which did not last very long, until 1967, a single ruling party governed the whole of India. The same party which was ruling at the Centre, was also the ruling party in the States. Mainly because of this, several inherent weaknesses in the Constitution of India went unnoticed. The 1967 elections brought to the fore the prospect of different political parties being favoured to rule the various Sta-

tes of India and heralded the emergence of non-Congress Governments in several States of India. Since then, with regret to Centre-State relations, several inadequacies in the Constitution have come to light and practical experience has indicated that there is a pressing need for introducing certain Constitutional changes to clearly delineate the respective rights and obligations of the State. The Government of India has appointed the Sarkaria Commission to examine the question of Centre-State relations. The Tamil Nadu Government has appointed the Justice Ramabasad Rao Commission for the same purpose. The Tamil Nadu Government proposes to take a decision on the report submitted by the Ramabasad Rao Commission and, in turn, submit its recommendations to the Sarkaria Commission. Experts in political, economic and legislative matters have more or less arrived at a consensus of opinion that the respective Planning Commissions of the Centre and the States should function as autonomous bodies. The degree of financial dependence of the States on the Centre should be reduced to the minimum. The existing financial relationship between the Centre and the State gives the Centre absolute controlling powers. It is the States which mobilise financial resources, collect taxes and send them to the Centre. But it is the Centre which decides the distribution of funds and grants and even the grant of loans to the very same States which are responsible for mobilising the funds in the first place. Vast sources of revenue are excluded from the distributable pool under the present legislative provisions of the Constitution. The State Governments have to implement most of the welfare schemes. But they are rendered ineffective because they are reduced to a State of penury and absolute dependence upon the Centre.

Just now we heard the maiden speech made by our young friend from

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the other side of the House, Shri Anand Sharma. He referred to certain populist schemes. Now, this a very favourite comment often made by those from the opposite benches. The honourable member said that Central funds are being diverted by some State Governments for their own populist schemes. Now, Mr. Anand Sharma did not specify which Government he meant, which State Government he referred to and which populist scheme he meant. But since the Tamil Nadu Government is implementing the free nutritious noon meal scheme, which several Members from the other side very often refer to as a populist scheme, I would like to point out—I am not arguing the point as to whether it is a populist scheme or not, because I do not want to take the valuable time of the House in this argument—but I would like to point out to my young friend from the other side that not a single paisa has been given by the Central Government as an aid for the scheme. (Interruptions) The whole nutritious noon meal scheme which is costing the Tamil Nadu Government nearly Rs. 200 crores per year has been entirely financed and implemented by the State out of its own limited resources. And we have as yet to obtain Central clearance for including this scheme in the next Annual Plan outlay. We hope at least how the Finance Minister will agree to our request. So I would like to point out to our young friend that this so called populist scheme has not received any aid from the Centre.

It is essential to secure for the States a larger devolution of taxes. The needs of the States are increasing and they far outstrip their actual resources. The funds developed by the Centre are woefully inadequate to meet the needs of the States.

There are certain anomalies in the present system of administration.

There is a separate Planning Commission in each State. There is also a Planning Commission at the Centre. Surely the Planning Commission of a particular State would know better how to evolve plans for the development of that particular State? There is a separate Union Minister for Planning and another Union Minister for Finance. The Planning Minister drafts a scheme and sends it for approval to the Finance Minister. The Planning Minister says that a certain amount of money is required to implement the scheme. But the Finance Minister states that it is not possible to allocate the entire amount required. He says only a certain sum of money can be allotted—and asks the Planning Minister to cut down and prune the scheme so that it fits within the limits of the funds that the Finance Minister is prepared to allocate.

Because of this existing system—countless schemes are being indefinitely delayed. Each year—just for form's sake—a minuscule amount is sanctioned by the Centre—which is meaningless in relation to the actual needs of the projects concerned. It is precisely because of this practice that the Karur-Dindigul broad gauge railway line project is being delayed.

Every year the Centre sanctions such a meagre allocation for this project that it amounts to no more than a drop in the ocean, and it is beyond the wildest flight of fancy to even think of completing the project with the funds allotted by the Centre.

I urge the Government of India to expedite the completion of the Kaur Dindigul-Tuticorin broad gauge railway line, as it is not only important to the nation's economy but also strategic to the defence and security of India.

I also request the Centre to forthwith expedite the Sethu Samudram project which again is crucial to India's security.

The Planning Commission of a State should formulate the schemes for the States's development. The State Government should also be empowered to utilise the financial resources it mobilises for the implementation of its schemes. A representative of the Government of India could participate in the discussions and offer guidelines when necessary. This would definitely generate more enthusiasm in the States and accelerate the rate of progress and development of the whole country.

In various spheres there are separate schemes envisaged by the Centre. The State also have their own schemes in the very same spheres.

For example, in the field of agriculture there are certain special schemes of the Government of India. In actual practice, it is the State Governments which implement these central special schemes. If these schemes are entrusted to the State Governments, right from the initial stage, the State Governments could implement these schemes in a much better manner, and more speedily as well. This is a lesson that practical experience has taught us. The Central Government sends a new scheme to a State Government for implementation. The State Government develops some doubts regarding the scheme. To clarify the doubts the State Government again consults the Centre. By the time the Centre finally conveys its reply or decision, several

months pass by, and the time is just wasted with nothing being done.

By that time, usually the financial year will be drawing to a close. A specific amount allocated for a particular project has to be spent by the end of the month of March. The State Government is advised to somehow utilise the funds allotted before the 31st of March. This leads to squandering of precious financial resources because of lack of time for proper planning. This again is a lesson we have learnt through practical experience. That is why we suggest that it would prove to be generally more beneficial if such schemes were entrusted to the State Governments right from the planning stage.

There is a separate department for highways at the Centre. Each State has a department for highways as well. The existence of two such parallel departments leads to exercises in sheer futility. I cite the example of the Pamban Bridge. The National Highways Department is responsible for the planning, but it is the engineers of the State Highways Department who are responsible for executing the project. While construction work in the Pamban Bridge was underway, it was interrupted by a natural calamity which caused damage to the work already completed. The contractor who had undertaken the construction, called a halt to work on the bridge and refused to continue until and unless he was recompensed for the financial loss he had incurred. The question arose as to exactly how much the contractor should be awarded as reimbursement for the loss he had suffered. The National Highways Department directed the Highways Department of the State Government to decide the amount to be paid as compensation. But the State Highways Department was reluctant to commit itself for fear of getting embroiled in a probable controversy. So the State Department of Highways washed its hands of the responsibility and, once again, requested the Nation-

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and Highways Department to decide the compensatory amount. The Central Department throws the ball into the court of the State Department. The State Department flings the ball back into the court of the Central Department. While the Central and the State Departments play volley ball with each other, the Pamban Bridge stands incomplete, desolate and abandoned, with no prospect of the project nearing completion in sight.

This is only one classic example of the imbroglia and utter confusion prevailing throughout the country with every major scheme in a mess and a muddle, due to the addle brained system of having parallel departments in practically every sphere, both at the Central and at the State levels.

In Madurai District, at Sothupparai near Periyakulam, the Tamil Nadu Government wishes to construct a storage dam. The State Government has the constitutional right to build the dam. But the State Government has to first secure the permission of the Government of India before it can actually proceed with the construction. We are still waiting for Central clearance. So we are unable to build the dam.

This is only one among numerous development projects held up in the State, simply because of the delay in obtaining Central clearance.

Scarcity of power is a nation-wide phenomenon in India. The Government of India is reported to be considering taking up the entire responsibility for power production. There is a genuine doubt in my mind in relation to this proposal of the Government of India, on which I hope the Centre will shed some light. If the Centre takes up the entire responsibility for production of power, does that guarantee that the Central officials will really be able to increase the output? Who exactly are these Central Officers? Are they not deputed

to the Centre from the various States of India? In effect, the Government of India would have us believe that an official working for a State Government is incapable of increasing power generation. But if the same official is transferred to the Centre, he is automatically invested with magical powers and suddenly becomes capable of rapidly increasing the production of electricity. This belief of the powers that be at the Centre defies all logic.

The Centre declares that there should be a uniform rate of sales tax throughout the country. We do not dispute this policy. But the Centre next proposes to appropriate the right to levy sales tax all to itself. How can the State Governments accept this proposal? The Centre may issue guidelines to the States with regard to rates and methods of taxation. But if the Centre plans to take away the very right of levying taxes from the States, how can the States consent to this total denial of all rights?

On the one hand the Centre threatens to arrogate to itself the sole right to levy sales tax. On the other hand, the Centre also announces that it is considering taking over not only the production, but the distribution of power as well. One by one, if the States are gradually stripped of even the few powers they possess at present, where will this end? What will be the outcome? The system that the founding fathers of our Constitution had in mind was clearly enunciated by Dr. Ambedkar who said that a Federal Constitution means that the provinces are as sovereign in their field as the Centre is in the field which is assigned to it. In conclusion, I wish to remind the Centre of the words contained in the Memorandum submitted to the First Finance Commission by the Government of West Bengal under the Chief Ministership of Dr. B. C. Roy: "An attempt to build a strong Centre on the foundation of weak States is like

an attempt to build a strong building on the foundation of sands."

Thank, you.

SHRI KAMALENDU BHATTACHARJEE (Assam): Respected Chairperson, just before me only two Members of the Opposition—Mr. Chatterjee and Miss Jayalitha—have spoken about the Finance Bill. And I have also gone through the Lok Sabha proceedings. I have just minutely read the Lok Sabha debates on the Finance Bill. So far as the learned Opposition Members are concerned, this Budget has been the subject of animated and sometimes hysterical attack, as I put it. (*Interruptions*) This is my maiden attempt, and being a senior Member, I hope you will help me. Now, let us not interrupt them. They have the habit of interrupting. We are more democratic and we will not interrupt.

[**The Vice-Chairman (Shri Syed Rahmat Ali)** in the Chair.]

Sir, they have talked like desperate men because the economic credibility of the Government has disturbed them to the point of panic. That is why they are crying hoarse on it. I would like to say that the hon. Opposition Members do not have the appreciative stomach to digest the economic appraisals of the Government. That is why they are so much critical of it.

Sir, my learned friends of the Opposition have assailed the hon. Finance Minister and they have also maligned his intention and motives sometimes in languages bordering on the abusive. Their only attempt is to create a sort of deliberate smoke-screen to conceal the real truth that India is developing economically beyond all doubts. Beyond all reasonable doubts India is developing economically. This Budget, I would like to say, is production-oriented. Indian industries have developed at a very fast rate. And this is unparallel in the history of any developing country. This Budget has kept provision for ac-

celerating this growth rate. The main thrust of the Budget is on production. The present Budget. . .

AN HON. MEMBER: Is it Budget or Finance Bill?

SHRI KAMALENDU BHATTACHARJEE: The Finance Bill relates to the Budget only. Does it not relate to Budget.

AN HON. MEMBER: Anything under the Sun can be discussed under the Finance Bill.

SHRI KAMALENDU BHATTACHARJEE: Sir, in the present Budget, there is a 60 per cent allocation for development works. Now, according to me, what irks the Members of the Opposition most is that they smell politics in economics. They are all Puritans. According to them, Budget is primarily an economic exercise. They cry hoarse on it because they think that economic sanctity or the economic character of the Budget has been violated by political considerations. Now, I would like to remind them of the famous saying of Cardinal Newman. Cardinal Newman, in his 'Idea of University' remarks, "to think correctly is to think like Aristotle." And what did this all time great philosopher say about man? He said, "Man is basically a politically being; his actions are influenced by political considerations." Now, if political considerations creep in in the present budget presented by the hon. Finance Minister, I do not find any harm in it. If this Budget enables our party to go to the next national elections with economy in a very credible condition, what is the harm in it? I want to put this question to the hon. Members of the opposition. Has the hon. Finance Minister, by presenting this Budget, deviated from the economic commitment of our party, by presenting this Finance Bill has he been deviating from the economic commitment of our party? The Congress party is the biggest democratic party in the world which looks after the

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interests of the smallest man. Nobody can deny it and this Congress party is committed to socialism. This Budget promises to fulfill the socialistic aspirations of the people. If this Budget proves to be a vote-catching Budget, well, we just cannot help it.

Now, Sir, we should not lose sight of the fact that the gross national product in rural terms has increased in 1983-84 by about 6 to 7 per cent. This is no mean achievement. I would like to congratulate the hon. Finance Minister for this. There has been a strong economic recovery led by enormous growth in agriculture. This has also to be reckoned with. Now, it is a fact that there are millions of poor people in our country. None denies it. We accept it. The problem of poverty stares us in the face. We are well aware of it. The Government is well aware of it. The Government is not sitting tight over it. The Government is taking positive steps to eradicate poverty, to remove poverty, from our country. Now, in this Finance Bill consistent endeavours and persistent attempts have been made to eradicate poverty by giving tax relief, by reducing duties on a number of consumer goods, by increasing the rates of subsidy on fertilisers and so on and so forth. But we should not think that the hon. Finance Minister has a sort of Alladin's lamp in his hand that he will eradicate poverty overnight. The Congress Party and our Government is trying to eradicate poverty and it is making consistent efforts to do this. In this context you should remember the famous Urdu *shaer*:

माना कि इस जहां को गुनगुन न
कर सके,

कांटे तो कुछ कम कर गये गुजरे
जिधर से हम ।

Our Government is making consistent efforts in that direction. We are con-

fidant that had we not been put out of the rail during this interim period by the Janata-mis rule at the Centre, we would have gone far ahead. There was total derailment. There was this complete plan holiday during this period but we have brought back the nation on the rails once again and we are striving our best to remove poverty. We are very confident that we will be removing poverty in the days to come. You may have heard:

मन में है विश्वास, पूरा है विश्वास,
हम होंगे कामयाब, एक दिन ।

For the containment of the inflation rate within a single digit and release of three instalments of dearness allowance to the Central Government employees, which will be costing our exchequer the mammoth amount of Rs. 367.5 crores, I would like to congratulate the hon. Finance Minister. Now, I do not understand why, when there are so many laudable provisions, laudable and salutary achievements which are contained in the Finance Bill, the opposition parties are so much miggardly in the matter of handing out their compliments. I hope they will come forward and pay their compliments to the Finance Minister. I fear I am mistaken. They will not praise and they will oppose just for the sake of opposition.

As the Finance Bill has been presented, it is going to be anti-inflationary and it will be fighting inflation. It brings to my mind an interesting story. Once there were two friends. One was strongly opposed to the other. One day a neutral person came to one friend and said, look that man's son has become a magistrate. He replied, no impossible, how can he become? The neutral person said, yes, I have seen it with my own eyes and he was sitting in the chair of the magistrate. Whereupon, the other person replied, probably it was a Sunday. The neutral man said, no, no, it was a working day and he was working as a

magistrate. Then came the climax when he said, probably he does not get any salary. So, our opposition friends will oppose anything, whether it is very good, whether it is salutary, whether it is laudable; they will oppose because they oppose everything for the sake of opposition.

I for one feel that the Budget has ushered in a new era of hope. Let me quote Tagore:

Arise, the auspicious goddess of

India

You in a bygone age used to be revered by the entire world.

Banish all misery and poverty and remove the shame of the country.

Make India resplendent again.

So far as my State, Assam, is concerned, I want to point out, as I have pointed out on earlier occasions also, that it is industrially and economically a backward State. It is a fact that there is political stability in Assam. Under the able stewardship of Mr. Hiteshwar Saikia, Assam has staged a phoenixian comeback to normalcy. He has stemmed the rot of linguistic chauvinism and regional adventurism. Though there is political stability in Assam, there are some economic problems there which are to be remedied, which are to be solved, at the earlier stage. Our most respected Prime Minister has always loved Assam and the people of Assam. There has been a Central decision taken for starting a dry port at Gauhati, to open a stock exchange at Gauhati. The broad-gauge line has also been extended upto Gauhati. These measures have already been taken. But there are more of our demands, because it is said that the least we get, the most we want, the more we get, more we want, and the most we get, the least we want. So, we should be given the most. For the State of Assam, in the interest of economic development of Assam, the following steps are to be taken very urgently: A time-bound master plan should be taken to industrialise the State of Assam; Barak Dam project should be immediately taken up; an

alternative railway line be set up in place of the existing hill section; Dams on Dihing and Subansiri should be erected without any further delay; all efforts should be marshalled so that Cachar Paper Mill at Panchgram starts production latest by the end of 1985; funds should be liberally released to construct and complete stadia in Silchar and Dibrugarh.

So far as India is concerned, there has been a bumper crop and there has been a record crop. In this connection, it will not be out of context to mention that in my district of Cachar, agriculture is purely a gamble in monsoons. In other parts of India flood is something unnatural; but in my State, particularly in my district, it is something very natural. In some other parts of India if there is no flood, it is not a subject matter of discussion; but in our State or my district if there is no flood, it becomes a subject matter of discussion. There are many proposals for construction of embankment and sluice gates on the Barak the Kusiara, Dholeswami and many small rivers and tributaries in the districts of Cachar and Karimganj. If these projects are immediately cleared at the Central level, I think it will give a fillip to the depleted economy of the districts of Silchar and Karimganj.

In this connection, I would like to draw the kind attention of the benevolent Government to an area in my district known as Chatla Haor. This area is predominantly inhabited—I would say that the inhabitants are 95 per cent Scheduled Caste people. Boro crop is the only source of their livelihood. But for the last 5 or 6 years, only once they have been able to reap the harvest. On all other occasions, it was destroyed by floods. You can imagine the plight of the people there. Their misery beggars description. Government has special programmes for the Scheduled Caste people. I would like to draw the pointed attention of the Agriculture Minister, of the Finance Minister, of the Industry Minister to think about starting some special plans to develop this particular area. I would like to draw the attention of

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the hon. Minister, through you, Sir, to give special attention to this fact that very recently, the Government of Assam has set up an Electronics Corporation. I would request the hon. Finance Minister to liberally release financial assistance to this Corporation so that it can serve some useful purpose for the people of Assam.

With these words, once again, I render my support to the Finance Bill. Thank you, Sir.

SHRI M. S. GURUPADASWAMY (Karnataka): Mr. Vice-Chairman, Sir, my hon. friends opposite have tried to paint a rosy picture of the country. They want us to believe that everything is good and fine in the economy. They want us to say that what they have done during the last three years has been wonderful and that they have been able to solve many problems facing the people. They want us to say that what has been done this year, in the Budget, is a milestone. I am sorry, I am not in a position to share their optimism, their joy because, the picture they are painting does not convey the realities of the situation. I am not overlooking certain achievements that have been made during the last one year. I recognise them. Since there is paucity of time, I do not want to dwell upon them. But I would only say that we should take the totality of the situation into consideration. What is the national scene? What is the state of the national economy? What is the picture, as it is today? I am sorry, I have to say that the whole planned development has been one of failure. It is as if the Government is planning for failure, it is planning for shortfall, for delay, for expediency. Why I say this? I am not making a sweeping criticism. If you look at the Plan period of four years, you will understand, Sir, that there is heavy concentration on investment, heavy concentration on expenditure. There is a overriding preoccupation, on savings and investment, wasteful expenditure. My friends opposite take plea-

sure in quoting figures that more and not be brought about keeping the more is allotted to various projects. I agree that, over a period of years, the savings pattern has changed. Once upon a time, the rate of savings was small. It was between 9 and 12 per cent. Today, it is more than 20 per cent. But the question is, how this is being spent? Whether it is result-oriented. Whether the implementation gap has been filled, has been narrowed? This is the yardstick. When we adopt this yardstick, I am afraid, am not in a position to share their optimism, their joy, their happiness, about the Budget, about the economy.

Sir, you may remember this. My friend, the Finance Minister is here. Our country had occupied the tenth place in the world in economic development. What is the position, what is the situation today? I want my friends to ponder over this. We have been pushed down the ladder. We are at the 20th or 22nd place. What is your share in the international trade? In quantitative terms there may be an increase, but what is your proportion of share in the world trade? It is decreasing, diminishing. There may be a few bright spots in the economy, but what is the yardstick to measure? The main yardstick is whether we have been able to solve the major problems of poverty and unemployment. The Mid-term Appraisal has brought out the fact that by the end of the Sixth Plan nearly 41 per cent of our population, that is 282 million people, will be below the poverty line. That is my yardstick, that is my benchmark to measure the efficiency of the Government, the performance of the Government. Forty-one per cent of the population or 282 million people will be below the poverty line. And what is poverty line? You and I know that poverty line is only a survival line, it is calculated only for the purpose of just bare survival of the people. And as I say nearly 282 million people will be below the poverty line by the end of the Sixth Five Year Plan, that is much

more than the population of the Soviet Union.

Our friends have been saying that there has been a record development of food production. Nearly 149 million tonnes or 150 million tonnes have been achieved this year, thanks to the rain god. Let them take the credit, I have no objection, I have no quarrel. But if this is taken away, what is the rate of growth? What is the rate of industrial development? It is not according to the plan targets fixed. There is a shortfall. There has been over investment, extravagance, emphasis on expenditure. Our whole plan is not result-oriented, performance oriented. Sir, 149 million tonnes may look very big compared to our past performance,

may even yield certain surplus, but look at the Soviet economy. The population of the Soviet Union is far less than our population, that is only one-third of our population. For the one-third population the Soviet Union is producing 180 million tonnes. It is not adequate and it has got to import from America. A massive import has got to be resorted to there to feed the population. Here nearly 50 per cent of our population is below the poverty line. They have no purchasing power to purchase the food they need. They have no power, they have no ability. The anti-poverty programme that has been launched by the Government has been a failure. Only the IRDP or the NRDP programmes have given a marginal relief to the people, but they have not been able to solve the problem of poverty.

Take the case of unemployment. The Planning Commission has fixed the target that at the end of the Sixth Plan there should be 34 million people absorbed in various types of jobs. And the Mid-term Appraisal has said that it is not possible to realise this target. So, there is unemployment, there is poverty and there is short-fall in various sectors, vital sectors of our economy. There is critical short-fall in irrigation, in electricity, in steel coal, fertilisers, transport and communication. That is why I say we are

planning for short-fall in the economy. (Interruptions) You observe you read the figures and you will understand how Janata Party did in that short period and compare it with what has been done now, Janata Party's performance is far better than yours. Because of lack of time I do not want to go into those figures.

My main criticism against this Government is that there is a growing implementation gap because of lack of performance. We are not lacking resources. We are mobilising resources alright. But these resources have been invested in such a manner that they are not yielding quick results. Many plans, many programmes have been delayed. There has been wastage in the economy. As a result of which the growth rate has suffered. Take the case of South Korea, which is a very tiny country. What has happened there? South Korea, during a period of 20 years covering four five years plans, has been able to achieve a sustained economic growth of 10 per cent. They have been able to do it because of the fact that they have been able to modernise the entire economy from grassroot level to the national level. They have achieved that because of the high level of literacy. Korea a small country, has got 95 per cent literacy. In India the Census figures have shown that there has been only 36 per cent literacy in this country. With 36 per cent literacy it is impossible to achieve modernisation. The whole economy is anti-quated and antidiluvian and the most important factor to bring about a change in the development of the economy is to see that the modernisation process is set in motion as early as possible. May, I request the Government to constitute a Commission on Modernisation? Without modernisation, Sir, it is very difficult to bring about technological

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changes, it is very difficult to bring about changes in the management techniques. Today the country is facing a crisis of modernisation, crisis of management. With a view to bringing about modernisation of the economy I feel that the literacy programme has got to be taken up on a war footing. Radical economic transformation cannot be brought about keeping the people illiterate. It is very difficult to achieve changes in economic development in the country if we cannot make our people participate in development, involve them in development. People in fact have not been involved in development today. Therefore may I say that the Government should set up a Commission on Modernisation and bring about a change in the implementation gap that is growing? This has resulted in disparities of income, inflation, over-investment and lack of growth leads in turn inflation, price growth leads in turn to inflation, price rise. Today the country is faced with a syndrome on the one side and inflation, high cost and high price spiral on the other. We have got to solve this dilemma which we are facing. There has been failure on the part of the Government to discipline the economy, to discipline the administration. In Japan, Sir, in public administration, for every thousand people there are only 17 people working. I repeat that Seventeen people work in the administration in Japan for every thousand people. In India 23 people are working. Much of the administration is a waste

Rule about regulations are galore, in the administration. The programmes, have suffered as a result of this. There has been a failure in performance. There has been a failure in reaching the targets. Long time back Indiraji came to power. She promised many things to the country and of late she promised performance.

SHRI DHARANIDHAR BASUMATI-ARI (Assam): She has done.

SHRI M. S. GURUPADASWAMY: I think this is the worst non-performing Government I have ever seen ... (Interruptions)... She has failed and failed everywhere. Look at Karnataka, how they are doing. ... (Interruptions) ...

Sir, may I draw your attention to an incident which took place during the Second World War. At the fag end of the Second World War Hitler knew he was losing. He was in frustration, he was in distress. He had some people around him and he told them: "Look, my colleagues have let me down; my Generals have let me down; my army has let me down; my administration has let me down." Then he went on to say, "My people have let me down; my nation has let me down. They do not at all deserve my leadership." Likewise, let not Mrs. Gandhi say that her colleagues have let her down, her Government has let her down, her officers have let her down, the nation has let her down and then let her not say, the country does not deserve her leadership.

SHRI RAMESHWAR THAKUR (Bihar): Respected Vice-Chairman, Sir, I am grateful to you for giving me this opportunity and privilege to participate in this important debate on the Finance Bill. May I assure you with due humility. Sir, that it will be my sincere endeavour to honour the noble traditions and dignity established by eminent scholars, statesmen, experts, social workers and other distinguished persons in this great House.

Before I proceed to discuss the provisions of the Finance Bill, 1984, I would like to congratulate the Finance Minister for his bold and very progressive budget proposals which, in a nutshell, on the one hand give a basis for containing inflationary trends and, on the other, make very substantial, rather the largest ever provided, provisions for development and welfare activities. Sir, there has been some criticism from the Members in this House, as also going through the debates of the Lok Sabha we find that there has been criticism, in regard to the development of our economy, Government's policy and provisions of the Finance Bill. In a developing country like ours, when we find there are mounting population increases, there are constraints of resources, we are substantially dependent—a very large part of the country—on the vagaries of monsoon in regard to production, naturally there are inherent limitations in regard to the development process. And this is not for the first time that it is mentioned. On going through the earlier debates of the Finance Ministers, very eminent persons—I would not like to take much time of the House on it—we find the same thing. Going through the speech of the late Dr. Desmukh in 1952-53, we find there

also the same problem of having the difficulties of vagaries of monsoon being mentioned. Dr. Desmukh said: "As the hon. Members are aware, the vagaries of monsoon have again led the country to substantial deficit in foodgrains." Then he goes on to say: "...about some months the steady rise in prices which has been one of disturbing features in the country's economy..." When we go through the speech of Mr. T. T. Krishnama chari, the other Finance Minister, we find the same mention. I have all the quotations, but I would not like to take valuable time of the House on this matter. He also said in 1964-65 in his Budget speech the same thing. Similarly we find some references have been made in the Budget speech of the then Finance Minister and Prime Minister Shrimati Indira Gandhi in 1970-71, in Mr. H.M. Patel's Budget speech of 1973-79, in Mr. R. Venkataraman's Budget speech of 1980-81. What I am trying to draw attention is that when these are the inherent limitations in our economy and in the process of economic growth, when we make the assessment of our achievements since Independence, we should take due care of these limitations. It helps nobody to present a lopsided view emphasising only deficiencies, though great strides have been made in economic development in many fields since Independence.

Mr. Vice-Chairman, Sir, those of us who were inspired by the Father of the Nation, Mahatma Gandhi, Pt. Jawaharlal Nehru and other eminent national leaders, those who participated in the national freedom movement, those who had the privilege to be the guests of the British in jails, those who had seen the social, economic and political miseries of the people before Independence, cannot undermine the efforts made in this direction after Independence. Particularly we are grateful to the vision and statesmanship of Pt. Jawaharlal Nehru who as the first Prime Minister gave us a sound base for planning infrastruc-

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ral development, irrigation, agriculture industries, science and technology. At the same time, also, sound foundations were laid in regard to basic issues such as democratic socialism, secularism and also non-alignment. About this democratic socialism, some references were made from the other side which my colleague and friend Mr. Sharma replied to partly. This is not a slogan of today. It was the Congress in Avadi in 1955 which passed the first resolution in regard to the socialistic pattern of society. Thereafter, this was discussed in the Amritsar session where the letters 'ic' were taken out and what remained was 'socialist society'. And finally in January, 1964, in the Bhubaneswar Congress, it finally accepted, the establishment of democratic socialism, which is the case since then so far, as the Congress is concerned. In those days of Pt. Nehru, special attention was paid to schemes for benefit of people belonging to the poorer sections of the society, particularly the Scheduled Castes and Scheduled Tribes, and they were given due importance. In pursuance of the policies followed in the subsequent period, India has made great strides in agriculture, in industry, science and technology and other walks of life.

I would like to mention particularly the growth and development of the economy during the last four years. There were some questions raised, and I would like to say that reference should be made to the Economic Survey data of the Government of India. These have been made during the present Government, under the dynamic leadership of the Prime Minister, Shrimati Indira Gandhi. These data are very clearly indicative of the successive achievements in the national growth from 1979-80. From 1979-80 when it was minus 5.1 per cent, it rose to 7.9 per cent in 1980-81. In 1981-82 it was 5.2 per cent. It was slightly reduced to 1.8 per cent in 1982-83, as has been indicated by the Finance Minister in his speech, on ac-

count of droughts, and it was expected to be 6 to 7 per cent in 1983-84. The data on the agricultural production, industrial production, electricity generation, wholesale price on point to point basis in each field, if we see the data provided by the Government, it clearly establishes that there have been achievements in these directions in the last four years. This year's agricultural production has been all time high as has been mentioned. It is expected to be 148 million tonnes. The industrial production also is picking up. There has been considerable improvement in the last three years or four years in the field of infrastructure, particularly coal, oil, power, rail transport. There are still shortages in infrastructure, we must admit, but this is a part of the growing economy and the developing economy.

In this connection, I would like to draw the attention of the hon. Finance Minister to the regional imbalances in economic development in different parts of the country. The eastern region as a whole, Bihar in particular, has been in sufferance on this account. It is well known that inspite of the rich alluvial soil and major rivers in North Bihar and rich mineral resources in South Bihar, including 43 per cent of the total coal reserves in the country, that are in South Bihar, there has been very slow economic growth, and the per capita income in Bihar has been going down, particularly since 1960.

In this connection, Sir, I would like to mention that wherever there are regional imbalances, it is the responsibility of the Government of India to ensure that the regional imbalances to the extent possible are removed by creating infrastructural facilities in those areas where they lack very much. Particularly in the case of energy, railways, roads, irrigation facilities, such imbalances should be removed.

In this connection, Sir, I have to make certain specific request and suggestions for the consideration

of the hon. Finance Minister and the concerned Ministries of the Government of India for improvement in the infrastructure in all areas of Bihar in the background which I have just mentioned.

The first one is about faster development of Lalmatia Coalfield which is generally called Raj Mahal Coalfield. Originally it was estimated that the reserve was 2,600 million tonnes. Now it has been confirmed that we have a reserve of 3,998 million tonnes of coal in Lalmatia. This is the base which will supply coal to Farakka and to Coleganj. Therefore it is necessary that this coal field which incidentally has been near my village Thapur Gangti should be developed as fast as possible. There is one more thing that is Kahalgaon super thermal power. I do not want take more time of the House. The Energy Minister has stated that there has been some discussions between the State Government and his Ministry about this project and a part of land has been given by the Government in April, 1984. About Rs. 6 crores have been provided by the N.T.P.C. for the development of this project in the current year. Therefore, my request is that this project should be expedited along with other on-going projects of Koel Karo hydel project and Kanti project, and some on-going projects in Bihar for the generation of power, speedier generation which will help augmentation of the supply of power to industries and agriculture.

Now, I would like to mention about setting up of 26 KM railway line between Kahalgaon and Lalmatia. This was already accepted by the Government when late Shri Kedar Pandey was the Railway Minister and a survey has also been taken up. If this connection takes place an abundant measure of coal not only to Kahalgaon but also it can help easy supply of coal to Farakka. We can also supply coal to Barauni, Patna and Muzzafarpur which are not getting coal from

a distance of 364 KMs or more away from Dhanbad and onwards. If this link is laid possibly, we can get coal within 150 KMs distance and this will save railway track and there will be other facilities also.

I would like to suggest about the doubling of lines between Kiul and Barherba, because unless the lines are doubled this movement of coal particularly from the Lalmatia belt and other places cannot be eased. This is one of the oldest railway line in Bihar.

Then the line which I earlier mentioned about Lalmatia should be extended along the coal belt upto District headquarter at Godda and the divisional headquarters at Dumka and connected to Deoghar so that a proper link within the Santhal Pargana which is one of the most backward divisions in the country, is established.

Sir, then I come to railway lines in North Bihar. As many of the Members of this House are aware late Shri L. N. Mishra had instituted a number of schemes for railways in North Bihar particularly the lines between Samastipur and Darbhanga and Nirmali have to be doubled. To some extent the doubling of the line is going on but rather slowly. There are other schemes which were taken up should be completed simultaneously. This is my request.

Now, I would like to mention about petro-chemicals complex at Barauni. This has been going on for nearly fifteen years. I understand that this matter is under the consideration of the Government of India. It is requested that this project should be expedited. This will give a boost to industrial development in North Bihar in particular and Bihar's economy in general.

The other one is the road link, particularly rural roads. It is requested that Road-cum-Railway bridge on River Ganga near Bhagalpur also should be provided.

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The last point that I would like to mention is that intensive development of the Chota Nagpur and saanthal parganas which are very backward and predominantly inhabited by the tribals should be developed. Also, due importance and preference should be given for development to the very thickly populated area of North Bihar which is very poor by virtue of having heavy population load on them.

Coming to the proposals of the budget and of the Finance Bill, I may invite attention to some of the salient features which I am surprised a very few Members have been able to refer to. The first important thing is the higher Plan outlay. In a difficult economy, in spite of certain constraints, a maximum increase of 25 per cent has been given. This is the highest in any year; that is, from Rs. 13,870 crores, the provision has been increased to Rs. 17,351 crores so far as the Central sector is concerned. Sufficient emphasis has been given on the infrastructure development. In power projects, the outlay is Rs. 1,764 crores, which is 44 per cent higher than the earlier year's provision. Similarly in coal we expect a production of 152 million tonnes by providing Rs. 1,310 crores. Similarly in the case of Railways, the provision is Rs. 1,650 crores, that is, 23 per cent higher than last year. On energy, the provision is Rs. 3,127 crores and production has gone up in 1983-84 to 26 million units and it will be 30 million units in 1984-85.

About incentives to industry—this has also not been sufficiently highlighted—there are provisions in the Finance Bill for incentives to industry in the form of reduction in excise duties. And incentives have been provided for export promotion and import substitution. I would not take much of your time but I would like to mention that these incentives will certainly help to better the growth of industry. For modernisation of industry, the rate of interest has been reduced

from 12½ to 11 per cent and 10 per cent for the funds provided by the IDBI.

There are provisions for increased generation of savings and investment. The National Deposit Scheme, about which mention was made, is one of the best schemes that we have got, which will provide up to 10½ per cent interest and it will be for four years, but it can be encashed after one year.

There are concessions in tax to the middle and the lower middle class. The marginal rate of income-tax has been reduced from 60 per cent to 55 per cent. There are some other benefits like the provision in the case of dividends and interest on debentures, etc. there will be no deduction at source up to Rs. 1,000.

My friend, Mr. Sharma, has highlighted the emphasis on rural development programmes. I will not repeat the figures. There has been a four-fold increase in the provision of some scheme. Therefore, we feel that these programmes will certainly help the poorest of the poor in the villages who are in sufferance. There are other measures designed to benefit the poor. Mention has been made about the 20-point programme. A provision of Rs. 4038 crores has been made during the current year, which is 47 per cent more than last year. And the total—the Central and the States taken together—comes to Rs. 11,858 crores, which is 40 per cent of the total annual outlay of the Plan. The last is the measure designed to plug loopholes for tax avoidance and misuse of the provisions of the law.

The provision for compulsory audit, about which the Finance Minister made a reference this morning, is one of the very progressive measures which

have been brought forward. This will help to streamline the system and will certainly augment the base of revenue in the years to come.

Secondly, about the benami holdings and also about investment by such trusts which have not fulfilled the prescribed investment, now they have also been asked to fulfil them, otherwise they will have to pay higher tax.

I have two or three suggestions in this regard. First, it is not merely sufficient to have substantial financial provisions in the Bill or in the budget. The achievement in physical terms is also important. My suggestion is that these funds should be provided to the different agencies, the State Governments and other agencies specified for the purpose, well in time so that the money could be spent in time.

Secondly, as I said, attention should be given to the physical targets also. More important, there should be sufficient involvement of the local people in the implementation of the schemes which will enable more beneficial use, more effective use of the resources for the benefit of those who really deserve such support. And the last one is there should be effective monitoring in regard to the implementation of the various schemes. With these words I wholeheartedly commend the Budget proposals and the provisions in the Finance Bill.

Before I sit down I would like to make a few suggestions for the kind attention of the Finance Minister which require due consideration and action. One is regarding the stability of tax law. It is the common grievance at all levels that our tax system suffers from many structural flaws which can be remedied with imagination at the points of the payer, the collector and the courts. In this connection I would like to quote the views expressed by the Vice-President of India and Chairman of the Rajya Sabha in his speech at the inauguration of the All-India Conference of the Income-tax Appellate Tribunals on

1-8-1983. They are worth quoting—
“The tax structure must have flexibility and stability. Flexibility may be required in an emergency requiring additional revenue. But stability is always required because it creates confidence and encourages investment. The tax-payer must also know where he stands. Stability is even more important than flexibility because one need not rely on the flexibility if the revenue target is wisely conceived. Above all, the incentive to work for gain and economic efficiency should not be harmed by faulty tax structure. I, therefore, suggest that there should be stability as far as possible in the direct taxes enforced for a period of three to five years. The second suggestion relates to substantive amendments. It has been observed that these amendments are being made along with the Finance Act every year. In order to avoid complexities and confusion which are created by trying to plug loopholes in some direction—in that the attempt creates loopholes in some other direction—it is suggested that substantive amendments should not be brought through the Finance Act and the same should not have retrospective effect as far as possible. And the third one is regarding better working conditions congenial for the department, its efficient working. For this the question arises about the housing problem, suitable office and accommodation problem for officers and staff of the department. There is also a growing need for improvement in the service conditions and greater confidence in the officers and staff of the department. Government is giving sufficient attention and continues to do so. I hope there will be further effective steps in this direction to remove the anomalies, the difficulties and hardships which are there in the field. The last one is about rationalisation and streamlining and better and effective functioning of the department. What happens is sometimes even a small difference creates a problem between the assessee and the department, because the officers, though they have

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discretionary powers and they are supposed to take effective action under the provisions of the law, do not want to exercise their discretion because they feel there is a revenue audit. Therefore, it is suggested that there is an imperative need to provide legitimate protection to the officers in the exercise of their discretionary powers, to use them in a bold and honest way, to give appropriate legal relief to the honest assessee.

In this connection, I want to say further that to the extent possible we should try to enhance the image of the department and encourage the assessee to follow the commendable motto, "tax without tears, pay with cheers".

My last point is regarding simplification and rationalisation of the law. In this connection I would like to quote the honourable Finance Minister himself who said that simplification and rationalisation of the tax system must, therefore, remain an important objective for fiscal policy. The Public Accounts Committee and the Estimates Committee in their earlier reports and in their latest reports have made a specific suggestion. I would like to quote that suggestion and then conclude. Their suggestion is this. The Estimates Committee in its recommendation No. 3, paragraph 2.33 of the 29th Report (1981-82) have stated that since Income-tax, wealth-tax and gift-tax assessment in respect of an assessee is done by the same Income Tax Officer and since every case of wealth tax is not required to be referred to the valuation cell, the consolidation of returns will not only facilitate assessment of all the three taxes— income-tax, wealth tax and gift-tax— at one go, but would also make it easier for the ITO to correlate wealth and income of an assessee and have a complete picture before taking a final view on the tax liability of the assessee. This matter is before the Jha Commission. I am sure the Gov-

ernment will take necessary steps to simplify and integrate the said three tax returns which will be more simple and beneficial for the assessee and public at large.

With these words, I support the Finance Bill, 1984.

श्री हुकमदेव नारायण यादव (बिहार) :

उपसभाध्यक्ष महोदय, अभी सदन में वित्त विधेयक पर हम लोग चर्चा कर रहे हैं। सत्ता पक्ष के माननीय कई सदस्यों ने अपनी राय रखी है और उनका तो काम है कि सरकार के जरिये जैसे भी विधेयक आएँ, प्रस्ताव आएँ, उसका समर्थन करेंगे हाँ, चाहे भाषण के क्रम में उसके कई बिंदुओं का विरोध भले हो करे।

अभी अन्य बातों के अलावा बिहार के विकास के संबंध में माननीय रामेश्वर ठाकुर जी ने जो विचार रखे हैं, मैं उससे अपनी महमति प्रकट करता हूँ और सरकार से यह मांग करता हूँ कि बिहार के विकास के लिये कई सुदूर पर जो चर्चा उन्होंने की है, उस पर सरकार गम्भीरता से सोचे और पिछड़े हुये क्षेत्र के विकास के लिये वित्तीय प्रावधान करे, लेकिन जहाँ तक वित्त विधेयक का सवाल है और सरकार ने इसको रखा है, मैं उसकी चर्चा में, आँकड़ों में नहीं जाना चाहूँगा। अगर मेरे पास समय होता, तो यहाँ नहीं, मैं सत्ताधारी दल के किसी भी वित्तीय जानकार लोगों को कह सकता हूँ कि मैं तो ना कोई वित्त विभाग का पंडित हूँ, न हूँ अर्थ-शास्त्र का पंडित हूँ, लेकिन हमारे जो राजनैतिक गुरु थे, जिन्होंने हमें दीक्षा दी थी, डा० राम मनोहर लोहिया, उनकी संगति में हम लोगों ने अर्थ-शास्त्र का जो अ, ब, स, बुनियादी अर्थ-शास्त्र सीखा है, उसके आधार पर हम किसी भी अर्थ-शास्त्र से बहस कर सकते हैं। दिशा क्या है, दृष्टि क्या है, संकल्प क्या है? दिशाहीन, दृष्टिहीन, आपकी जो अर्थ-व्यवस्था है, उससे आप

आगे वहीं चल सकेंगे, आप वहीं ले जा सकेंगे, आप जो आर्थिक संरचना करते हैं, उसकी कोई दिशा हो नहीं है। आप आर्थिक संरचना करते हैं, कहते हैं—सर्वोदय—सर्वोदय माने गांव के एक भिखमंगे का भी उदय और श्रीमान बिरला का भी उदय। आप कहते हैं कि दोनों का उदय साथ-साथ हो। आप कहते हैं कि हम खुले रूप से प्रतियोगिता चाहते हैं और प्रतियोगिता की बात करते हो। हवाई-जहाज पर उड़ने वाले की गति को अगर सोमा नहीं रखें और साइकिल पर चलने वाला अपनी गति कितनी भी तेज करे तो क्या हवाई-जहाज के मुकाबले चल सकते हैं? नहीं चल सकते हैं। इसलिये अगर नाँचे से लोगों को ऊपर उठाना है, तो ऊपर वाले लोगों को जो गति का सोमा है, उसको कहीं न कहीं रोकना पड़ेगा, प्रतिबन्ध लगाना पड़ेगा।

इसलिए अगर देश के अन्दर आप गरीबों हटाना चाहते हो तो न केवल हम आप के आंकड़ों से मिद्ध करना चाहते हैं, लेकिन मैं एक फार्मूला देता हूँ और श्री कल्पनाथ राय जो भी उस फार्मूले से अपनी सहमति प्रकट ही करेंगे क्योंकि एक ही स्कूल से हम दोनों आए हैं और यहां अलग स्कूल में बैठे हैं। तो उससे सहमति प्रकट करेंगे कि निम्नतम और अधिकतम आपकी सोमा बांधों। हम कहते हैं कि “एक से कम दस से ज्यादा समाजवाद का यही तकाजा।” अगर आप समाजवाद लाना चाहते हो, दिल में भला चाहते हो, तो सोमा बांधों कि इस देश में एक से कम किसी को नहीं रखो और ज्यादा से ज्यादा दस से किसी को नहीं रहने देंगे। अगर दस से ग्यारह किसी के पास है, तो उसके ऊपर

इतना इन्कम-टैक्स लगाओ कि दस से ग्यारह नहीं होने देंगे। दस से ग्यारह जितनी होगी, वह सरकार को होगा और उसका बंटवारा एक पर होगा। जब तक एक में ऊपर नहीं उठाते, उसको दूरो को कम नहीं करेंगे, तब तक देश में कोई आर्थिक परिवर्तन नहीं कर सकते। लेकिन मैं जानता हूँ कि नारे लगाने के काम हुआ करते हैं।

जब चुनाव के समय आएं समाजवाद के नारे लगाओगे। हर चुनाव में आप कहेंगे कि कांग्रेस पार्टी को इस बार वोट दे दो, तो फिर मेरा कमाल देख लो, वैसे ही जैसे कोई माने वाला कहता है—

“मेरे पैरों में घुंघरू बंधा दे तो फिर मेरो चाल देख ले।”

हर चुनाव में आप कहा करते हो कि मुझे वोट दे दो और फिर मेरो चाल देख लो। मुझे वोट दे दो, तो फिर मेरा कमाल देख लो, लेकिन आपका कमाल तो हम देखते रहे है। मैं आप से यह कहना चाहता हूँ कि सम्पत्ति का जो केन्द्रीयकरण हो रहा है उसको आप रोक सकेंगे। हम सम्पत्ति के विकेन्द्रीकरण का नारा नहीं लगाते, हम आपको ठोस आधार भी बताते हैं : जहां जमीन है, वहीं व्यापार और नौकरी है, यह सीमित हाथों में केन्द्रित हो गया है, जहां जमीन है उसी के पास व्यापार है, उसी के पास प्रशासन है और इस-लिए कोई समाजवादी कार्यक्रम नहीं किये जा सकते, जिस हथियार से आप समाजवाद को लाना चाहते हैं उसका

[श्री हकूमदेव नारायण यादव]
सामन्ती विचारधारा से जन्म हुआ है, जिस अफसरशाही को लेकर आप समाज-वाद की बात करना चाहते हैं वह वहीं से निकली हैं, ऐसे लोगों के संस्कार एक-दो नहीं, हजारों, लाखों वर्षों से ऐसे बने हैं—जन्मगत संस्कार, व्यवहारगत संस्कार, धार्मिक संस्कार, सामाजिक संस्कार—जो समाज के अन्दर परिवर्तन नहीं चाहते। उनके अन्दर आप परिवर्तन कर सकते हैं? नहीं कर सकते। अगर समाज में परिवर्तन लाना है तो गांधी जी और डा० लोहिया ने जो सपना देखा था, उन्होंने जो नारा दिया था उसको सामने रखना पड़ेगा, उन्होंने कहा था कि अगर हिन्दुस्तान में समता समाज की स्थापना करना चाहते हो तो नियंत्रित करो, खेती, नौकरी और व्यापार को एक आदमी एक रोजगार। है हिम्मत? मैं भारत सरकार को ठोस कार्यक्रम देता हूँ, क्या भारत की सरकार कानून बना देगी कि एक आदमी एक रोजगार होगा, खेती रहेगी तो नौकरी और व्यापार नहीं।

श्री रामभगत पासवान (बिहार) :
जनता सरकार ने ऐसा कानून क्यों नहीं बनाया। इनके क्षेत्र में भूमिहीनों को जो भूमि मिली उससे उनको डिस्पोज कर दिया गया। उस समय कहाँ थे? उस में इन का भी हाथ है।

श्री हकूमदेव नारायण यादव :
उपसभाध्यक्ष महोदय, यही तो देश का दुर्भाग्य है इस देश के पिछड़े और

हरिजन तबके का कि रामभगत पासवान केवल लाठी चलाते हैं, उनके नेता की क्या नीति है, क्या नीयत है उस को देख नहीं सकते, केवल लाठी चलाना सीखे हैं, लेकिन गाड़ी किस दिशा में जा रही है उसको नहीं देखेंगे—बस जिन्दाबाद—जिन्दाबाद करते रहो। मैं आप से निवेदन कर रहा था कि एक व्यक्ति एक रोजगार—क्या आप यह कर सकते हैं? एक आदमी के पास नौकरी है और व्यापार है तो एक चीज रहेगी, बाकी नहीं रहने देंगे—क्या आप ऐसा करेंगे? आप ऐसा करें तो समाजवादी समाज की स्थापना कल हो सकती है। आप ऐसा नहीं कर सकते। इस के लिए देश में सांस्कृतिक क्रांति और सामाजिक परिवर्तन की आवश्यकता है। जब तक समाज में सांस्कृतिक क्रांति नहीं होगी, जिनके लिए परिवर्तन लाना चाहते हैं जिनको समाज में ऊपर उठाना चाहते हैं, उनके हाथ में जब तक राजसत्ता और प्रशासन नहीं दिये जायेंगे तब तक समाज में परिवर्तन नहीं होगा। जो समाज में भूखा—नंगा इन्सान है उसके हाथ में राजसत्ता, प्रशासन व्यवस्था आने दो, फिर समाज में परिवर्तन हो कर रहेगा। आप ऐसा कर सकते हैं? नहीं कर सकते।

आज जब हम देश के अन्दर सवाल उठाते हैं, खेती में लगे हुए लोगों की, किसानों की, हमारे माननीय नेता चौधरी चरण सिंह किसान की बात करते हैं तो यह कहा जाता है कि यह कुलक के नेता हैं, बड़े किसानों के नेता हैं। मैं आप सबों से निवेदन करना चाहूँगा कि आप धीरज रखिये, आपके सर्वेक्षण के मुताबिक, कृषि संगणना सर्वेक्षण के मुताबिक इस देश के अन्दर 10 इक्टेयर से अधिक जमीन रखने वाले लोगों की संख्या है 3.5 परसेंट। जहाँ

खेती में लगे हुए लोग 69.7 परसेंट हैं, वहां 3 परसेंट 10 हेक्टेयर से ऊपर जमीन रखने वाले हैं। उपसभाध्यक्ष महोदय, यह देश की बिडम्बना है कि 1 हेक्टेयर से कम जमीन रखने वाले लोगों की संख्या 39.1 परसेंट हैं। जिनके पास एक हेक्टेयर से कम जमीन है। जब आप किसान की और बड़े किसान की बात करते हो तो देखो कि कौन बड़ा किसान है। पूर्णिया के बाबू अमोल सिंह क्या हैं? रघुवंश नारायण सिंह किस के साथ हैं? सोनपुर के बच्चा बाबू किस की जमात में हैं। वे लोक दल में नहीं हैं। वे चौधरी चरण सिंह की जमात में नहीं हैं। वे भारतीय जनता पार्टी या जनता पार्टी के साथ नहीं है। वे सी० पी० एम० या सी० पी० आई० (एम०) के साथ भी नहीं हैं। रघुवंश नारायण सिंह जी के पास 18,000 एकड़ जमीन है और बाबू अमोल सिंह के पास 20,000 एकड़ जमीन है। आप देखें कि सोनपुर के बच्चा बाबू किस दल के साथ हैं।

मंसदीय कार्य विभाग में राज्य मन्त्री (श्री कल्पनाथ राय) : मेरा एक व्यवस्था का प्रश्न है। हुक्मदेव जी बोलते चले जा रहे हैं। चौधरी चरण सिंह ने बैंकों के राष्ट्रीयकरण का और प्रीवी पर्स को समाप्त करने का विरोध किया था। क्या यही उनका समाजवाद है और क्या उन्होंने अपनी किताब में नहीं लिखा है कि छोटी जमीन वालों को खेती करने का अधिकार नहीं देना चाहिए?

श्री हुक्मदेव नारायण यादव : मैं कहना चाहता हूं कि चौधरी चरण सिंह जी की जो आर्थिक दिशा है और यदि आप इस बारे में बहस करना चाहेंगे तो हम आपको बहस करने के लिये आमंत्रित करते हैं। जहां कहीं भी आप चाहेंगे झंडा गाड़ कर हम बहस करेंगे। बैंकों के राष्ट्रीयकरण के

सवाल के समय हम और आप एक ही जमात में थे।

श्री सैय्यद सिक्ते रज़ी : आप तो बी० जे० पी० से मिल कर उनको हाथ जोड़ कर चलते हो। इससे कहीं तो दबोगे ही।

श्री हुक्मदेव नारायण यादव : जब आप मुस्लिम लीग के साथ हाथ जोड़ रहे थे तो उस समय क्या था। देश में संप्रदायवाद को जन्म देने वाली यह कांग्रेस है, यह कांग्रेस सरकार है। हम सब प्रगति-विरोधी हैं, भारतीय जनता पार्टी संप्रदायवादी है और मुस्लिम लीग के साथ चलता प्रगतिशीलता है। मुस्लिम लीग प्रगतिवादी है। इसलिये मैं आप से कहना चाहता हूं कि...

श्री हयातुल्ला अन्सारी (नाम-निर्देशित) : चरण सिंह जी ने औरतों के लिये क्या कहा है वह भी बता दीजिए।

श्री पी० एन० सुकुल (उत्तर प्रदेश) : अब तो आप जनता पार्टी में आ गये हैं।

श्री हुक्मदेव नारायण यादव : मैं कहाँ आ गया इससे आप को क्या। तो मैं कहना चाहता था कि जब मैं बोलने लगता हूं और उसमें जब उनकी कोई कमजोर रग दबती है तो वे चीखने-चिल्लाते लगते हैं। लेकिन अगर आप अपनी कमजोर रग रखेंगे तो हम दबायेंगे ही। 1881 में जिस समय यहां अंग्रेजों का शासन था उस समय खेती में लगे हुए लोगों की संख्या देश में 50.7 प्रतिशत थी और उद्योग में लगे हुए लोगों की संख्या 36.3 प्रतिशत थी। अब 1951 में, जब देश आजाद हो गया और देश में जब लगातार कांग्रेस का शासन रहा तो खेती में उस समय काम करने वालों की संख्या 69.1 परसेंट हो गयी और उद्योग में लगे हुए लोगों की

[श्री हुक्मदेव नारायण यादव]

संख्या 36.3 परसेंट से घट कर 13.6 परसेंट रह गयी। मैं आप से निवेदन कर रहा हूँ कि खेती पर निरन्तर भार बढ़ता चला गया है और उद्योग पर भार कम होता चला गया है। उद्योग पर भार कम और खेती पर भार। गांव के जो हाथ करघा के उद्योग थे, जो लोग रंगरेजी का काम करते थे, जो जूता बनाने का काम करते थे, जो लोहे के उद्योग में थे, जो लकड़ी का काम करते थे उन के हाथ से रोजगार छीनने का काम आप ने किया है। देश का सब से बड़ा चमार बाटा बन गया है, देश का सब से बड़ा लुहार टाटा बन गया है और उन लोगों ने गरीबों के हाथ से कारवार छीनने का काम किया है। मैं आगे भी बहुत कुछ बता सकता था, लेकिन उन्होंने बीच-बीच में टोक कर मेरा काफी समय ले लिया है इसलिये आप क्षमा कर उतना समय तो मुझे और दे दें।

उपसभाध्यक्ष (श्री संयद रहमत अली) : मैं उससे ज्यादा समय आप को दे चुका हूँ।

श्री हुक्मदेव नारायण यादव : मैं आप से निवेदन कर रहा था कि जो विदेशी कंपनियां हैं उनके हाथ में पूंजी बढ़ती चली जा रही है। क्या आप उस को रोकने का काम करोगे? लाभ की पूंजी 1971-72 में 99.4 मिलियन रुपये विदेशी कंपनियां ले गयीं और 1977-78 में 101.3 मिलियन रुपये विदेशी कंपनियां ले गयीं। और ज्यादा आंकड़े में देता और लोगों को बताता कि यह क्या हो रहा है, लेकिन अब मैं दो मिनट में ही अपनी बात खत्म करना चाहता हूँ। मैं उन लोगों से पूछना चाहता हूँ कि समाजवाद का नारा देने वाले, आपने इस सदन में ही स्वीकार किया है कि ऊपर के दस फीसदी लोगों

के पास हिन्दुस्तान की कुल भौतिक संपत्ति का 50.7 फीसदी हिस्सा है और बाकी 90 फीसदी लोगों के पास 49.3 प्रतिशत संपत्ति है। इस देश में 90 फीसदी आदमियों के पास देश की कुल भौतिक सम्पत्ति का 49 प्रतिशत और 10 फीसदी लोगों के पास 51 प्रतिशत संपत्ति हो तो समाजवाद कहाँ गया? आप से यही प्रार्थना करूंगा कि गांव में आप जा कर नारा लगाते हो कि हमारा विकास बढ़ा है, हमारा उत्पादन बढ़ा है, लेकिन गेहूँ का, चावल का, दाल का, खाद्य तेलों में प्रति व्यक्ति उपलब्धता नहीं बढ़ पाई है। जनसंख्या की वृद्धि का अनुपात है।...

और राष्ट्रीय आय की वृद्धि का जो अनुपात है वह बराबर है। आपका विकास शैतान की चाल है। पूंजीपतियों के उद्योगों में उत्पादित मालों एवं अन्य चीजों के भाव बढ़े हैं। (समय को घंटो) श्रीमन्, मैं ज्यादा समय न लेकर केवल एक आंकड़ा आपके सामने प्रस्तुत करना चाहता हूँ। मैं चाहता था कि जिस समय मैं यह आंकड़े सदन के सामने रखूँ, उस समय हमारे वित्त मंत्री भी इस सदन में रहते और दूसरी ओर हिन्दुस्तान के पूंजीपति बिड़ला महाराज भी यहां रहते तो मुझे पढ़ने में बड़ा मजा आता।...

श्री संयद सिस्ते रजो : डिप्टी मिनिस्टर साहब बैठे हैं। (व्यवधान)

श्री हुक्मदेव नारायण यादव : डिप्टी मिनिस्टर को क्या हैसियत है? जब कैबिनेट मिनिस्टर हो दिन में तारे गिनते हैं तो डिप्टी मिनिस्टर का क्या हैसियत है?.. (व्यवधान)

SHRI SYED SIBTEY RAZI: I have my own reservations about these remarks. He should withdraw these words.

श्री हुक्मदेव नारायण यादव : उपाध्यक्ष महोदय, मैं अपनी बात खत्म करने के पहले केवल यह कहना चाहता हूँ कि बिड़ला महाराज की एक कंपनी है भारत कामर्स एण्ड इंडस्ट्रीज

लिमिटेड। उसमें बिड़ला का कुल शेयर है 1.4 परसेंट और भारत की वित्तीय संस्थाओं का शेयर है 31.90 परसेंट। मैं आपको जो आंकड़े बता रहा हूँ वह आपके विभाग द्वारा दिए गए हैं, उसी हिसाब से पढ़ रहा हूँ, कोई अपना हिसाब नहीं है जो मैं उठा कर लाया हूँ। (समय की घंटी)

श्रीमन्, मैं एक और कंपनी का जिक्र करता। लेकिन समयाभाव है। लेकिन मैं भारत की सरकार से कहना चाहता हूँ कि बिड़ला के पास इस समय देश में 73 कंपनियां हैं। इन 73 कंपनियों में से आधी कंपनियां ऐसी हैं जिनमें बिड़ला की 2 परसेंट से कम पूंजी लगी हुई है और भारत सरकार की 25 परसेंट से ज्यादा है।

श्रीमन्, आखिरी बात मैं यह भी कहूंगा कि टाटा का जो सबसे बड़ा उद्योग है, इंडियन ट्यूब कंपनी, उसमें टाटा की पूंजी लगी है 0.07 परसेंट और सरकार की पूंजी लगी है 4.3 परसेंट। टाटा की सबसे बड़ी कंपनी है टाटा आयल एण्ड स्टोल कंपनी लिमिटेड उसमें टाटा की पूंजी लगी हुई है 0.58 परसेंट और भारत के वित्तीय संस्थानों की पूंजी लगी हुई है 37.11 परसेंट। मैं आंकड़े और नहीं देना चाहता। केवल एक बात कहकर अपनी बात समाप्त कर दूंगा।

श्रीमन्, ये जो समाजवाद का नारा देने वाले हैं, गरीबी हटाओ का नारा देने वाले हैं, अगर मेरे पास समय होता तो मैं इनको किताब से, इनकी किताबों में दिए गए आंकड़ों से, इनके सर्वेक्षण से यह साबित कर देता कि इनका समाजवाद कसा है। ये चाहते क्या हैं। क्यों गरीबों को धोखा देने हो। आप अब गरीबों को धोखा देने का काम बन्द करो। मैं आपको

यह चेतावनी देना चाहता हूँ कि ऐ समाजवाद का नारा देने वालों, समाजवाद का नारा बंद करो, गरीबों को धोखा देने वालों, गरीबों को धोखा देना बंद करो नहीं तो याद रखो, भारत के गरीबों की शौंपड़ी से उठने वाली जो क्रान्ति की ज्वाला है वह आपको जला देगी। न इंदिरा की सरकार रहेगी, न बिड़ला का पूंजीवाद रहेगा। सब जलकर राख हो जाएगा, राख हो जाएगा। सावधान, सावधान, सावधान।

THE VICE-CHAIRMAN (SHRI SYED RAHMAT ALI): Chowdhary Ram Sewak, not here. Shri Chaturvedi, not here. Shri Indradeep Sinha.

SHRI INDRADEEP SINHA (Bihar): Mr. Vice-Chairman, Sir, I am grateful to the hon. Members on the other side who have poured out their computerised wisdom in this House in order to elucidate the provisions of the Finance Bill. Unfortunately, I cannot agree with them. I am here to oppose this Finance Bill. I am to oppose this Finance Bill because the basic policy that permeates the Finance Bill and that governs the various activities of the Government is against the interests of the people and against the interests of the country. Therefore, these policies need to be changed if we want to save our country from further drifting towards disaster. Presenting the Budget this year, the Finance Minister has made a tall claim that "with this year's allocation for the Sixth Plan, the Sixth Plan, at current prices, will be over Rs. 110,000 crores. This, Mr. Speaker, is the measure of achievement of this Government in accelerating the pace of development in the current Plan period". This is the claim made by the Finance Minister.

Now, what is the reality? According to the Mid-term Appraisal of the Plan, during 1980-81, the investment cost index rose by 11 per cent, and during

[Shri Indradeep Sinha]
1981-82, the investment cost index rose by 14 per cent. Both these percentage—11 per cent and 14 per cent—were higher than the rise in the wholesale prices in the country. That is, the cost of investment rose faster than the wholesale prices. Now, for the remaining three years we do not yet have the figures. But computations have been made by persons who know the subject and they have come to the conclusion that although in nominal terms the Plan Outlay would come to be Rs. 110,000 crores, in real terms, there is likely to be a shortfall of anything like 30 per cent. So, not only the actual target of Plan investment of Rs. 97,500 crores will not be fulfilled but there will also be a serious shortfall. And where will be the shortfall? According to the Mid-term Appraisal of the Plan, the shortfall is mainly in what is called the core sector of the economy. To quote, "Over the first three years of the Plan investment, shortfalls are noticeable in some of the major infrastructure sectors like power, railways, irrigation, coal and steel". So, these are the sectors in which most of the shortfall has taken place. Now, except for crude oil, in no other industry of the core sector has the Plan target been realised. Only the production of crude oil has increased from 10.5 million tonnes to near about 26 million tonnes this year. In coal, the production this year is likely to be 139 million tonnes as against the target of 165 million tonnes. Electricity generation is likely to be 141 billion kwh. as against the target of 191 billion kwh. Revenue-paying originating railway traffic has fallen short by about 33 per cent. Instead of 309 million tonnes, we may have an achievement of a little above 200 million tonnes. Taking the industrial sector as a whole, in only one year of the current Plan period has the target of rate of industrial growth been achieved. That is 8 per cent. In the first year, the growth was 4 per cent; in the second year it was 8.6 per cent; in the third year it was 3.9 per cent. And during the current year it is expected to be 4.2 per cent. So, except-

ing in one year in no other year has the target of industrial growth been achieved. Much more dismal has been the performance of the manufacturing sector. Manufacturing sector accounts for nearly 80 per cent of our industrial economy. In this manufacturing sector, the growth rate has varied from 2.5 per cent to a maximum of 4 per cent.

So, viewing the whole industrial field, we see that there have been serious shortfalls—shortfall in manufacturing sector, shortfall in infrastructure, shortfall in railways, shortfall in basic commodities like coal, steel and electricity.

The Government has made a big propaganda about the achievement of the agricultural sector this year. That is, foodgrains production is expected to be 149.76 million tonnes this year.

We do not know if these 6 P.M. figures have also been cooked up with a view to coming elections. Really, we do not know. But the proof of the pudding is in its eating. If food production has really increased to this level, then the proof should be that prices in the open market should come down to the level of the support prices fixed by the Government. If prices continue to be high then I think it is evident that production has not really increased to the extent claimed or the Government has little control over the distribution system and it is the hoarders, profiteers and black-marketeers who are ruling supreme. In spite of bumper crops prices continue to be high and people continue to suffer and starve.

Secondly, Sir, there is a saying that one swallow does not make a summer. Similarly, one bumper crop in a plan period does not establish any production trend. What is the production trend in agriculture? According to the Sixth Plan document, between 1950-51 and 1978-79, the compound annual rate of growth of agricultural production has been only 2.7 per cent. In industry, it has been a little higher. For the gross domestic product as a whole, it has been only 3.5 per cent. Now, does the Sixth Plan show a

better result? Has the growth rate been exceeded in the Sixth Plan Period? There is no such evidence. There is no evidence that the trend rate of production either in agriculture or in industry or in the sphere of gross domestic product has been exceeded. As a matter of fact, textile mill owners have cited figures to show that although, according to Government statistics, the per capita income has increased, the per capita consumption of cotton cloth has fallen. Why should consumption fall if income has increased? Do people prefer to go naked under the benign dispensation of "a Government that works"? Naturally, the prices have risen so high that even a little rise in the per capita income does not lead to increase in consumption.

SHRI NIRMAL CHATTERJEE: Distribution has become further unequal that is the point, apart from the prices.

SHRI VISHVAJIT PRITHVIJIT SINGH (Maharashtra): The people have started wearing polyester rather than cotton cloth.

SHRI INDRADEEP SINHA: I think only those people are wearing polyester who have come from the polyester world.

SHRI NIRMAL CHATTERJEE: The total consumption of cloth, including polyester, has fallen.

SHRI INDRADEEP SINHA: I will cite just two figures. In December 1979 the total number of unemployed on the live registers of employment exchanges was 14.3 millions. On the 30th December, 1983, the total number of registered unemployed had gone up to 21.4 millions. There has been a 50 per cent increase in the number of registered unemployed.

SHRI PYARELAL KHANDELWAL (Madhya Pradesh): This is the achievement of this Government.

SHRI INDRADEEP SINHA: This is one of the achievements. Now, what has happened to the poverty of the people? Unfortunately, we have no figures, no current figures. We have figures relating to 1978-79 which show that more than 51 per cent of the rural population lives below the poverty line. Now, Sir, last year, exaggerated claims were made about the success of the poverty alleviation programmes. The Planning Commission claimed that as a result of investments on programmes like the IRDP and the NREP, 37 million people have been lifted above the poverty line in two years' time. The Prime Minister thought this was a conservative estimate. So, from the ramparts of the Red Fort she announced, no, 120 million people have been lifted above the poverty line in just two years' time. And these wild claims of the Planning Commission and the Prime Minister were torn to shreds when they were subjected to rigid statistical examination. And that examination shows that if all the money that has been spent on these progressing has really reached the targetted beneficiaries, even then the total number of persons who could have been lifted above the poverty line would not exceed 7.7 million. So, the Government seems to have a naive faith in the saying that if you want to utter a lie utter a big lie, so that some people may be taken in. At least we don't expect the Prime Minister, the Planning Minister, the Planning Commission to come out with such official lies.

SHRI VISHWAJIT PRITHVIJIT SINGH: I am on a point of order. Sir. If any allegation is to be made against the Prime Minister, it should be backed with actual facts, not just an allegation made like that. He is claiming that not more than 7 million people could have been lifted. From where did he get his figures? I question his figures. He should have said how he has arrived at this conclusion before levelling these allegations.

SHRI INDRADEEP SINHA: Have a little patience. In this House, Sir, we

[Shri Indradeep Sinha] had an eminent economic, Dr. Malcolm S. Aiseshiah, and in his report on mid-year review of the economy, he came out with these figures. Also Prof. Raj Krishna came out with these figures which were published in *Economic and Political Weekly*, if the hon. friend has ever seen that proper

SHRI DIPEN GHOSH (West Bengal): It was also discussed in this House.

SHRI INDRADEEP SINHA: Yes, it was discussed in both the Houses and in the Lok Sabha, the Planning Minister confessed that what the Prime Minister had said related to the entire plan period target; 120 million is the target of the whole plan period and that the Prime Minister did not make this claim. But even the modest claim made by the Planning Commission was not substantiated when subjected to rigid statistical examination. If there are hon. friends who do not understand these statistics or who do not like that their official claims be subjected to rigid statistical tests, they are welcome to have their own views. I have nothing much to say about them.

Now, Sir, I was dealing with agricultural production. The Prime Minister appointed last year a Council of Economic Advisers headed by a former member of the Planning Commission, Prof. Sukhmoy Chakravarty, on which sat also two members of the Planning Commission, Dr. Hanubantha Rao and Prof. Khusro. Dr. Manmohan Singh, Governor of Reserve Bank is another member of that Committee. Now, the Council of Economic Advisers came out in their report last year that in agriculture, what we are noticing is a declining response of agricultural production to increased investments in the form of inputs. This fact has been admitted even in the Economic Survey. Even the Economic Survey admits that the amount of inputs poured in agriculture in the form of irrigation facilities, in the form of fertilizers, in the form of improved seeds is not resulting in more and more increased produc-

tion. Rather the increase is less and less. And from this, the Council of Economic Advisers drew the conclusion that the main cause of this peculiar situation is the dominance of semi-feudal landlordism and related tenurial conditions in the bulk of rice-growing area, particularly, the whole of north-eastern India, Bihar, Orissa, Madhya Pradesh, and parts of many other States. This is the main rice-growing belt and due to prevalence of these semi-feudal conditions, production is not quite responsive to investment of inputs in agriculture.

What has been the performance of the Government in this field? There has been a new 20-point programme. The Sixth Plan document fixed the target date, 31st March, 1983, by which time land reform laws were to be implemented and surplus land over the amended ceiling was to be distributed. Then, the target date was extended in the twenty point programme to 31st March, 1984 or 1985. But what has been the performance? During the last four years, only four lakh acres of surplus land have been distributed, even on paper. The beneficiaries may not have received anything. But what is the estimated surplus? According to an estimate made by the Planning Commission itself on the basis of the 26th round of National Sample Survey the estimated surplus in 1970-71 stood at 215 lakh acres and out of these 215 lakh acres, hardly 25 lakh acres of surplus land has been distributed so far even on paper. Therefore, the bulk of the surplus land continues to be in possession of the landlords who continue to oppress and exploit the peasantry through semi-feudal tenurial systems. (*Time-bell rings*). This is the main reason for the tardy increase in agricultural production despite investment in the form of inputs, apart from corruption, which eats away a part of all the inputs in every field, not only in agriculture.

Now, Sir, one of the greatest achievements of this Government, to which sufficient attention has not been paid, is the devaluation of the rupee. In 1966 the Prime Minister, Mrs. Indira Gandhi

earned notariety throughout the country by devaluing the rupee by 37.5 per cent under pressure from the World Bank and the U.S. Government. What is the percentage of devaluation in the Sixth Plan period? In terms of U.S. dollars, the percentage of devaluation, I can assure you, may very well exceed 37.5 per cent, and in any case will not be much less than that figure. This is because one U.S. dollar used to cost less than Rs. 8 in 1979-80 and now the U.S. dollar costs only a little less than Rs. 11. (*Time-bell rings*).

Now, this devaluation, has meant inflation in the cost of foreign debt servicing, inflation in the total external debt burden, inflation in the cost of machinery etc. which are being imported in the name of technological upgradation. And this is one of the main factors behind the continuous increase in prices. According to the figures given by the Finance Minister, the price rise was 16.7 per cent in 1980-81, further 2.4 per cent in 1981-82 further 6.2 per cent in 1982-83 and a further 10.7 per cent in 1983-84. During these four years, the price rise has varied between 43 per cent to 46 per cent. Why this price rise? One of the factors is the continued devaluation of the rupee in terms of the dollar and flooding of the Indian market with high cost, high-priced American machinery and other imports.

But there are other factors. For example, in the four years which we have before us, the total growth in the gross domestic product has been near about 20-21 per cent. But during these four years, the total growth in M-3, broad, money supply is nearly 60 per cent. I do not say that there is any direct linear relationship between the increase in money supply and the rise in prices. But there is some relationship. If the gross domestic product has risen by only 20 or 21 per cent and the money supply has increased by sixty per cent, there is bound to be inflation. And we are having this inflation. (*Time-bell rings*). Our Finance

Minister is pursuing a policy of feeding more and more inflation. My friend Comrade Chatterjee, had pointed out as to how the targets of deficit financing have been over-fulfilled. Similarly, the target of raising resources by increasing the administered prices of food and essential inputs has been over fulfilled. Similarly, targets of internal and external borrowing have been over-fulfilled. Consequently, the burden of debt servicing has increased.

Lastly, I would like to invite attention to the fact that under the advice of the IMF and the World Bank, our Government went in for what is called "import liberalisation." The IMF loan was based on the arrangement that imports will be "liberalised," and there will be a "quantum jump" in exports and India's balance of payment problem will be resolved. What has happened? The Finance Minister has boasted that "we entered into this loan arrangement with our eyes open and we have come out of it with our heads high." This is a tall claim. What has been the result of the loan arrangement? Our exports have increased at a very slow pace. In the Government records a figure of 13 per cent or 15 per cent is mentioned but that is in terms of their value in rupees. We should realise that the rupee value is inflated because of the devaluation of the rupee in terms of the dollar. If we look at the volume index, the increase in exports is hardly 2.3 per cent. Exports have not increased, but imports have increased. And what is the result? Government goes on blaming the increase in oil price for the BOP deficit. Because of increase in oil price because of increasing POL imports, our balance of payment position has deteriorated. Now, Sir, this is not true. According to a report of the Estimates Committee, in as late as 1976-77 we had a positive trade balance after paying for all the oil that we imported. Even after 1976-77 the total value of oil products imported is less than the deficit in the balance trade account. I do not want to cite many figures. I only want to cite

[Shri Indradeep Sinha]

figures for this year. In 1983-84 crude oil production has increased from 10.5 million tonnes in 1980 to 26 million tonnes. What would it mean in terms of saving of POL imports? About Rs. 3200 crores. And the total value of POL products that we are still compelled to import is only worth Rs. 3600 crores, but the trade deficit is going to be above Rs. 5,000 crores. That means, we are running a deficit trade account, even if we exclude the POL transactions. That is the position. Big propaganda is made about increase in exports. That is also a jugglery of statistics. Because of the limited refining capacity in our country for a special type of crude that is produced in Bombay high, we are exporting that crude, and that crude export valued at Rs. 1000 crores to Rs. 2000 crores per year is also added to the export quantum. Despite this artificial boost to exports, propaganda is made that our exports are increasing. Sir, I do not want to go into various other details.

I would only like to up and conclude by saying that the growth rate during the Sixth Plan period has been no higher than in the Fifth Plan period. This performance has been achieved by over-fulfilling the quota of taxation, by over-fulfilling the quota of internal borrowing, by over-fulfilling the quota of external borrowing. Sir, you would not believe that during these four and five years since 1979-80, the total debt burden of the Government of India has increased from about Rs. 34,738 crores to Rs. 73,906 crores. All this money is supported to have been invested. And what is the result? The performance of the economy is worse than even compared to the performance in the Fifth Five Year Plan period. What is the cause? The cause is that the economy is in the grip of a deep structural crisis. Industry after industry is becoming sick. Larger and larger number of factories are falling sick. During 1983, 52 per cent of the man-days lost were due to lock-outs and not due

to strikes. So more mandays are being lost today due to lock-outs than due to strikes. Why? Because there is crisis of the market. Because of high cost economy, we are unable to compete in the external market. There is theft of capital. There is theft of foreign exchange. There is a crisis of internal market. There is a crisis of production. There is a crisis of employment. There is crisis of poverty. The whole system is coming to a grinding halt. Now, Sir, the latest slogan of the ruling party—I hope the hon. Members who are here will listen to this—is what in the last Sunday's issue of the Times of India a columnist has come out with—an alibi, an apology from Mrs. Indira Gandhi. He says: "Why do you accuse her of non-performance? She never promised to perform anything. She has performed the ASIAD and the CHOGM. These are her highlights. No other performance was expected of her." Then what about the party? The columnist says: "Indira Gandhi never meant to build any party. She destroyed whatever party was there. And out of the destruction of the old Congress, emerged a sole leader, Indira Gandhi. So vote for the sole leader and that will solve all the problems of the country".

A friend over there was saying that Congress(I) is the biggest democratic party in the world. Yes, it is the biggest democratic party.....
(Interruptions).

श्री रामानन्द दादव (बिहार) : मैं आपसे क्लेरिफिकेशन चाहता हूँ...।
(व्यवधान) मैं आपसे एक चीज पूछना चाहता हूँ... मैं आपसे एक जानकारी चाहता हूँ... (व्यवधान)

SHRI INDRADEEP SINHA: Learn a few facts about party. It is the biggest democratic party which has not enrolled a single member for the last ten years! There is no membership, there are no elected bodies, there is no election anywhere. There is only on leader. (Interruptions)

SHRI RAMANAND YADAV: What about the Communist Party?

THE VICE-CHAIRMAN (SHRI SYED RAHMAT ALI): Mr. Sinha, please conclude.

SHRI INDRADEEP SINHA: All these claims are false.

SHRI LAL K. ADVANI (Madhya Pradesh): This kind of sensitivity, Sir, I cannot understand, if there is criticism of the ruling party, why should they be shouting in this manner?

SHRI INDRADEEP SINHA: We did not shout they claimed that their is the biggest democratic party.

THE VICE-CHAIRMAN (SHRI SYED RAHMAT ALI): Mr. Sinha, now please conclude.

SHRI INDRADEEP SINHA: Just one last word. The economy is in crisis. The polity is in crisis. Our

national unity and integration are under threat. Divisive and disruptive forces are raising their head not without connivance of or even institution from the ruling party. Now it is difficult to believe that this ruling party with its computerised wisdom and personalised leadership will be able to resolve the problems of the country. The left and democratic forces have to unite and chart out a new path which will lead to the solution of these problems. Thank you.

ALLOCATION OF TIME FOR DISPOSAL OF GOVERNMENT AND OTHER BUSINESS

THE VICE-CHAIRMAN (SHRI SYED RAHMAT ALI): Before I adjourn the House. I have to inform Members that the Business Advisory Committee at its meeting held today, the 2nd May, 1984 allotted time for Government Legislative and other Business as follows:—

Business

Time Allotted

- 1 Consideration and return of the following Bills, as passed by the Lok Sabha:—
 - (a) The Union Duties of Excise (Distribution) Amendment Bill, 1984
 - (b) The Additional Duties of Excise (Goods of Special Importance) Amendment Bill, 1984.
 - (c) The Union Duties of Excise (Electricity) Distribution (Amendment) Bill, 1984.
 - (d) The Estate Duty (Distribution) Amendment Bill, 1984.

} 3 hours.
- 2 Consideration and passing of the following Bills, as passed by the Lok Sabha :—
 - (a) The Punjab State Legislature (Delegation of Powers) Bill, 1984. 1 hour.
 - (b) The Aluminium Corporation of India Limited (Acquisition and Transfer of Aluminium Undertaking) Bill, 1984. 1 hour.
 - (c) The Delhi Municipal Corporation (Second Amendment) Bill, 1984.
 - (d) The Punjab Municipal (New Delhi Amendment) Bill, 1984.
 - (e) The Delhi Development (Amendment) Bill, 1984.
 - (f) The Public Premises (Eviction of Unauthorised Occupants) Amendment Bill, 1984.
 - (g) The Export (Quality Control and Inspection) Amendment Bill, 1984. 1 hour.

} 3 hours
- 3 Consideration and passing of the University Grants Commission (Amendment) Bill, 1984 2 hours.
- 4 Discussion on the working of the Ministries of Education and Culture and Social Welfare On 5th, May, 1984.
- 5 Discussion on the working of the Ministry of Industry On 8th May, 1984.