

the slow production of Maruti Cars. The election is coming very near and all of us who are poor people cannot afford a Birla-Contessa Car which is more than a lakh. We cannot afford a new Fiat which is more than a lakh. This is within Rs. 50,000 and if the Government permits banks to give us money, I think, all of us can have this car before the elections.

Sir, I have a long list of people who have got Maruti. They include the judiciary. They include the Governors. Sir, why not Members of Parliament. You call them VIPs. You call them social workers. You call them servants of the people, including you, Sir.

Sir, through you, I request the Government to allot all of us a car before the elections.

MR. DEPUTY CHAIRMAN: You speak for others. But please spare me.

श्री सत्य प्रकाश मालवीय (उत्तर प्रदेश) : माननीय उपसभापति जी, एक और महत्वपूर्ण विषय है . . .

श्री उपसभापति : देखिए, आपने परमिशन नहीं ली है । आपने कल के लिए किया है . . .

श्री सत्य प्रकाश मालवीय : वह काम दिल्ली एडमिनिस्ट्रेशन का . . . (व्यवधान)

श्री गुलाम मोहिउद्दीन शाल (जम्मू और काश्मीर) : आप के लिए लिखा है, कल के लिए परमिशन किया है ।

श्री उपसभापति : मैंने आर्डर किया था कल करियेगा । कल आप को दिया है । अब मालवीय जी, बैठ जाइये . . . (व्यवधान)

श्री सत्य प्रकाश मालवीय : बहुत महत्वपूर्ण विषय है . . .

MR. DEPUTY CHAIRMAN: Please don't record.

श्री सत्य प्रकाश मालवीय : *

MR. DEPUTY CHAIRMAN: You seek my permission. — Mr. Malviya.

श्री सत्य प्रकाश मालवीय : *

श्री उपसभापति : आप चुन लीजिए . . . (व्यवधान) आप अभी लिख कर दे सकते हैं ।

श्री सत्य प्रकाश मालवीय : *

श्री उपसभापति : वह सत्वाग्रह बहुत दिन से प्लान कर रहे हैं ।

THE FINANCE BILL 1984—(Contd.)

MR. DEPUTY CHAIRMAN: Now we will further discuss the Motion for consideration of the Finance Bill, 1984, moved by the Hon'ble Finance Minister.

Today, there are a large number of speakers. Those Members who are not here I am not going to call them again. Now, Mr. Jagesh Desai. Not here. Mr. Ram Sewak Chowdhary. Not here. Mr. Bhuvnesh Chaturvedi. Not here. Mr. Narendra Singh. Not here. Mr. Bijoy Krishna Handique. One person from this side.

SHRI JASWANT SINGH (Rajasthan): Sir, Just a small submission. In their turn they can, put up any person. I don't want to interrupt the proceedings of the House. If you call the name of an honourable Member and if he is not here a similar facility would not have been available to us. Anyway, I am not going to stand in Mr. Handique's way.

MR. DEPUTY CHAIRMAN: I think this is not the correct position. The correct position is the party's turn is there. Then, I can call any person

*Not recorded.

[MR, DEPUTY CHAIRMAN]

because they have a long list. (*Interruptions*). I have already told you, if the Members are not present I will not call them again.

SHRI BIJOY KRISHNA HANDIQUE (Assam) Mr. Deputy Chairman, Sir, I rise to speak in support of the Finance Bill moved by the hon. Finance Minister. Sir, a couple of months ago when this budget was presented, it was hailed by the people, by and large, as one that has pleased all with a series of substantial concessions...

MR. DEPUTY CHAIRMAN: One minute, please. I think we can agree to call the Finance Minister to reply at 4 P.M. so that Members can be present at that time. I think that will be the appropriate time—say, five minutes this side or that side, round about 4-00 we will call the Finance Minister to reply. Now, Mr. Handi-que, you may continue.

SHRI BIJOY KRISHNA HANDIQUE: Sir, when this budget was presented two months ago, it was hailed by the people, by and large, as one that has pleased all with a series of substantial concessions. Sir, as we now look at the budget more dispassionately, I am more and more convinced of its purposeful character. Sir, it is imperative that the budget needs to be considered from the viewpoint of growth potentialities in the context of savings and investment and resources mobilisation. The Finance Bill also needs to be looked at from these two considerations. It is true that even if one claims that the budget pleases all, a budget cannot do full justice to every section of the society. But that does not mean that we should look at it from a negative point of view, as unfortunately some of the hon. Members on the other side of the House have done.

Sir, I limit my observations only to three points. Let us have a look at the provisions of the budget which, directly concern the investment climate or have substantial implications

for channelising the savings and investment into shares and debentures. In a budget, reduction in tax rates as a measure of relief is not so important. What is important is that it should further the cause of investment so that the growth rate can be maintained and also improved. Sir, I would cite one measure, the measure to bring down the tax rate on income at all levels, reducing the marginal rate of tax on incomes over Rs. one lakh from 66 per cent 55 per cent. I feel that this will greatly help the investment climate and it will generate additional savings and channelise a substantial part thereof to investment. It is expected to attract a large number of new investors and also to increase the flow of investment to channels like shares and debentures. We must not fail to appreciate the concession given by the hon. Finance Minister in direct taxes. By reducing the rates of direct taxes, the budget expects increased total yield of the taxes. This I should say, is a bold and dynamic step on the part of the Government that lowering the tax rates and providing incentives to tax-payers, which can increase the total yield and aggregate collections.

A further possibility of boosting investment is being explored by increased exemption of the total value of specified assets such as shares, units in the Unit Trust and deposits in banks from liability to wealth-tax, from Rs. 2 lakhs to Rs. 3 lakhs, under the National Deposit Scheme. Sir, this measure will definitely give a shot in the arm to investors and a substantial part of the money will find its way into the market in future to advantage of the additional benefit of the wealth-tax exemption.

My second point is resource mobilisation. So far resource mobilisation part of the Budget is concerned—which, of course is the most important part of the Budgetary exercise—we must admit that we need some more clear-cut approach to this issue. We should bear in mind that in the Sixth Five Year Plan also we have the problem of shortfall. It is not the first

Plan we have run out of money. Every Plan after the First Plan was not in a position to meet the resources raising target. I am giving you a little survey. The Third Plan had a target outlay of Rs. 4800; actually the investment in money terms was only Rs. 4672 crores. In real terms the shortfall was around Rs. 650 crores; that is, 13.5 per cent. Then in the Third Plan the nominal outlay of Rs. 8573 crores had a handsome margin; but there also the real outlay fell marginally short of the target. Thereafter the shortfalls have grown steadily. In the Fourth Plan it was around 15 per cent. In the Fifth Plan, the shortfall was 17 per cent. And now in the Sixth Plan it is 24 per cent. It has to be noted that paradoxically the

resources gap has widened despite a steady rise; in the total savings in the economy. While the average rate of savings was only 10.6 per cent of the gross domestic production during the First Plan, it has risen to around 22.5 per cent in the first three years of the Sixth Plan. And since capital formation has kept pace with the savings and has risen to around 24 per cent of the gross domestic product; the problem before the Government and planners is not the paucity of savings and investment but the mobilising a large part thereof to meet the public sector investment targets in real terms. And in the face of continued failings of a majority of the public sectors it is worthwhile to re-examine the performance of the public sector to the extent whether to allow a greater delegation of investment within the public sector to the enterprises which have proven themselves and whether to leave some of the enterprises to the rapidly maturing private corporate sector. By saying so I do not mean to say that we need to revise our commitment to the public sector. But as pragmatic measure let us consider this at least for a limited period. At the same time the public sector is not to be denied funds. Government must take steps to mobilise savings accruing in the household sector of the economy. This question brings us back

to the much-talked about question of controlling generation of black money. That is why I have referred to a pragmatic measure, some time-bound pragmatic measure, so that rapidly growing savings in the private unorganised sector can be tapped. However, some gestation period is required to contain the unearthed black money or the reorganisation of the managerial set-up of the public sector which no doubt are 'must', to make their impact felt on our economy.

I now come to my third point—the concept of regional development as an integral part of our planning process. Much has been said on regional imbalances and disparities of which my State, Assam—for that matter, the entire eastern region—is an appropriate case in point. The backwardness of the eastern region which is poor in midst of plenty has already been highlighted in the House on many occasions. What I want to raise today is the general concept of regional development. In recent years most of the developing countries of the world have shown keen interest in solving the problem of regional economic disparity...

MR. DEPUTY CHAIRMAN: Please conclude now.

SHRI BIJOY KRISHNA HANDI-VUE: But in India the problem of regional imbalance is of a more serious nature. It presents a picture of extreme regional variation in terms of almost everything . . .

MR. DEPUTY CHAIRMAN: That will do.

SHRI BIJOY KRISHNA HANDIQUÉ: And as a result, some States are economically backward, Assam is relatively advanced. I will request the Hon'ble Finance Minister to see that the causes for this disparity go because in India it is not only historical reasons which have caused these disparities. Historical reasons are well known and we all know why the British tried to develop only the metropolitan cities in

[Shri Bijoy Krishan Handique]

order to find a market for their manufactured products. But there are natural causes also. We have to look into these natural causes. I personally feel that natural causes are related to location of industries near the source of raw material and the necessity of developing markets in capital cities. For this some infra-structural deficiencies and transport constraints should be removed (*Time bell rings*). I have no time to elaborate my point. . .

MR. DEPUTY CHAIRMAN: You have made your point.

SHRI BIJOY KRISHNA HANDIQUE: If transport constraints are removed, I personally believe that this kind of disparity in the whole country can be met out to a certain extent...

MR. DEPUTY CHAIRMAN: Mr. Singh,

SHRI BIJOY KRISHNA HANDIQUE: With these words, I support the Finance Bill.

SHRI JASWANT SINGH: Mr. Deputy Chairman, when the Finance Bill comes up for consideration in this House, it is about two months after the presentation of the Budget and by the time the Government's proposals are fully analysed and a number of speakers have spoken about them outside, in the other House and in this House and therefore it is a difficult task for any speaker here to participate at this juncture in this debate and to offer something original. And the Hon'ble Finance Minister has had to rough endless hours of repetition—I shall endeavour to say what not been so far said.

I am not an economist. I am certainly a student of current political history of which economic development is an essential part. And if whatever therefore I say, it is not meant in any case as a personal criti-

cism. It is certainly critical of the Government's approach. I would like to say that we are approaching today's debate in the background of four significant factors, as represented by Hon'ble Finance Minister's budget. There is a 25 per cent hike in the plan outlay; there is an apparent deficit of around Rs 1,760 crores; there is a total Government expenditure of roughly Rs. 40,000 to Rs. 42,000 crores. And on the top of it the Finance Minister has come up with what is called a soft budget.

These are the four significant markers—within which this Finance Bill giving effect to the budget proposals has to be discussed. All indicators to my reckoning and in my view are that we are moving towards a financial crisis. Sir, this is not rhetoric. I am not motivated by any kind of irresponsible desire mainly to criticise the Government and therefore, this is not a wild over-statement. I am certainly motivated by a desire to caution the Government and to use this opportunity of participating in this debate to warn this Government of the crisis that is facing this country. What are the dimensions of this crisis? The first point of these dimensions of crisis is what we have seen developing over the last three or four years, which I call the extension of options. What are the points; that make me point out that there is an extinction of options? Firstly, we used to come across an entry in the Budget which was called the Revenue Surplus Account and that Revenue Surplus Account has gone! It is at a deficit and would stand at around Rs. 2,600 crores today. But the Revenue Surplus has gone and this is a very important factor. The extinction of the Revenue Surplus Account is reflective to us of the extinction of the revenue moneys. The Government is drawing from the capital account and, therefore, the Revenue Surplus Account has not only gone, but it has converted into a deficit. I have necessarily to be fast Sir, in whatever submissions I have to make.

Now, the second point is that during the last three or four years, we have seen two shifts. One is, what I would call, a shift from forced transfer of money to voluntary transfers of money and, secondly, what I would call playing with administered prices. Now, let me just illustrate what a forced transfer is. Forced transfers are the payment of direct taxes, the indirect taxes, etc. about which the citizens of this country have no option. So, this is a forced transfer. The Government has now moved from one kind of a shift to another, that is, from the forced transfers to voluntary transfers. Now, what are voluntary transfers? Voluntary transfers are encouraging small savings, and it is a voluntary transfer, and it is encouraging deposit scheme like the National Deposit Scheme which, on its own, is a laudable enough scheme. But it is a voluntary transfer. Then, Sir, I have a point to make here. These supposedly voluntary transfers are no longer so voluntary. In an area of limited options, in the "no option" society that we are today, the fact remains that even the voluntary transfers, even things like the Provident Fund, even things like the small savings, even things like the National Deposit Scheme, are actually not voluntary transfers, but they are forced transfers. Now, Sir, what is the result of this? When we move from forced transfer to voluntary transfer, as measures of policy, what the Government is necessarily doing is to increase its liability for interest payments. Forced transfers are like the Income-Tax, like the Customs duty, etc. They carry no interest liability. But, when you move to voluntary transfer like small savings, you are only increasing the Government's interest payment liability. Therefore, the Government today is behaving not like a Government, but is behaving like a private firm which is borrowing from the market with a view to repaying interest. You are acting like a private company which is borrowing funds. But your credibility will not be called and nobody is going to ask for the return of this

372 RS—8.

capital. As far as the return on the capital is concerned, that option does not lie with the citizen who has made the voluntary transfer of his fund to you. But, simultaneously, you are today entering into the field of voluntary transfers, of raising savings,—ordinarily this might mean that it is a progressive measure, and we are told that you are encouraging savings. But that may not actually be so, at least to some extent. In the process, the Government is only increasing its debt liabilities, its interest liabilities, and these interest liabilities continue—because the Government lives on borrowings—and these interest liabilities are not paid. As long as things fall just right, as has been the good fortune of India, and as has been the Finance Minister's good fortune for the last two or three years. If, however, things start going wrong, if things start crumbling, leading to a crisis situation, then the Government has to face it. Today, the small savings, in fact, stand higher than Income-Tax. The quantum of this year's total market borrowings is now in the region of Rs. 4,100 crores. Oil pool is another thing. If you take money from the oil pool, which is not with the ONGC, you have to pay back. The oil pool will ask for interest and you will pay a five percent interest and you will pay a twelve per cent interest on the small savings. And, if you take money out of the surplus funds of the thermal power stations and if you pay them interest, that also has to be taken into account. Now, all these add up to the interest liabilities which the Government is accumulating, on the supposition that the Government is going to, with the utilisation of these funds, generate enough (a) to meet the liabilities, and (b) if necessary, to repay the capital. On the return of the capital, I have already said that the citizenry is not going to come and ask for the money and is not going to ask the Government to pay back the capital. But, on the interest liability, if it is Birlaji or Tataji, he would be happy to borrow because he cannot get so much money at 15 per

[Shri Jaswant Singh] cent interest. And the Government is, therefore, happy to borrow at the rates at which it is borrowing. But it must arrange, generate sufficient funds, to be able to repay.

Now, Sir, against this extinction of options there is the forced transfer, there is the voluntary transfer and there is the public sector. The forced transfer is taxation. The voluntary transfer I have spoken of earlier. Public sector I will briefly mention now.

Sir, in the case of public sector the accounts are not yet finalised. Even taking into account the factor of enhanced oil production it is going to be another 7-8 months before the accounts come to be produced. It is my fear that the public sector is going to be in the red again. I may be proven wrong, because I do not have the information and the Government is not willing to come forward with the information. It is my fear that just between the Steel Authority, Coal India and the Fertilizers Corporation, there is going to be a deficit of roughly Rs. 350 to Rs. 400 crores—between these three. This is the sort of red which the public sector is going to come up with. This is one thing which could have met your interest liabilities, it would have helped you in your interest liability. Now, Sir, you add the revenue deficit which is roughly Rs. 300 to Rs. 350 crores; to the total revenue deficit. So what is the situation you end up with? You end up with Rs. 2800 crores deficit if things go well—and I hope very much indeed that things go well, because if the Government fails in its financial policy we are all affected. It is not just the hon. Finance Minister and it is not the Government alone that is affected.

Now, therefore, Sir, I come to my next point which is: what is the real deficit that we are talking of? These are the figures which, of course, he is within his rights to dispute. I submit, Sir, that the real deficit which the country is facing is much larger

than what we are talking about. There are two factors which are to be taken into account when we talk of the real deficit. Firstly, what I have talked about the borrowings of the Government. Secondly, in most budget making of most countries, public borrowings by the Government constitute a part of this deficit, as it goes towards reflecting the actual deficit of the Government. Now, here we have Rs. 4100 crores market borrowings, Rs. 1100 crores are in the oil pool fund and Rs. 500 crores is the surplus Euro-dollar fund. There is a considerable amount of borrowing from the Euro-dollar fund, which is not immediately utilised. The Government says: you give it to us, we will pay you a certain amount of interest on it. And it goes towards deficit. It is simultaneously increasing the interest liabilities. So there is Rs. 500 crores surplus Euro-dollar fund and roughly Rs. 1400 crores of provident fund. I am neither a statistician nor an economist. So I would request the hon. Minister not to fault me on the exactitude of my figures. But the principle that I am submitting he could certainly query and thus demolish my theory. So we have Rs. 4500 crores market borrowings, Rs. 1100 crores oil pool fund and Rs. 500 crores surplus Eurodollar fund and Rs. 1400 crores provident fund. It comes to Rs. 7100 crores. Rs. 1760 crores roughly is the admitted deficit of the Government. That comes to a total of Rs. 9000 crores. Now, this Rs. 9000 crores does not include the deficit of the various States of the Union. Now if the compounding effect of the deficits of the various States of the Union and if the compounding effect of these borrowings is taken, then I think the country stands with a deficit which is in excess of Rs. 10,000 crores. That certainly is a very serious matter. And that is why it leads me to say that we are facing a very deep financial crisis.

Now, Sir, what is the response of the Government to this kind of crisis

that we are facing? I have spoken of extension of options. I say now that the response that we have from the Government reflects poverty of thinking. Poverty of response to this crisis is what we are facing. In this, increasingly, what the Finance Bill is doing and has been doing for the last three or four years is to tinker with the most irrelevant aspect, the most irrelevant portion of the Finance Bill. That is the financial revenue collecting effort by the Government, which is income-tax. Income-tax is really, according to my consideration, the most irrelevant portion of the Finance Bill. Why do I say so. I say this because there is an anomaly here. Whereas income-tax is non-inflationary, essentially it is non-inflationary because it takes money from our pockets and puts it into the Government pockets and we have less money to spend—this income-tax as such, as a total of the GNP, as a total of the public sector capital account, is barely—I may be wrong in my exact figures here; I do not want to give a wrong figure—1.7 per cent, and that 1.7 per cent is the element which takes the maximum amount of space and time in the Finance Bill. Promoted by that I said that the Finance Bill is tinkering with the most irrelevant part of the financial efforts of the Government. Most Governments rely on tax revenue, I am afraid, I have come to the conclusion that this Government is finding it increasingly difficult to so rely on tax revenue. I will give you the reasons later. It is going towards voluntary and not so voluntary transfers.

There is one other aspect of this Finance Bill which I would like to mention very briefly. It is relating to the States. This point has been made by a great number of speakers—whereas surcharge on income-tax by lowering the income-tax rates you are taking away the share of the States' money. Quite rightly, I think, with justification that the honourable

the Finance Minister has said that States do not behave in a responsible manner as far as managing their finances is concerned, but I submit that the Centre also does not reflect that sense of responsibility for which it blames the States. The most commonly given examples of States' irresponsibility are two: power and transport—that the States do not raise their power charges and therefore, they do not generate their funds; they do not raise their transport charges; therefore, they do not generate funds. By the one example of DESU or DTC I think the Centre is also not entirely free of this particular thing.

Very briefly about the direct taxes—I am not going into the various lit pickings of the proposals, what is a good proposal or what is a bad proposal—in the background of direct tax levies; which today constitute perhaps the most irrelevant portion of the financial effort of the Government, what is your philosophy behind these direct taxes? The base is so narrow and when the base is so narrow, what is your philosophy? Is it equalisation? Is it egalitarianism? Is it to arrange distribution? If it was to arrange distribution, I would go along by saying, in our struggle to achieve an egalitarian society we have to take a decision that the rich will have to share the want of the poor and therefore, we are going to have an expropriatory rate of taxation. (Interruption)

MR. DEPUTY CHAIRMAN: You go on; please be brief now.

SHRI JASWANT SINGH: I will be very brief. The difficulty with the direct taxes is you have a small base and most of it is salaried class. But that is not the difficulty. The difficulty is in administration, in the administration of your direct taxes. I will give just one example. In the Palika Bazaar 200 policemen one day are sent on the ground that there are smuggled goods; the whole Palika Bazaar turns round and says,

[Shri Jaswant Singh] 'No, you cannot look at our shops'. And those 200 policemen actually go back. To identify smuggled goods which are sold in Palika Bazaar 200 policemen are sent and the entire Palika Bazaar comes out and the shopkeepers say, "No, you dare not look at our shops", and the police go back. Now, I go to Palika Bazar and I say, I want to buy a tape-recorder, and I will be shown all the imported versions of the taperecord-ers, and if you make the mistake of saying, I do not want the imported ones, give me a domestic taperecord-er, he will say, go to Lajpatnagar. The point I am trying to make, Sir, is that in the administration of your tax revenue, with the small base that you have if you combine it with inefficiency of tax administration, you have inevitably to land in a situation that the country is landing.

Sir, I will be very brief and I will rush through the indirect taxation aspect. On the indirect taxation aspect, I do feel that the public finances of the Government are in deep trouble. Sir, a meaningful discussion on the indirect taxation cannot take place unless there is consolidated data available about excise, customs sales-tax and octroi. All these make indirect taxes. Now the consolidated data about this is not available. What I would submit is that this indirect taxation constitutes a major chunk of the Government's revenue collecting effort—17 to 20 per cent. In this 17 to 20 per cent, there are two or three things. Excise has become static. Excise has become static largely because an increase in rates leads to depression in demand. This is something which the hon. Minister has realised and he has tried to correct. But he has not carried the logic of his own thinking to its logical end. An increase in excise rates is inflationary. It is depressive of demand. Now both these things are happening. When we talk about the 17 to 20 per cent of the GNP, when we talk about indirect taxes, the customs have not remained static. It

is largely because of liberalisation. But that is only in part. The customs collections have not remained static because customs duties are not depressive to demand. They do not depress the demand. But a counter difficulty arises. I am given to understand—I cannot give the details—that there is an item on which you have to pay as high a duty as 800 per cent. I cannot understand this. Why permit that item to be brought into the country at all? You can bring in a video cassette. You can bring a colour TV. But if I want to bring a computer which will help me in my function as an MP to put all these together, I cannot bring it. Now, there is only a very little difference between a video or a television and a computer. But, if a journalist or somebody is seriously interested in doing this, then he cannot bring a computer. I cannot bring a computer but I can bring a video. This kind of anomalies arise if we go in for high customs duties. There is one caution that I would make to the Government. If we go in for high customs duties, customs collections themselves will keep on increasing. But what we are going to do is to enter a high cost economy. If we enter a high cost economy, we will make our exports that much more difficult.

Sir, I have perforce to be brief. What do we do in such a situation? And where do we go? Sir, these are my personal views in the intervention that I am making here. Of course, my Party has also spoken categorically about this. I do think that upto Rs. 25,000 it does not seem to make any sense to levy income-tax. I do think that the wealth-tax that we have today is no longer even managing to serve the purpose that it was meant to, which was to bring about equality or an egalitarian society because the total revenue that the Government is collecting by wealth tax effort is Rs. 90 crores. Now, in a situation where the Government is spending roughly Rs. 40 to Rs. 42 crores to have a tax like

wealth, for the sake of collecting Rs. 90 crores, does not really make much sense to me.

Sir, I would lay certain stress on tax administration. I would like to tell the hon. Finance Minister, through you, Sir, that bribery and corruption because of this Government have acquired in today's India a very interesting euphemism. Today, you don't have even to say—

“आप को कितना पैसा चाहिए,
हमारा भ्राम कर दीजिए।”

The word 'bribery' has acquired in North India an interesting euphemism. It is now called 'suvidha shulk'.

ब्राइबरी का नाम हो गया है। आपका
काम करना है तो सुविधा शुल्क दीजिए।

Sir, I do not want to labour the point. The point is that unless the tax administration is improved, we will not be able to move much forward.

Sir, you have been- indulgent and I will take just one more minute.

Sir, I will leave a thought with the hon. Finance Minister. There is a large amount of money which is lying in different accounts, unclaimed accounts, in banks, money which is not claimed either because the accountholder may have died, or there may be no claimants to it, or there might be some litigation on it, or whatever other reasons there may be. Now, I personally feel that this would run into hundreds of crores of rupees. This sum of money is being utilised by the banks for their own purposes. Of course, it was deposited in the banks and, therefore the Banks have a Justification for doing it. But the Government should consider whether this sum of money cannot be made available, because we are

facing a crisis, and when we have lost the options that are available to us, this is a fund that could possibly be thought of. Would the Government consider this suggestion? This is quite a revolutionary sort of suggestion that I am making. It will make for better Centre-State relations. It will remove from your mind the feeling that the States are not doing their best. After all, 85 per cent of the income-tax goes to the States. Why don't you consider passing on the responsibility for the collection of income-tax on the States and take 15 per cent of it. The States can be told, you collect, keep 85 per cent and give us 15 per cent. They will then be forced to think in terms of agricultural income and spreading the net wider, etc. I would submit to the Government to stabilise the tax policy. Whatever you think of doing give it a time-frame of, two-three years or so that people are able to work accordingly. I am just concluding, Sir, in two or three sentences I would like to say that unless you free your tax administration your entire tax administration, from the strangle-hold of bureaucracy. I do not think you will make a significant improvement. Sir, in this connection, I would like to say just two things. There is a new missile in the Governments armoury. It is called the 'civil servant'. Now you cannot fine it and it does not work. So, unless there is something done with this missile, no matter what we may do, what the hon. Finance Minister may say, nothing will happen. Sir, I will conclude just in a minute, by giving a piece of sincere advice to the hon. Finance Minister. Year before last in the series of the Rajaji Memorial Lectures, a former Chancellor of Exchequer of Great Britain came here to deliver the lecture and I had the occasion to hear him. He gave a sound piece of advice to all the Finance Ministers. He said, when he (James Callaghan) became the chancellor of Exchequer of Great Britain a letter appeared in the "London Times". It said, Sir, I know of only two kinds

[Shri Jaswant Singh] of Finance Ministers: those who left in time and those who were thrown out. I would strongly advise the hon. Finance Minister to attempt to belong to the first category. Thank you very much.

MR. DEPUTY CHAIRMAN: Yes, Jadhav.

SHRI VITHALRAO MADHAVRAO JADHAV (Maharashtra): Mr. Deputy Chairman, Sir, I rise to support the Finance Bill. Before...

MR. DEPUTY CHAIRMAN: Mr. Jadhav, you continue after lunch. You will have ten minutes.

सदन की कार्यवाही सवा दो बजे तक
के लिए स्थगित की जाती है ।

The House then adjourned for lunch at fourteen minutes past one of the clock.

The House reassembled after lunch at eighteen minutes past two of the clock. [The Vice-Chairman (Shri Syed Rahmat Ali) in the Chair]

SHRI VITHALRAO MADHAVRAO JADHAV: Sir, I am very glad to speak on this auspicious occasion today as today is exactly the day when 354 years ago, the great emperor, democrat from Maharashtra, Chattrapati Shivaji Maharaj was born, and his utmost desire was to see free India, the great son of West Bengal, my senior friend, Mr. Pranab Mukherjee who comes from the fertile and revolutionary soil of West Bengal which carried the traditions from Gurudev Rabindra Nath Tagore and C R. Das, has presented a very important national Finance Bill, and I rise to support this Bill.

Coming to this Finance Bill, may I say that it has got some main features. The hon. Finance Minister,

while moving this Bill has to take into consideration those points. Sir, the Bill has sought to withdraw the concession under section 80CC of the 'Income Tax Act for investment in equity shares offered for public subscription after 29th February, 1984. There is an important feature of this Bill regarding the contribution to the so-called Welfare Fund of the employees, and no deduction would be allowed in computing taxable profits in respect of moneys contributed by the employees" to such funds. It is also proposed that this should apply retrospectively from the assessment year 1980-81. Another important feature of the Bill is that it has also been specified that the financial assets will include deposits under the National Deposit Scheme and units under the Unit Trust of India. It has been provided that income from these sources would be eligible for further deduction, up to Rs. 3,000 in aggregate. The Finance Minister has also given some incentives to the taxpayers, for deposits under the National Deposit Scheme, with an additional exemption up to Rs. 2,000 in respect of such deposits and he has also proposed additional exemption under the Wealth-Tax Act in respect of such deposits up to Rs. 25,000.

The Bill also originally provided for compulsory audit of accounts in cases where the annual turnover of business exceeded Rs. 20 lakhs. As per the announcement made by him in the House yesterday, and as it has already been amended in the Lok Sabha earlier, this ceiling has now been increased to Rs. 40 lakhs. The Finance Minister has given some concessions to small and medium paper mills. In the same way, he has also given some concessions and relief to the textile industry. These are some of the important features of this Finance Bill.

Our country has gone through 35 years of Independence and during

these years, we have made tremendous progress. But in spite of that, we have some problems facing the country. The Planning Minister stated in the Rajya Sabha on 1st March, 1984, that rural poverty in our country was due to the fact that a large number of marginal farmers are landless agricultural labourers. We should find out what is the main drawback because of which this rural poverty is there in the country. Why should there be poverty in the rural areas? We should find out how we spend the money which is allocated under the various schemes. We should find out how much money is being spent on the urban population and how much money is being spent on the rural population.

Of course, we have implemented various programmes like the national rural employment guarantee programme, the self-employment programme and so on. But we should make a scientific study about rural poverty and this should be eradicated by the implementation of these various schemes in a planned manner. Sir, the number of job-seekers in our country is about 183 lakhs. This is a very big number. This is a big challenge not only to the Government, but to every one of us. Unless we provide employment to these rural educated and uneducated persons, the country will not prosper.

Then, there is another thing. In 1972, the assets of the monopoly houses in India stood at 2,883 crores. Now, according to the 1981 figures, these assets have gone up to about Rs. 8,887 crores. Most of the facilities and concessions are enjoyed by the monopoly houses and the multinationals. Of course, many concessions have been given to the people in general. But those people who are educated, those who know how to get things done, they only obtain these facilities and these concessions and they look after their own

welfare. As I said, the assets of the monopoly houses have gone up to more than Rs. 8,000 crores. It can be seen that nearly ten per cent of the national income has gone to the monopoly houses in the country. This is a very serious problem. We should do something in regard to this and we should have a proper outlook to deal with this question.

Then, there is the problem of regional imbalances. I come from an economically backward area, namely, the Marathwada Region in Maharashtra. As you know, in Andhra Pradesh also, there is the Telengana Region which is backward. In Karnataka also, there are some backward regions. Even though there is tremendous development, even though there are many irrigation projects, even though more and more land is coming under irrigation, yet much more remains to be done. You should take steps to eradicate poverty from the backward regions. For this, I feel that we should have proper planning in regard to industrial pattern, in regard to the educational pattern and in regard to the training facilities to be given to the persons in the rural areas so that they can become self-employed. So, we have started the self-employment scheme through the banks. Our Prime Minister has declared on 15th August, 1983 that Rs. 25,000 will be given to the people who have not credit, i.e. it is for the poor people. Nobody will come to undertake his guarantee. So, it is for that purpose. But we find that the situation is very disappointing. Some of the managers in the banks do not give these finances to the poor people. I have got evidences. Some RSS agencies are there, they will go to the managers and that money is sanctioned to those people. The real poor are not benefited. They have been coming to us and telling that they are not getting any facility out of it. So, this matter is to be investigated by the Finance Ministry.

[Shri Vithalrao Madhavrao Jadhav]

The second thing is, as / said earlier also during the national budget, what is the main deficit in our planning, what is the main deficit in our economy? We all know that we are not giving remunerative price for the agricultural commodities. Our agricultural production has gone up to about 146 million tonnes of foodgrains this year. It would have gone up further. How has the production gone up? It is because we have created the irrigation potential of 65 million hectares of land. Our total target for irrigation is 120 million hectares of land, and the major production of foodgrains comes from the irrigated land.

Sir, a very famous economist, Dr. V.K.R.V. Rao, has also said that we have done tremendous progress in the field of wheat production. The wheat production has been increasing, but it is limited to only Punjab Haryana and Western U.P. The green revolution should be extended to other crops like rice, Jowar, sugarcane, etc. We must think of those crops also and we must have some planning about those crops. There should be research in the field of these crops where there is a large scope. We must have special look about agriculture, dairy, horticulture, floriculture, viticulture, vegetable culture, piggery, goatery sericulture, bee keeping, forestry etc. (*Time Bell rings*). Sir, I have taken only ten minutes.

THE VICE-CHAIRMAN (SHRI SYED RAHMAT ALI): I cannot allow more than 10 minutes.

SHRI VITHALRAO MADHAVRAO JADHAV: So, we must pay more and more attention to these things.

Coming to the problems of my region, Sir, we have already given the proposals for the urban cooperative banks for the Marathwada region. In my last year's speech also I have said that cooperative banks in Marathwada region are very essential, but

due to some technical reasons those proposals have not been cleared. I request the hon. Minister to clear those proposals.

Another thing is, I have demanded in this House for creation of LIC division in Marathwada region of my State. We are doing LIC business of about Rs. 35 crores and, therefore, it is very necessary to have a LIC division in our region. (*Time Bell rings*) I am only giving the points.

There are so many irrigation projects concerning Andhra Pradesh and Marathwada, which have not been completed and the period for them is again extended. For instance, there are the projects like Jaykwadi, Upper Penganga, Vishnupuri, Lendi, Mongra. All these projects concern Marathwada and Andhra Pradesh. Some of them are not completed. Some of them had been started long back but are still not yet completed.

Then, we have given several proposals for sugar factories in Marathwada and Vidarbha regions. Sir, these are the backward regions and, therefore, I request the Supply Minister, through the Finance Minister, to see that all these projects for sugar factories in the cooperative sector are cleared as early as possible so that the rural economy can be improved.

Then, I request this House to see that at least one public sector industry in every district of this backward region is started. The railway projects, national highways, airlinks and all other rural employment programmes should be started. The Railway Ministry should start a survey of all those projects which we have demanded in this House. We have also demanded for Vayudoot service. That should be started as early as possible.

I am very much thankful to you for giving me a chance to speak on this Finance Bill. Thank you.

PROF. C. LAKSHMANNA (Andhra Pradesh). Mr. Vice-Chairman, Sir, while initiating the discussion on the Finance Bill, Nirmal Babu referred to the Government and the country in which we are living and said that we are living in a wonder land: Unfortunately he is not present, I would like to make a small amendment to it: I would like to say that we are living in a blunder land. From the middle of sixties to this time we have been living in a blunder land. We have been committing continuously blunder after blunder and we have landed the country in its present position.

Now I would like to deal with the Budget and the Finance Bill in two aspects. Firstly about some of the things that have happened, some of the concessions and reliefs and also some of the burdens that have been imposed in the Budget; and secondly, in general terms as to what has been planned in this country and what has been the result of that planning over a period of 36 years.

To start with, I must congratulate the Finance Minister for giving us a "lollipop" budget—at least for the organised sector, at least for the middle class people, those who are in the Income Tax payers bracket. Those are some such groups for which this Budget has been doing some favours. Obviously the middle class, the Income Tax bracket people are those who are trend-setters and therefore the Finance Minister was keeping the elections that are likely to come in mind. Therefore, it is purely an election budget. But there is a catch in it. It has already been pointed out and I would like to stress this once again, that there has been a reduction of 5 per cent at each level in terms of Income Tax, but there has been an increase of 2½ per cent in surcharge. So it is something like giving with the left hand and taking away with the right hand. Not only that, while taking away it is taking away

from the share of the States. That means a twin purpose is achieved. On the face of it appears that they are doing some favour for the organised sector, for these middle class people who are the trend-setters, who are the pace-setters in the society and thereby soliciting their help in the coming elections, and at the same time they are doing them a left-handed service and in the process also doing left-handed service to the States. Similarly the reduction in Wealth Tax has been of some advantage to this group of people. However the Wealth Tax is something which has been helping only the rich people who have been becoming richer and richer in this country.

In the matter of defence, there has been jugglery. There has been a reduction of 1 per cent from 17 to 16 per cent in the proportion of the defence budget, but in absolute terms there has been an increase. That means in absolute terms the expenditure on defence budget has been increasing but reduction only in terms of percentages. Because percentages may be very misleading, it has been misleading.

I would like to touch upon one more point—namely the deficit. While we have been decrying that the States are having overdrafts, that they are not able to have financial control, that they have been trying, to overspend, that they have been extravagant and so on and so forth, we have been, on the other hand, doing the same thing at the Centre much more. We have been resorting to deficit financing. My hon. colleague on this side of the House in the morning did give an indication as to how the deficit is much more than what has been shown in the Budget. We have also to look at this problem. For developmental activities, for improving the conditions of the people we do not have enough money. For instance, just by way of explanation,

[Prof. C. Lakshmanan] Sir, we wanted to start and we have started the Telugu Ganga Project. It is a project by which we are going to give water to the parched mouths of Madras and parched land in Rayala-seerna, which is one of the most backward areas in the country as a whole. And we have been pressing with the Centre, with the Union, to include this as a national project and give permission for us. They have been denying saying, "Where is the money, how are we to give it, what is it?" and so on and so forth. But when it comes to the question of such expenditures as Asiad, NAM, CHOGM and so on and so forth, we are readily having money and money comes forth. Actually we were not to stage Asiad. It was somebody else's turn. But we came forward. It was not our turn even to hold NAM but we came forward and spent thousands of and hundreds of crores of rupees. But when it comes to the question of developmental activities, when it comes to the question of doing something for the people, then we say, "We have to have financial control, we have to look at the finances, we have to examine things, we have to send Central assistance teams" and so on and so forth. Sir, I would like to submit to this Government not to indulge in extravagant practices for at the same time they advise others not to indulge in extravagant practices. In the process it might be possible that we will get a Nobel laureate added to this country. There is a possibility because we have conducted NAM and CHOGM and we will be conducting such things and so the country's prestige will go up and therefore we will be adding one more Nobel laureate to this country's name—but at what cost? This is my question to the Minister of Finance, this my question to the Minister of Planning and this is my question to the entire Union Government. Let them consider what are the priorities, how we are deciding these priorities.

Now, Sir when we are having

planning, when we are having an outlay of receipts and expenditure in terms of the budget year after year, it has to be in terms of the objectives and national goals. What are the objectives and national goals of this country? To achieve socialism, to achieve democracy and to achieve secularism. To me socialism means, in the final analysis, two things. There are many other things but I do not want to give a lecture on socialism. But I would like to say that ultimately it means reduction and, finally, elimination of inequalities and elimination of exploitation in the society. If we look at the budget, if we look at the planning process and if we look at the successive Five-Year Plans, what is the result? Has there been any effort made to reduce inequalities, abolish poverty, remove exploitation in this country? My contention is that it has not been the case. I had an occasion to tell earlier in my intervention how there has been an increase in the percentage of those who are below the poverty line. And we have been gloating! Honourable Members from the other side have been saying that we have reached a record production of 149 million tonnes of foodgrains. Yes, I concede, but these 149 million tonnes of foodgrains which we have reached and what we have to import also are to meet the needs of 70 crores of people. It has been pointed out earlier how one-third of this population is requiring 180 million tonnes elsewhere and, over and above that, what the country has to import. What does it mean? It means we have been having 50 per cent of population who are just on 2,400 calories and 2,100 calories—this is as per the estimates of the National Nutrition Institute at Hyderabad—required for the white-collared people only. If they are workers who have to work in the fields, in the factories and so on and so forth, they require 3,000 calories'. That means as it is there has been a reduction in terms of calories (*Time-bell rings*)...

Mr. Vice-Chairman, Sir, I think Telugu Desam receives the least priority because we happen to be seventh and each time we get less time.

THE VICE-CHAIRMAN (SHRI SYED RAHMAT ALI): There are several speakers.

PROF. C. LAKSHMANNA: I concede, but; here is a new group of people who have to point out...

THE VICE-CHAIRMAN (SHRI SYED RAHMAT ALI): Please continue.

PROP. C. LAKSHMANNA: Therefore, I was saying that this group of people who are only to be satisfied with 2,400 calories and 2,100 calories when it is required to have 3,000 calories and this has to be met—this is the calculation—we are gloating over the fact that we are producing 149 million tonnes of foodgrains in this country. Now let us come to the impact of this production on the 50 per cent of the population—below the poverty-line. The below-the-poverty-line people have, lost purchasing power. Any demand is demand when it is backed by purchasing power. They have lost whatever little purchasing power they had because there has been tremendous rise in prices. It has been always said that the Janata Government did all the mischief in this country and we are now reeling under that impact of 1977—79 rule. I have got figures with me showing as to what the position was of wholesale prices of that particular period and also of 1982 and 1984. Since there is not much of time, I will take only four items, Rice in 1979 (that means the Janata rule) was selling at Rs. 158.2 (per quintal); in 1982 [it is Congress (I) Government], Rs. 287.1; and in 1984 Rs. 260 to 310. Let us take wheat. Price during the useless Janata rule was Rs. 116.1; in 1982, Rs. 281.6; and now it is Rs. 220 to 250. You take *va-naspati*. During the Janata period it was Rs. 161.1 in 1982 Rs. 256.9;

and now it is Rs. 230.75 to Rs. 234.5. Since I am accustomed to doing a little research, though the time at my disposal was not much, I went round two mandis. Sir, today the retail price of ground-nut oil is Rs. 19.20 per litre. And potatoes are selling at Rs. 1.50 per kg. in one mandi. In this House day before yesterday we had been hearing that the farmer is not getting a remunerative price. What a pity it is that a farmer is not able to get more than Rs. 5 a quintal (for one kg. it will be 5 paise), whereas the market price is Rs. 150! Who is taking all this money? The consumer is not getting it, the producer is not getting it. The middlemen who are being propped up, who are being encouraged continuously by this Government, are the only ones who are getting it. Then the price of onions is Rs. 1.25 per kg. Rice in this particular market was selling at Rs. 4 to 9.50; and the price of *basmati* rice is Rs. 10. Likewise, the price of wheat is between Rs. 1.75 to Rs. 2.60. This is in one *mandi*. In another mandi, *i.e.* the Munirka mandi, the price of potato is Rs. 1.50. Then tomatoes are selling at Rs. 3 per kg. *Gahun* at Rs. 2 to 2.60; and *chawal*, Rs. 3 to Rs. 10.

AN HON. MEMBER: It is all development programme of the Government.

PROF. C. LAKSHMANNA. Therefore, my point is that the prices which I have quoted are the prices which have to be paid by the man in the street, the man who is working in the factory, the person who is moving on the road, crawling on the road. So where is the purchasing power for him?

Then, Sir, I would like to touch another important thing: increasing rate of unemployment in this country. For years of development, for years of planning, for years of doing service to those who have been without jobs, what is the position today?

(Prof. C. Lakshmanna)

The position is that in 1978 the chronic state of unemployment was 4.37 million; in 1983, it is 4.97 million; and presently it is 5 million. For those with weekly status, it was 11.20 million earlier; in 1983, 12.53 million; and today it is almost 14 million. For those with daily status, it was 20.56 million earlier; in 1983, it was 22.88 million; and today it is much more. (*Time-bell rings*) Just one minute more.

See the plight of the educated unemployed. We have been producing doctors, we have been producing engineers, we have been producing agricultural graduates, and we have been saying that all these people are needed. When they want to go to the Gulf countries and other countries, we say that they are not patriotic. What is the position? In 1977-78, 6,034 engineers were unemployed; in 1982-83, 9,409 and today the number is more. I just want to say that the Arts post-graduates were 34,000, and today they are about 74,000. And the Science graduates were 1,90,000 in 1977-78, and 2,71,000 odd in 1983, and I think they are today many more.

Then, Sir, we have also been talking about industrial development. We have been putting up industries after industries. I think again we are having the same logic here. You put up a new Industry and make another sick. Sir, the position of the sick industries is: cotton textiles in 1979 were 84; in 1981 they were 94, and these exclude Bombay textile mills. And, of course, the problem has been solved to some extent now. Today they are many more. Similarly, chemicals, 23 to 26; sugar, 35 to 48 and so on. In terms of industries also they are becoming sick. That means, we are producing less. We are not putting them to use, and we are not doing anything else.

And, finally, Sir, my honourable colleague, lady Member from the AIADMK, did mention how the

Centre had been eroding the financial power of the States vis-a-vis the Centre. In fact, in my own intervention earlier I proved how there had been a change from the mid-60s to mid-80s from 70 per cent to something else, and also in the case of public borrowings States, share has come down to 10 per cent while it was 66 per cent in the mid-60s.

And, Sir, one more point, I would like to make. In the 1983-84 Budget a certain amount was kept, Rs., 500 crores were kept, for meeting the gap which has arisen out of the deficit of some States. And that is the period when our Andhra Pradesh Government made strenuous efforts, brought in financial control, discipline, and wiped out the financial deficit. But has there been any reckoning of it? Has there been any favour done for doing such financial control? Nothing. On the other hand, there has been continuous eroding of what has been demanded by the Andhra Pradesh Government. (*Time bell rings*). Therefore, Sir, since you are also hard pressed for time and in the process I am also hard pressed for time, I would only like to reiterate to the Treasury Benches, not for the sake of opposition, but for their own sake, to have a heart-search. They have been continuously saying that the Opposition people are saying for the sake of saying. We have been saying with statistics from their sources only. Therefore, I would plead with the Treasury Benches to have a heart-search for themselves so that they see whether what is happening in this country is really taking the country on the path of progress or it is only taking back. If it is taking back, it is for them to act. If they do not act, somebody else will act. Who are they? They are the people. They have acted. You cannot take the people for granted. The people have acted in 1977. The people have acted in 1983. The people will act again and again, because even though they are illiterate, even though they are not educated, even though they are below the poverty line, even though they are struggling, this is a country where the people are very alert. And, therefore, for their own sake, I appeal to the Treasury Benches to

look at what they have done and correct themselves lest they would pay penalty. Then, let them not accuse others.

Thank you.

THE VICE-CHAIRMAN (SHRI SYED RAHMAT ALI): I request all the Members not to take more than ten minutes each.

श्री रजनी रंजन साहू (बिहार) : माननीय उपसभाध्यक्ष महोदय, फाइनेंस बिल की खूबियों का बयान करने से पूर्व मैं आप का एवं माननीय सांसद जो यहां उपस्थित हैं या जो नहीं उपस्थित हैं उन सबों के प्रति शुभकामनाओं का आकांक्षी हूँ ।

उपसभाध्यक्ष महोदय, आम लोगों की निगाह में सांसद देश के सर्वोपरि सेवक समझे जाते हैं और संसद भवन देश की सेवा के ब्रतधारियों का कावा, काशी और जेहनुजन समझा जाता है । यहां सभी सिद्ध, विचारक चोटी के विद्वान, देश भक्त और संसद जासूसी बैठे हैं । मैं विश्वनेत्री प्रधान मंत्री श्रीमती इंदिरा गांधी को छत्रछाया में रहने वाला एक कार्यकर्ता पहली बार अपने को अभिव्यक्त कर रहा हूँ । मैं वित्त मंत्री जी को भी बहुत-बहुत धन्यवाद देना चाहता हूँ जिन्होंने "सर्वे भवन्तु सुखिनः" के भाव से अंतर्प्रोत्त होकर प्रस्ताव तथा अन्य वित्तीय प्रस्ताव देश के समक्ष रखे हैं । मैं वित्त विधेयक एवं बजट के बारे में उसकी खूबियों को बताने के पहले इसके बैकग्राउंड की कुछ बातें आप के समक्ष रखना चाहता हूँ । आजादी के पूर्व इस देश के समक्ष आर्थिक प्रगति के लिए कोई निर्धारित कार्यक्रम नहीं था । अतः भारत के प्रथम प्रधान मंत्री स्वर्गीय जवाहर लाल नेहरू ने हम सबको विकास श्रृंखला की एक अटूट कड़ी पंचवर्षीय योजना के रूप में हमें दी ।

आज जो आर्थिक प्रगति इस देश में प्रतिबिंबित हो रही है वह उन्हीं की देन है । यद्यपि प्रथम पंचवर्षीय योजना द्वितीय विश्व युद्ध से आक्रांत थी लेकिन आर्थिक व्यवस्था की स्थिति में सुधार संबंधी भसविदे को लेकर आगे बढ़ी और देश में सार्वजनिक संस्थानों के, सार्वजनिक क्षेत्र में उद्योग की विकास की कल्पना उसमें की गयी । दूसरी पंचवर्षीय योजना ने प्रथम पंचवर्षीय योजना में जो कार्यक्रम दिया गया उसको अदा करने की भूमिका निभाई । तीसरी और चौथी पंचवर्षीय योजना में आर्थिक विषमता मिटाने की ओर कदम बढ़ाया गया । पांचवीं और छठी पंचवर्षीय योजना में गरीबी दूर करने तथा आर्थिक आत्मनिर्भरता प्राप्त करने के उद्देश्य से सार्वजनिक क्षेत्रों की तरफ प्राथमिकता दी गयी ।

मान्यवर, किसी भी देश के आर्थिक विकास एवं वित्तीय स्थिति को एकांगी रूप में नहीं आंका जा सकता है । विकास से संबंधित सभी पहलुओं पर विचार करना होगा । हमारे देश में आर्थिक विकास की जो प्रगति हुई है वह अपने में एक अद्वितीय प्रगति है । यह मैं नहीं कहता हूँ कि अन्य विकासशील देशों में सहज संभावित प्रगति नहीं हुई परन्तु उनकी आर्थिक प्रगति इसलिए हुई कि उस समय उनके देश में राजनैतिक जागरण का अभाव था एवं उन्हें विस्फोटक जनसंख्या का मुकाबला नहीं करना पड़ा था । हमारे देश में राजनैतिक जागरण के साथ विस्फोटक जनसंख्या होते हुए आर्थिक विकास की जो प्रगति हुई है वह बेमिसाल है । इतना ही नहीं सामाजिक न्याय के अभिवर्द्धन के साथ संविधान के तहत जो प्रगति हुई है वह भी अपने आप में एक चमत्कार है । ऐसी परिस्थितियों का

[श्री रजनो रंजन साहू]

सांभना अन्य देशों को नहीं करना पड़ा था। इसीलिए एक लेखक श्री रोस्टन महोदय ने अपनी पुस्तक "टेक आफ इन टू सेल्फ सफीशियंट ग्रोथ" में आर्थिक प्रगति के कुछ इन्फ्रेडियंट्स को विश्लेषण किया है और उनकी एनेलिसिस के मुताबिक हमारी आर्थिक प्रगति टेक आफ अवस्था प्राप्त कर चुकी है। इस बात का श्रेय हमारी प्रधान मंत्री श्रीमती इंदिरा गांधी एवं वित्त मंत्री प्रणव बाबू को है। अभी हमारे पूर्व वक्ता ने इस बजट को इलेक्शन बजट कहा है। मैं माननीय सदस्य को बता देना चाहता हूँ कि हमने चुनाव घोषणा पत्र के आधार पर पाए हुए समर्थन का अक्षरशः पालन किया है। विरोधी दल ने 77 से 79 तक के बीच में राजघाट में कसम खा कर जिस तरह से वायदों को किया था वैसे हमने न वादे किये हैं और न हमने उस तरह के काम किया है। मैं कल और आज माननीय सदस्यों के भाषण बड़े गौर से सुन रहा था। उनके भाषण के विवाद में मैं नहीं जाना चाहता, क्योंकि समय की पावंदी है और इस पावंदी को देखते हुए मैं विरोधी दल के नेताओं से, अपने माननीय सदस्यों से इस बात का निवेदन करूंगा कि उन्हें देश के प्रति रचनात्मक भूमिका अदा करनी चाहिए। यहाँ आप सभी सिद्ध विचारक हैं एवं स्वयं एक विद्वान व्यक्ति हैं, कभी तो स्पेड को स्पेड कहना ही चाहिए।

माननीय हुक्मदेव नारायण जी और माननीय इन्द्रदीप सिंह जी, जो इस समय यहाँ उपस्थित नहीं हैं, उन्होंने कल कुछ आंकड़े दिये थे। मैं उनके आंकड़ों का उत्तर आंकड़ों से देना चाहता क्योंकि अभी वह यहाँ उपस्थित नहीं हैं। मैं उनको या अन्य वक्ताओं को बता

देना चाहता हूँ कि राजनीति में बुनियादी रूप से विरोध की भावना से सिर्फ काम नहीं करना चाहिए। जो भी रचनात्मक सुझाव हो, उसे हम अवश्य ग्रहण करेंगे।

माननीय उपसभाध्यक्ष जी, मैं इस संदर्भ में एक छोटी सी कहानी जो अभी मैंने देखा और कल सुना, उसके संबंध में कह देना चाहता हूँ। कभी-कभी ऐसा होता है कि जिन्हें हमेशा कुछ नुकश निकालने की आदत होती है, जैसा कि कल माननीय सदस्य हुक्मदेव नारायण यादव जी ने कहा—इस समय वह यहाँ पर नहीं हैं, उनके ऊपर यह पूरी लागू होती है क्योंकि जब कोई बात नहीं मिलती है, तब भी वह कुछ न कुछ नुकश निकालने का प्रयास करते हैं।

"एक बार एक भोज में बहुत अच्छा खाना बना, उसमें किसी तरह की खराबी नहीं थी, तो सब लोगों से पूछा गया कि कैसा खाना बना है? जब कोई नुकश न मिला, तो उन्होंने कहा कि यदि ज्यादा नमक पड़ जाता, तो खाना खराब हो जाता।"

तो यही हालत आज मुझे देखने को मिल रही है। मैं अपने विरोधी माननीय सदस्यों से कहना चाहूंगा कि इस दृष्टि से इस बजट पर और वित्त विधेयक पर विचार न करें।

अब मैं 1984-85 के वित्त विधेयक एवम् आय-व्यय की बारीकियों को देखने से, उसका विश्लेषण करने से यह पाता हूँ कि माननीय वित्त मंत्री ने इस बज में एवम् इस विधेयक में सभी वर्गों के सुविधा एवम् राहत को ध्यान में रखते हुए उपयुक्त नीति की घोषणा की है—
धनिक अंश में अत्य आय-व्यय प्रस्ताव -

समयोजना रखी गई है, हर वर्ग को उपभोक्ता को आर्थिक दृष्टिकोण से पिछड़े हुए वर्ग के हित की बात ज्यादा से ज्यादा कही गई है।

माननीय वित्त मंत्री ने पिछड़े वर्ग के सामाजिक विकास हेतु आवश्यकता अनुसार उपलब्ध स्रोतों के आधार पर योजना में उत्कृष्ट व्यवस्था की है, सर्वांगीण विकास के लिए उनके अक्षरशः कार्यान्वित होने से 7 प्रतिशत का निर्धारित विकास का लक्ष्य निश्चित रूप से पूरा होने की आशा है।

माननीय उपसभाध्यक्ष जी, यह कहने की आवश्यकता नहीं है कि बजट में 1700 करोड़ रुपये का घाटा दिखाया गया है, पर यह बात अवश्य है कि देश के विकास की आवश्यकता को देखते हुए यह घाटा उचित है।

दूसरी महत्वपूर्ण बात यह है कि अनेकों कठिनाइयों के बावजूद योजना खर्च में 25 प्रतिशत की बढ़ोतरी की गई है। जो पिछले साल के अनुपात 8 P.M. से ज्यादा है। इस बात को देखते हुए छठी पंचवर्षीय योजना में जो अतिरिक्त साधन जुटाये गये वह एक महत्वपूर्ण उपलब्धि है। पिछली योजना से इस योजना में 25 प्रतिशत की बढ़ोतरी की गयी है, यानी 83-84 की प्लान आउटले 13,870 करोड़ थी और 84-85 की 17,351 करोड़ है। अतिरिक्त साधन जुटाने की दृष्टि से 1,700 करोड़ का घाटा कोई घाटा नहीं।

बजट के सम्बन्ध में माननीय वित्तमंत्री ने अनेकों योजनायें दी हैं। इस के अलावा विकास से संबंधित इन्फ्रास्ट्रक्चर के डेवलपमेंट पर दृष्टि करने से हम पायेंगे कि माननीय वित्त मंत्री जी ने जो इन्फ्रास्ट्रक्चर के लिये बजट में अधिक प्रावधान किया है वह अपने आप में एक नमूना है।

मैं माननीय विरोधी दल के सदस्यों से यह पूछना चाहता हूँ कि देश में विद्युत के

विकास के लिये 1764 करोड़ का प्रावधान किया गया है जो पिछले वर्ष से 44 परसेंट ज्यादा है, क्या यह उपलब्धि नहीं है? क्या यह उपलब्धि नहीं है कि कोयले के विभाग में 1310 करोड़ का प्रावधान किया गया है और 152 मिलियन टन उत्पादन का लक्ष्य रखा गया है। उन्हें क्या यह भी नहीं दिखाई पड़ता कि रेल में 1650 का प्रावधान रखा गया है जो पिछले साल से 23 प्रतिशत ज्यादा है। इन सब बातों को अगर आप देखें तो पायेंगे कि जो इन्फ्रास्ट्रक्चर के डेवलपमेंट के लिये बजट में प्रावधान रखा गया है वह अपने आप में अद्वितीय है।

मैं वित्त मंत्री जी को दो-एक सुझाव देना चाहता हूँ रेल व्यवस्था के लिये जो प्रावधान रखा गया है उसके संबंध में। मैं उत्तर बिहार से आता हूँ। उत्तर बिहार के लोगों की सुविधा के लिये कुछ विशेष ट्रेन चलाने की आवश्यकता है। उपाध्यक्ष महोदय, आपके माध्यम से मैं रेल मंत्री से निवेदन करना चाहता हूँ कि उत्तर बिहार के लोगों के कार्गो जाने के लिये कोई सीधी ट्रेन नहीं है। अतः वहाँ के लिये एक ट्रेन का प्रावधान होना चाहिये। फिर उत्तर बिहार को बम्बई से, जिसे देश का आर्थिक कैपिटल समझा जाता है, जोड़ा नहीं गया है। उस और उनका ध्यान जाना चाहिये और रेल के विकास के कार्यक्रम में उत्तर बिहार को भी जोड़ना चाहिये।

इस बजट में एवं विधेयक में समाज के कमजोर लोगों को जितना भी सम्भव फायदा किया जा सकता था वह किया गया है। रस्किन की अठारह दिनांक की कल्पना से प्रधानमंत्री श्रीमती इंदिरा गांधी कार्यक्रम में आगे हैं। इंटिग्रेटेड रूरल डेवलपमेंट प्रोग्राम इस का ज्वलन्त प्रमाण है। सेल्फ एम्प्लायमेंट हेतु लेण्डलेस एम्प्लायमेंट गारन्टी प्रोग्राम की कल्पना शायद विरोधी दल को अच्छी नहीं लग रही है क्योंकि जब बेरोजगारी

[श्री रजनी रंजन साहू]

समाप्त हो जायेगी या कम हो जायेगी और आय स्रोत बढ़ जायेंगे तो उनके खोखले नारों एवं जलूस में कौन आयेगा। मैं अब आपको कुछ शब्दों में आय कर में दो हुई सुविधाओं एवं उनके सम्बन्ध में कुछ सुझावों के बारे में निवेदन करना चाहूंगा। वर्तमान आय कर परिसीमा में कई तरह की सुविधाएँ दी गयी हैं और उद्योग के विकास के लिये जो कदम उठाये गये हैं वह बहुत सराहनीय हैं। अधिक आय वालों को जो 5 प्रतिशत की छूट दी गयी है वह अपने आप में उपयोगी सिद्ध होने वाली है। मैं इस आय कर के संबंध में दो-तीन सुझाव माननीय मंत्री जी को देना चाहता हूँ। वित्त विधेयक द्वारा माननीय मंत्री जी के शब्दों में हम को भौतिक लक्ष्य प्राप्त करने हैं और इसके लिये जो भी सुविधाएँ प्रदान की गयी हैं उन में स्टैंडर्ड डिडक्शन की बढ़ोतरी की गयी है। टैक्स के रेशनलाइजेशन करने का एक पञ्चित्त इरादा रखा गया है और कुछ सामान्य सुविधाएँ जो दी गयी हैं उनके अलावा मैं माननीय वित्त मंत्री जी से निवेदन करूंगा कि व्यक्तिगत कर की छूट की सीमा निर्धारित करने के पूर्व 1980-81 तथा 1981-82 में सरकारी सेवाओं तथा निजी क्षेत्र के नियोजितों के वेतन में वृद्धि को नजरअन्दाज न करते हुये व्यक्तिगत कर में छूट की अधिकतम सीमा में अभिवृद्धि करना चाहिये। कई ऐसी धाराएँ हैं आय कर के अधीन हैं जिनका अनुपालन संबंधित विभागीय पदाधिकारी नहीं करते हैं और उनका दुरुपयोग करते हैं। इनकी उच्च स्तरीय समीक्षा होनी चाहिये। तीसरी बात टैक्स डिडक्शन आन सोर्स को सरकारी खजाने में जमा करने की अवधि कटौती से 15 दिन के प्रावधान को बढ़ाकर 6 माह कर देनी चाहिये ताकि कर दाताओं को रिटर्न दाखिल करते समय कर सरकारी खजाने में जमा करने में सुविधा हो सके। चौथे, आय कर दाताओं के लिये 16 वर्ष तक आय कर संबंधी वही खाते तथा अन्य कागजातों को सुरक्षित रखने का जो अनिवार्य प्रावधान है

जिस से सरकार को तथा आय कर विभाग को कोई विशेष उपलब्धि नहीं हो पाती है अपितु कर दाताओं के लिये उनकी सुरक्षा अपने में एक बहुत बड़ी समस्या है विशेषकर बड़े-बड़े शहरों में जहाँ बड़े-बड़े उद्योगों के कार्यालय हैं उनके लिये 16 वर्ष का आयकर संबंधी कागजात सुरक्षित रखना अत्यन्त दुःसहाय कार्य है। यों सरकार के दावे वसूलने की अवधि में कोई निर्धारित सीमा नहीं है।

ब्लैक मनी के संबंध में मैं माननीय वित्त मंत्री जी को सराहना करता हूँ। काला धन रोकने के लिये उन्होंने अनेकानेक कदम उठाये हैं परन्तु यहाँ पर भी मैं एक और सुझाव देना चाहता हूँ। जब तक टैक्स लाज और प्रोसीजर्स पर सख्ती से अमल नहीं किया जायेगा तब तक यह ब्लैक मनी रोकने में आप सफल नहीं हो सकते। दूसरी बात यह भी बता देना चाहता हूँ कि इनकम टैक्स ऐक्ट में इस हद तक संशोधन हो चुके हैं कि उनमें अनेकानेक लूपहोल्स रह गये हैं। उसका फायदा कर दाता उठाते रहते हैं। अतः मैं निवेदन करूंगा कि एक नये इनकम टैक्स लाँ को आप बनाइये और इसके लिये आप विशेषज्ञों की एक समिति बनाइये।

उपसभाध्यक्ष (श्री सैयद रहमत अली) :

अभी आप कितना समय और लेंगे। दो मिनट में आप खत्म करिये।

श्री रजनी रंजन साहू : मैं दो मिनट में खत्म कर रहा हूँ। राज्यों के बारे में जो प्रावधान किया गया है वह बड़ा सराहनीय है, पर मैं विशेष रूप से बिहार के बारे में दो शब्द कह देना चाहता हूँ। बिहार राज्य विकास के मामले में सबसे पीछे है। यहाँ देश की 10.3 प्रतिशत जनता रहती है। सप्तम वित्त योजना के अनुसार इस राज्य में गरीबी का प्रतिशत 64 है। माननीय वित्त मंत्री जी क्षेत्रीय असंतुलन एवं सामाजिक तनाव उत्पन्न होता है। अग्रजातांत्रिक तत्वों को बढ़ावा मिलता है। देश की प्रगति में भी इससे

अवरोध उत्पन्न होता है। 1949-50 में बिहार राज्य के प्रति व्यक्ति की आय सभी राज्यों की औसत आय का 80 प्रतिशत थी जो 1969-70 में घटकर 71 प्रतिशत हो गयी। 1978-79 में बिहार की प्रति व्यक्ति आय 777 रुपये आंकी गयी थी जब कि देश की प्रति व्यक्ति औसत आय 1249 रुपये आंकी गयी थी यदि बिहार की प्रति व्यक्ति आय कम रहेगी तो राष्ट्र की प्रति व्यक्ति आय में कमी हो जायेगी। जहाँ तक निवेश का प्रश्न है उस ओर मैं ध्यान दिलाना चाहता हूँ। प्रथम पंचवर्षीय योजना में सभी राज्यों के योजना उद्ध्य का 7.2 प्रतिशत बिहार राज्य का उद्ध्य था। इस अवधि में सभी राज्यों की प्रति व्यक्ति योजना उद्ध्य 38 रुपये था जब कि बिहार का 25 रुपये था। आज भी वही रेशियो है। योजना की अवधि तक बिहार की स्थिति इसी प्रकार यदि चलती गयी तो एक खाई उत्पन्न हो जायेगी अतः मेरा सुझाव है कि भारत सरकार के बड़े प्रतिष्ठान यहाँ पर स्थापित किये जायें और उन उद्योगपतियों को जो कि बिहार की संपत्ति से धन उपार्जित करते हैं उन्हें कहा जाये कि वे सभी बिहार में अपने मुख्य कार्यालय खोलें। इस प्रकार के आदेश उनको दिये जाने चाहियें।

बिजली के बारे में जो प्रावधान किया गया है वह भी अपने आप में बहुत सराहनीय कदम है। लेकिन मैं पुनः इस बारे में बिहार की ओर आपका ध्यान आकर्षित करना चाहता हूँ। मैं आप के माध्यम से वित्त मंत्री जी से एक विशेष बात कहना चाहता हूँ। औद्योगिक विकास के लक्ष्य को प्राप्त करने के लिये देश-व्यापी एवं राज्यस्तरीय वित्तीय संस्थानों को आवश्यकतानुसार निधि उपलब्ध करायी जाय एवं बैंक से कार्यशील पूँजी तथा अन्य आवश्यक सुविधायें एवं सहायता प्राप्त कराने में शीघ्रता बरती जाय ताकि अर्थाभाव के कारण औद्योगिक कार्यक्रम के कार्यान्वयन में जो विलम्ब होता है तथा तदजन्य आकलित

372 RS—9.

पूँजी में उद्ध्यय अभिवृद्धि होती है इसे रोकना नितांत आवश्यक है। इस सम्बन्ध में मैं 3 सुझाव वित्त मंत्री जी को देना चाहूँगा। देश में जितने भी सार्वजनिक संस्थान हैं उनमें राज्यस्तरीय वित्तीय निगमों की वर्तमान ऋण की अधिकतम सीमा 30 लाख रुपये की राशि को 60 लाख रुपये तक बढ़ा दिया जाये। लघु उद्योग के लिये जो वर्तमान में 25 लाख रुपये की अधिकतम सीमा निर्धारित है उसे 40 लाख रुपये कर दिया जाये। तीसरे लघु उद्योगों की वित्तीय संस्थानों तथा बैंकों से दीर्घकालीन ऋण तथा कार्यशील पूँजी के लिये ऋण मुहट्टया कराया जाये और उसके व्याज की अधिकतम सीमा 8 प्रतिशत पर स्थिर कर दी जाय। औद्योगिक दृष्टिकोण से पिछड़े एवं अविकसित राज्यों, खास कर बिहार में कच्चे मालों की उपलब्धि के लिये विस्तृत सर्वेक्षण की आवश्यकता है। साथ ही इंफ्रास्ट्रक्चर के विकास के लिये विशेष कार्य अर्थ एवं प्रयास की आवश्यकता है। जो राज्य के वर्तमान वित्तीय श्रोत से कतई संभव नहीं हो सकता। इन शब्दों के साथ मैं वर्तमान विधेयक का समर्थन करता हूँ।

SHRI KRISHNA KUMAR BIRLA (Rajasthan): Mr. Vice-Chairman, Sir, I would like, at the outset, to convey my grateful thanks for giving me this opportunity of making my maiden speech.

Sir, the Finance Bill gives an opportunity to review the economy of the country, both from the point of view of long range and short range. I would like to mention, Sir, that there are a large number of good features as far as our present economy is concerned. G.N.P., for example, has increased in the first four years of the Sixth Plan at the rate of 5.4 per cent as against the Plan target of 5.2 per cent. We are thus ahead as far as the target is concerned. Sir, food production has almost been 150 million tonnes which is an all time record. India's external debt, which is often coming for criticism, is within the reasonable norms. Our percentage in terms of G.N.P. is 10.8 per

[Shri Krishna Kumar Birla]

cent. And this compares very favourably with the figures obtaining in other countries. In Indonesia the figure is 19 per cent; in Thailand it is 14.4 per cent; in South Korea which is one of the most developed amongst under-developed countries, it is as high as 32.1 per cent; in Brazil it is 16 per cent, in Mexico it is 18.5 per cent; in Malaysia 19½ per cent; and in the neighbouring country, Pakistan, it is 29.2 per cent against 10.8 per cent in India. Inflation, Sir, is well within normal reach. It is in single digit, and I would say that the inflation of 8.8 per cent in a developing country is not high.

What is, Sir, disturbing in an otherwise good picture is, unfortunately, industrial production. In the Sixth Five Year Plan, the target which was set for the industrial production was between 8 and 9 per cent. As against that, as far as the first four years of the Plan are concerned, the rise has been at the rate of only 5.2 per cent

Sir, before I proceed further, lest I am misunderstood, permit me to make clear that I fully appreciate the various steps which have been taken by the Industry Ministry and by various other economic Ministries, towards liberalisation of policy and towards streamlining of the procedure. For example, Sir, in the last few years the threshold limit for licensing has been increased to Rs. 5 crores. The dual pricing of cement has started paying dividend. There is provision for automatic growth. And yet, as far as the industrial production is concerned, this is not rising.

Sir, what are the reasons? In my opinion, there are four reasons. Firstly, there is delay as far as the MRTP companies are concerned. I will touch upon it a bit later. Then, there is power shortage. Now, Sir, I would readily admit that in the last three years there has been an appreciable improvement as far as developing power in this country is concerned. Three years ago, that is, in 1981 our total capacity of power generation was something like 30,214 MW. Now it has increased by 27 per cent, and it is now more than 39,500 MW.

But what is disturbing is that as far as capacity utilisation is concerned there has been no marked improvement. Two years back also the figure of capacity utilisation was ranging from 46 to 48 per cent. Even now, the figure is about the same, about 46 per cent. In my opinion, this is low by any standard, whether you adopt the international standard or you compare it with the various power projects of Tatas where the percentage is more than 90. As a result of this poor capacity utilisation, unfortunately the country is facing a total overall shortage of 12 per cent as far as power utilisation is concerned and this is hampering production to the extent of about Rs. 10,000 crores per annum. My submission would be that in case more attention could be given to it and in case improvements could be made in that direction, it will check inflation which would mean more wages for our workers, which would mean more exports for the country and which would mean more revenue as far as the Government is concerned.

Sir, there are a number of reasons for this condition. As far as inflation is concerned, unfortunately there has been some shortfall of investment and that, in fact, has affected it. That is the result of the electricity boards thermal power projection. There is a shortfall as far as investments are concerned. They have got to be properly attended to in State Electricity Boards, in Thermal Power Projects and in Railways. In regard to our industrial production, they have to go to the bottom of the problem and find out the reasons.

As I have mentioned, apart from M.R.T.P.s., there are three other reasons. One of them is the cutting of investment. I would say that this needs some kind of rethinking and I will try to examine the matter from another angle. The current year's budget provided for a total expenditure, both the revenue and the capital budget, of 42,536 crores of rupees. Now, this was higher by about 9 or 9½ per cent compared to the last year. In the meanwhile, the inflation has taken place almost to the same extent, i.e. 8.8 per cent, which *de facto* means that as

far as the current year's total expenditure is concerned, there is no improvement compared to the year 1983-84. I would say that this is going to dampen our economy.

Sir, I would like to compliment the Finance Minister. He has done a very wise thing. What he has done is that as far as the plan expenditure is concerned, as was said by another hon. Member, he has raised it by 25 per cent. But, side by side what he has done is that he has reduced the non-plan expenditure by 5 per cent. The net result is that the total rise is 9.5 per cent. In my opinion, this is not adequate. Rise in plan expenditure, no doubt, is an improvement. But the overall effect is that it is not an improvement. I would like to submit for the consideration of the hon. Finance Minister that the quantitative theory of money holds no longer good in a country like India which has to depend so much on agriculture, where the prices, in fact, are being influenced by whether the agricultural crop is good or bad, whether it is adequate or whether it is inadequate. To take an instance, in the year 1983-84, the money supply has increased by 17.2 per cent. But as far as inflation is concerned, it has increased only by 8.8 per cent. This year, as you aware, there has been a good agricultural crop and in view of this I would put this proposal to the hon. Finance Minister. In the year 1983-84, the total deficit-financing has turned out to be 1965 crores of rupees. In this year, Sir, the provision which he has made is Rs. 1,762 crores. And in view of the arguments put forward and in view of the good agricultural crop that the country has been blessed with, I would make bold to say that the Finance Minister could very well increase the deficit financing by, perhaps, another Rs. 800 to Rs. 1000 crores, and he could feed as far as the national priority sectors of economy are concerned, such as power, such as railways, such as irrigation, such as housing and roads by more money in the Plan expenditure.

Sir, the fourth reason, which is again a very important reason is that, unfortunately, in spite of such a rosy picture, there has been a drop as far as the consumer

demand is concerned. And the question naturally arises: What are the reasons? One reason which is apparent is that in this country we do not have ample provision as far as consumer credit is concerned. The other reason is that our marketing efforts by the various trades and industries are not on the same far as the marketing efforts in the western countries and Japan. But, Sir, there is a very important reason also. And that is psychological reason. The Indian consumer, rightly or wrongly, is a Puritan type of consumer. And his approach is always cautious. He always thinks of tomorrow as to what is the provision as far as the next day is concerned. And, Sir, as all the hon. Members are aware, majority of India lives in villages and majority of the villages are dependent on crops, and the crops are dependent on the vagaries of the nature. So, when the future of the cultivator, the future of our consumers in the villages has to depend upon the vagaries of the nature, he becomes very cautious. Sir, the result of this has been that as far as the earnings are concerned, we have been diverting it more and more towards saving rather than putting it into circulation, rather than expand it. The net result is that whereas in the year 1950-51 our total saving was something like 7.3 per cent of our earning, as far as the year 1980-81 is concerned, this figure has increased from 7.3 per cent to 22.3 per cent. And, Sir, this is the highest as far as the developing countries is concerned, and this is one of the highest as far as the other countries are concerned. The question, Sir, naturally arises: Is there any escape route by which we can improve our consumption? Certainly, Sir. Exports is one answer. But here, unfortunately, what has been happening is that we are outpriced. And the question is: What are the reasons of our being outpriced? There are two reasons. Firstly, our productivity is poor. And secondly, Sir, as far as our economy is concerned, there are no economies of scale. Sir, when I say productivity is poor, I am really referring to our technology. It is no reflection as far as the worker is concerned because the same worker in other countries like the UK is giving excellent production.

[Shri Krishna Kumar Birla]

So, Sir, what we have to do is that there has to be a two-pronged attack. We have to create demand. And we have got to go more and more towards low cost economy. Sir, the question is how to create more demand. Our population lives mostly in villages. And as far as the city is concerned, apart from trade and industry, most of the people are in employment. As far as the farmer is concerned, I would say that his yield has gone up in the last few years. And yet there is a lot of scope for further improving the yield. Sir, probably, my other hon. friends may know more about villages. But I have also had some contact with villages as I have got my sugar factories in villages and I know that with proper irrigation and proper manure and also proper fair prices we can certainly pump in more money as far as cultivators are concerned. As far as the workers and employees are concerned, my theme has always been that they should be well paid, their earnings should be more. Now, Sir, having said that naturally the question arises that in case we pay them very handsomely, that will have an effect of cost push, and somehow or the other my thinking has always been that as far as cost-push is concerned, we have got to counteract that by improving our productivity. Again, Sir, I am not talking of production. I am talking of productivity, which means what is the production per person? And, here, Sir, far as the other countries are concerned, their productivity has been improving at a much faster rate. In the case of Japan it has increased at the rate of 3.6 per cent. In the case of U.S. it has increased by 2 1/2 per cent and in the case of most of the other Western countries the rise in productivity per year is about 3 per cent. Sir, it is also a recognised fact of economics that the lower country is as far as technology is concerned, higher are the chances of productivity to rise and that is, perhaps, the reason why in South Korea the productivity has gone up in the last two-three years by 11 per cent and in Taiwan it has gone up by 10.5 per cent. So, Sir, this is a direction in which our attention has to be drawn.

Sir, the other point that I mentioned was about the economics of scale. Now, Sir, we have also got various works, various projects, which we call big projects. But when we talk of exports, after all, Sir, the world is no longer a small world. The world now is a much larger world and when we talk of exports, we have also got to see what is the size of other factories concerned. Now, there unfortunately we are faced with a situation, take, for instance, the steel plants. Their size in other countries is something like twenty times more than their average size in India. In the case of automobiles, their size is 100 times compared to what we have in India. And, Sir, this sort of relationship exists in respect of other industries also. Sir, when I refer to economies of scale, let me also mention that one very good advantage derived from this will be benefiting the middle classes because the middle classes will be benefited by a large number of ancillary industries which will come into being as a result of that, particularly in respect of engineering industries where almost 50 to 60 per cent of the items required for the manufacture are bought out items.

Sir, I just said something about the MRTP. I would like to clarify it. Sir, the MRTP was originally, as far as I know, when it was enacted, brought forward with two different ideas. One was consumer protection. Now, Sir, I am not behind anyone else as far as consumer protection is concerned and I honestly and sincerely believe that as far as the consumer is concerned, he should certainly be protected as far as the MRTP activities are concerned, whether they be in respect of the industries or they be in respect of the trade. But, I am only referring, Sir, to the other aspect of the MRTP, i.e., when it introduces restrictions in production. Sir, I would like to mention and I am sure that most of my hon. friends must be aware of that, that when legislation of the MRTP Act was first envisaged, it was not against the concentration of economic power; it was only against the concentration of economic power only to the common detriment—that is a very important thing—and as far as common detriment is concerned, I

would say that with the various laws and rules which are in vogue at present and particularly with the directors of the financial institutions who find a very honoured place on the boards of almost every company, the chances of economic power being misused or being used against the common detriment are very remote. I would only say that let this matter be again considered so that wherever delay takes place as a result of MRTP, at least as far as that part is concerned, that is looked into.

One more aspect of MRTP which requires investigation and consideration is the limit of Rs. 20 crores which has been fixed as a kind of yardstick to decide whether a company is a MRTP company or not. This was fixed fifteen years ago sometime in 1969. After that, the value of the money has very much gone down. In my opinion, it should be appreciably raised and this again is a matter which requires the attention of the Government.

In my opinion, it is very unfortunate that we are required to import things like fertilisers or paper or chemicals when we are in a position, with some little effort better co-ordination and better encouragement, not only to become self-sufficient as far as these vital items are concerned, but perhaps, even to export these things. My submission will be that we should aim at modern technology, which will lead to higher productivity. Higher productivity would mean automatically lower costs. In case we are able to ensure lower costs, it will enable us to pay high wages. In case we are in a position to pay high wages, we can create more demand and in case more demand is created, this will lead to higher production. Higher production means higher wealth and higher wealth means better standard of living. This is the sort of approach which I would like to be made. I thought I should mention this.

Of course, we have made good progress. But We have still a long way to go. Our *per capita income*, though it has appreciably increased, in the last few years, is still very low. In terms of U.S. dollars, it is only 260, whereas, in other countries, it is much more. Even in a country like

Thailand, which is a neighbouring country, the figure is 770 dollars. In South Korea, it is 1700 dollars. In Malaysia, it is 1840 dollars. Let us forget, for the time being, Japan and the U.S.A. In Japan, the *per capita income* is 10,000 dollars and in the U.S.A., it is about 13,000 dollars.

Having said that, I am emboldened to say that with the response that we have been receiving from the Government, I would take an optimistic outlook of our economy and I have no doubt in my mind that with certain efforts, the country will be on the path of industrial explosion. Thank you, Sir.

STATEMENT BY MINISTER RE:

Level crossing accident on SSurendra Nagar.Wankaner Section of the Western Railway on 3rd May 1984

THE MINISTER OF RAILWAYS (SHRI A. B. A. GHANI KHAN CHOUDHURY): Mr. Vice-Chairman, Sir, it is with a heavy heart that I have to bring to the notice of this House, the occurrence of an accident at an unmanned level crossing involving a Matador Van with passengers and the train engine of 17 Dn. Saurashtra Janata Express at about 0900 hrs. today between Vagdia and Than stations on Surendra Nagar-Wankaner section of Western Railway. The Matador Van Driver in the face of the approaching train, attempted to rush through the unmanned level crossing No. 67/C. So far 12 persons travelling in the road vehicle have died, of which 8 died on the spot and 4 later, while the 12 occupants received injuries and were immediately rushed to the nearest Sarva-janik Hospital, Than, and later to the Civil Hospital at Limbdi.

Prima facie, the cause of the accident is due to the rashness and negligence of the van driver who tried to cross the unmanned level crossing in the face of the approaching train. The level crossing has all the indications, warning signs for the road vehicle users.

The General Manager, Chief Traffic Safety Superintendent, Divisional Railway Manager and other officers of Western Railway have already proceeded to the site.