

[Prof. Sourendra Bhattacharjee] ed in Tamil Nadu, or proposed to be imposed in Tamil Nadu, by AIADMK Government. That is an indirect tax. As you know, there is a suggestion that the sales tax be abolished. But the problem is that with the States practically the only source or revenue left is sales tax; land revenue is something which has exhausted its possibilities. Now how are the States to raise their resources for meeting their exigencies? Many of the States had to have resource to very desperate measure in order to cover the deficit which was increasing. The fact remains that unless and until there is equitable distribution of financial resources done between the Centre and the States, the position will go from bad to worse. Of late it is heartening that even our Prime Minister says that without strong States there cannot be a strong Centre. The theme earlier used to be some what different. The main emphasis was on the Centre. If that indicates really a shift in attitude, the question of reallocation of resources must come up seriously between the Centre and the States. Under the scope of the Finance Commission come only income-tax and some portion of the special excise duty or under allocation among the States. But the corporation tax is outside the scope of the Finance Commission. So also all other revenues. And this is an aspect which is creating tensions vis-a-vis other tensions. But this is a very justified issue. If a particular State, only because it is under the role of the ruling power at the Centre, does not raise that issue, the reason is not that they do not feel the pinch. Therefore, once again I request. The Central Government is in a position through deficit financing to cover the uncovered gap: the States are not. Unless the States are helped through the immediate institution of the Inter-State Council as provided for under section 263 of the Constitution and more equitable distribution of the financial resources of the country, as realised through Central revenue which has the monopoly of the resources, more and more friction

tion and tension would ensure as the tension is increasing among the general populace who are impoverished, who are exploited. Thank you.

**कुमारी सरोज चापड़ा (महाराष्ट्र) :**  
श्रीमान्, मैं फाइनेंस बिल पर अपने विचार व्यक्त करने के पहले सदन का ध्यान दो तीन बातों की तरफ खींचना चाहती हूँ।

#### REFERENCE TO THE ALLEGED NON-AVAILABILITY OF WATER IN CERTAIN AREAS IN NEW DELHI

**श्री महाशिव बागईतकर (महाराष्ट्र) :**  
श्रीमान्, मैं एक जरूरी चीज सदन के सामने रखना चाहता हूँ। गत चार दिनों से पानी की बहुत गड़बड़ी हो रही है। गुरुद्वारा रकाव गंज रोड और गवर्नमेंट सर्वेंट कालोनीज में कहीं पानी नहीं मिल रहा है। एन० डी० एम० सी० ने जो फोन नम्बर दिये हैं वहाँ कितनी भी दफा फोन करने पर भी कहीं पानी नहीं आ रहा है। यह क्या है? इसका मैं आपके माध्यम से चाहूँगा कि कुछ न कुछ इलाज हो जाये और लोगों को कम से कम पानी तो मिले। हमारे घरों में पानी नहीं है, गवर्नमेंट सर्वेंट्स कालोनीज में पानी नहीं है इससे हम तमिलनाडु की स्थिति अनुभव कर रहे हैं। इस पर सबसे खराब चीज यह है कि एन० डी० एम० सी० में मिस-मैनेजमेंट है, उसका कुछ इलाज होना चाहिये।

**उपसभाध्यक्ष (श्री लाइली मोहन निगम) :** आप ने सदन का ध्यान आकृष्ट किया है और यह भी उस वक्त जब कि हमारी आवासी समिति की अध्यक्ष बोल रही हैं। तो मैं चाहूँगा कि आप और मंत्री जी इसको देखें ताकि सरकारी नौकरों के क्वार्टरों और संसद सदस्यों के यहाँ पानी पहुँच सके।

**कुमारी सरोज खापरडे :** श्रीमन्, आज इस सदन में फाइनेंस बिल पर हम लोग चर्चा कर रहे हैं। फाइनेंस बिल पर अपने विचार रखने के पहले मैं दो तीन तथ्यों की ओर सदन का ध्यान आकषित करना चाहूंगा। वैसे माननीय सदस्यों को पता ही है कि बम्बई शहर में पिछले 16 महीनों से टैक्सटाइल हड़ताल चल रही है और इस हड़ताल से देश को कितनी हानि पहुँची है, कितना नुकसान पहुँचा है, इसके बारे में मैं सदन के सामने कुछ आंकड़े पेश करना चाहूँगी। 31 जनवरी, 83 तक 485.35 मेशेंज की हानि हुई है, और करीब 900 करोड़ रुपये के उत्पादन की हानि हुई है और 31 दिसम्बर, 1982 तक 200 करोड़ रुपये के निर्यात का नुकसान हुआ है। 3 P.M. एक्साइज ड्यूटी की कितनी हानि हुई है। इसके आंकड़े इस वक्त मेरे पास नहीं हैं। श्रीमन्, 1981-82 में सूखा-ग्रस्त राज्यों को 161 करोड़ 91 लाख, बाढ़ तथा साइक्लोन-ग्रस्त राज्यों को 81 करोड़ 7 लाख रुपये केन्द्र ने सहायता दी है। 1982-83 में बाढ़ और साइक्लोन-ग्रस्त राज्यों को 344 करोड़, 96 लाख, 80 हजार और सूखाग्रस्त राज्यों को इसी वर्ष 393 करोड़ 35 लाख 88 हजार रुपये केन्द्र ने सहायता दी है। इन नेचुरल कैलेमिटीज के कारण कितने करोड़ की क्षति हुई है इसके आंकड़े मेरे पास नहीं हैं। श्रीमन् दूसरी ओर 1500 करोड़ रुपये से अधिक एक्साइज ड्यूटी, 700 करोड़ रुपये से अधिक के आयकर के मामले अदालतों में पड़े हैं। 31 दिसम्बर, 1981 तक 422 सिक इंडस्ट्रीज पड़ी हुई हैं जिनमें छोटे उद्योगों का समावेश नहीं है। यह छोटे उद्योग कहीं पर शामिल नहीं हैं। इन उद्योगों से एक हजार चार सौ अठ्ठहत्तर दशमलव

चौरासी करोड़ रूपयों की वसूली करना बाकी है। 1982-83 में लगभग 1700 करोड़ रुपये की सबसिडी गवर्नमेंट ने दी थी। श्रीमन्, इसके बारे में मैं कुछ आपसे कहना चाहूँगी वह यह है कि मैंने इन आंकड़ों का उल्लेख इसलिए किया है। और इसलिए मैंने यह आंकड़े देना उचित समझा है क्योंकि इस वर्ष संसद के सामने फाइनेंस बिल को प्रस्तुत करते हुए हमारे फाइनेंस मिनिस्टर श्री प्रणब मुकर्जी की कठिनाइयों का सामना करना पड़ा। इतनी सारी कठिनाइयों का सामना करने के बावजूद भी वित्त मंत्री जी ने जिस तरीके से बजट पेश किया है और इन सारी विकट परिस्थितियों का सामना करने के बावजूद भी देश की आर्थिक स्थिति इतनी मजबूती से चल रही है कि प्राकृतिक संकटों का भी सफलतापूर्वक हम लोग मुकाबला कर रहे हैं। इसलिए हमारे वित्त मंत्री जी बधाई के पात्र हैं।

श्रीमन्, आम चर्चा होती है सदन में और सदन के बाहर कि महंगाई बढ़ती जा रही है, बढ़ रही है और उसको रोकना नहीं जा सकता। विरोधी दलों के नेताओं के अनुसार भी लगभग 65% जनता गरीबी की रेखा के नीचे है। यदि मैं उनके अनुमान को स्वीकार कर लूँ तो लगभग 35% ही लोग अच्छी हालत में हमें दिखाई देते हैं। इन 35 या 40% लोगों को कुछ मापदंड के अनुसार जीवन निर्वाह के साधन उपलब्ध हैं और श्रीमन्, महंगाई बढ़ती जा रही है। जब 70 और 80% लोगों को यह सुविधायें प्राप्त होंगी तो महंगाई कहां तक पहुँचेगी इसका अन्दाजा आप लगा सकते हैं। मैं कोई अर्थ-शास्त्र की विद्यार्थी नहीं हूँ। लेकिन अर्थ शास्त्र का एक नियम है कि विकास शील अर्थ व्यवस्था में महंगाई का बढ़ना स्वाभाविक है। यदि हम अपने देश

[कुमारी सरोज खापड़]

की चीजें या अपने देश की चीजों की दरों या कीमतों का मुकाबला पश्चिम के विकसित देशों के साथ करते हैं तो हमारी चीजों की दरें काफी उनके मुकाबले में कम हैं। देश ने 33 वर्षों में हर क्षेत्र में अद्भुत, काफी प्रगति की है। कृषि के उत्पादन में हम आत्म-निर्भर हुए हैं। हालांकि कुछ राजनीतिक कारणों से अभी-अभी आयात भी करना पड़ा लेकिन साथ ही साथ भारी उद्योगों का जाल भी हमारे देश में फैला हुआ है।

श्रीमन्, साइंस और टेक्नोलोजी के बारे में हमारे देश का तीसरा नम्बर आता हुआ हम को नजर आता है। दूसरे देशों में हमारे विशेषज्ञों की मांग बढ़ती जा रही है। देश उन्नति के रास्ते पर है। यदि सारे समाज, सारी जनता और राजनीतिक दलों ने सरकार को इसके विकास के कार्यक्रमों को खुले दिल से सहयोग दिया तो मेरा विश्वास है कि हमारा देश अधिक से अधिक प्रगति कर सकता है।

श्रीमन्, जहाँ इतनी उपलब्धियाँ हुई हैं वहाँ देश को बहुत से हिस्से अभी काफी पिछड़े हुए हैं। ये प्रदेश पहाड़ी, ट्राइबल, सूबाग्रस्त, रेगिस्तान, औद्योगिकीकरण में पिछड़े हुए हैं। मैं आपको केवल महाराष्ट्र का ही उदाहरण देना चाहती हूँ। महाराष्ट्र के 13 जिले ऐसे हैं जो औद्योगिक दृष्टि से पिछड़े हुए हैं परन्तु यह जिले 'नो इंडस्ट्री डिस्ट्रिक्ट' की परिभाषा में नहीं आते इसलिए वहाँ पर ऐसे डिस्ट्रिक्ट स्थापित नहीं किए जाते हैं। 28-4-1983 को मेरे इसी सदन में एक प्रश्न के उत्तर में हमारे मंत्री जी ने जवाब दिया था, उसमें कहा था, देश में आर्थिक दृष्टि से जो पिछड़े हुए जिले हैं उनकी एक सूची उन्होंने सभा-पटल पर रखी थी। मेरा मान-

नीय वित्त मंत्री जी से अनुरोध है कि उद्योगों के लिए एलोकेशन करते समय इन चीजों को प्राथमिकता दी जाय और उद्योग मंत्रालय को निर्देश दिया जाय कि जब कभी बड़े विजिनेस हाऊसेज को लाइसेंस दिया जाय तो उस समय यह शर्त हो कि इन इलाकों में उद्योग स्थापित करें। श्रीमन्, भविष्य में सरकार अपने बड़े-बड़े कारखानों और भारी उद्योग इन्हीं पिछड़े हुए इलाकों में स्थापित करे और यह कार्य वित्त मंत्रालय का ब्यूरो आफ पब्लिक इंटरप्राइजेज अपने अधीन ले सकता है।

प्रवासी भारतीय जो इस समय देश में पूँजी लगा रहे हैं उनको भी कहा जाय कि वे इन्हीं पिछड़े हुए इलाकों में उद्योग स्थापित करें और साथ ही उनको इन इलाकों की सूची भी दी जाय। यदि मेरे इन सुझावों का स्वीकार होता है या किया जाता है तो मुझे पूरी आशा है कि हमारे देश का सही मायने में आर्थिक विकास और औद्योगीकरण हो सकता है।

श्रीमन्, 29 अप्रैल को इसी सदन में गेहूँ की वसूली दर के बारे में काफी प्रश्नोत्तर हुए और हमारे कृषि मंत्री जी ने वसूली दर पर सदन को कन्विस किया 29 अप्रैल को मेरे एक सप्लीमेंटरी प्रश्न के उत्तर में कि एक क्विंटल गेहूँ की उपज पर किस प्रकार से लागत कैलकुलेट की जाती है उसका ब्यौरा उन्होंने दिया। कैलकुलेशन में मनुष्य का श्रम और बैल का श्रम, मशीन का श्रम आदि तत्वों को लिया है। परन्तु खेती की उपज में किसान को कितना रिस्क लेना पड़ता है उसका कोई जिक्र या ब्यौरा नहीं दिया है। प्रश्न के उत्तर में

[उपसभाध्यक्ष (डा०) (श्रीमती लाजमा हेपतुल्ला) पीठासीन हुईं]

पंजाब और उत्तर प्रदेश के आंकड़े दिये हैं। पंजाब में एक क्विंटल गेहूँ की उपज पर 125

रुपये 70 पैसे आते हैं और उत्तर प्रदेश में 121 रुपये 52 पैसे। परंतु पंजाब का किसान इस वसूली दर से कितना खुश और सम्पन्न है जबकि दोनों किसानों की उपज की लागत में केवल तीन रुपये 18 पैसे का अंतर है। ऐसा लगता है कि आंकड़े लेते हुए उत्तर प्रदेश के कुछ सम्पन्न किसानों का सर्वेक्षण किया गया है। देश के सभी किसानों को एक स्तर पर लाभ के लिए कृषि की उन्नति में बहुत पूंजी की आवश्यकता है। जो फाइनेंस मनिस्ट्रो को एलोकेट करनी होगी। किसानों का रिस्क कवर करने के लिए उनके पशुओं के बीमा की योजना सभी राज्यों में लागू करनी चाहिए, जो इस समय परीक्षण के आधार पर केवल आठ या नौ राज्यों में लागू है।

महोदया, केंद्रीय सरकार के अधीन 220 के लगभग पब्लिक सेक्टर अंडर-टेकिंग अलग-अलग मंत्रालयों के अधीन अनेक क्षेत्रों में काम कर रही है। इनमें 25 सौ करोड़ रुपयों की पूंजी लगी हुई है। कुछ पब्लिक सेक्टर अंडर-टेकिंग्स के परफार्मेंस के लिए ब्यूरो आफ पब्लिक इंटरप्राइजेज को इनके लिए मार्गदर्शन देना बहुत जरूरी है। एयर इंडिया जैसी कम्पनी जिसका सारा कारोबार विदेशों में है और विदेशी कम्पनियों का मुकाबला जिसको करना पड़ता है उस एयर इंडिया ने 1982-83 में 50 करोड़ का लक्ष्य रखा है। तो मेरी समझ में नहीं आता कि बाकी जो एयर इंडिया के बराबर की कम्पनियां हैं वे इतना लाभ क्यों नहीं दिखातीं। उनको इस तरह से लाभ उठाने में कौन सी आपत्ति आती है, वे क्यों नहीं उठाती हैं, यह मेरी समझ में नहीं आता है।

महोदया, मेरा सुझाव है कि पब्लिक सेक्टर अंडर-टेकिंग्स के हेड आफिसेस

नई दिल्ली में न होकर उन्हीं राज्यों में स्थापित करने चाहियें जहाँ पर इन अण्डरटेकिंग्स का अधिकांश कार्यभार है। ऐसी कम्पनियों के कार्यालयों को दिल्ली में रखने की क्या आवश्यकता है। वहाँ पर इसकी आवश्यकता अपने ढंग से मुझे लगती नहीं है।

महोदया, जब बजट तैयार किया जाता है तो हर मंत्रालय और विभाग की यह इंटेंशन होती है कि अधिक से अधिक फण्ड्स का एलोकेशन उन्हें मिले। परन्तु जब मंत्रालय सारे साल उस पैसे को खर्च करने में असमर्थ होते हैं तो फरवरी-मार्च में उस पैसे को अंधाधुंध खर्च करने के लिए सोचते हैं और खर्च भी करते हैं ताकि पसा लैप्स न हो। ऐसा करने पर रोक लगनी चाहिये और मंत्रालय जितना पसा जिस योजना पर खर्च कर सकें उतना ही पसा उन्हें देना भी चाहिये सरकारी खर्च को कम करना चाहिये। महोदया, मैं तो वित्त मंत्री जी से यह उम्मीद करती हूँ कि और मैंने सुना है कि उन्होंने निर्देश दिये हैं। लेकिन वह निर्देश दिये हैं कि नहीं इसकी मेरे पास डेफिनेट इन्फार्मेशन नहीं है, अगर दिये हैं तो बहुत अच्छा है, निर्देश न दिये हों तो देने चाहिये। हर मंत्रालय और विभाग में एक सेल स्थापित किया जाना चाहिये जिसका मुख्य कार्य मंत्रालय के खर्च को देखता हो और उसको एक रिपोर्ट वित्त मंत्रालय की आनी चाहिये या भेजनी चाहिये। पब्लिक सेक्टर अंडर-टेकिंग पर मुझे नहीं लगता है कि कहीं कुछ रोक हो। लेकिन उस पर भी रोक की अत्यन्त आवश्यकता है। पांच वर्षों तक इन खर्चों को कम किया जाए ताकि और देश में सभी साधनों को जुटाने

[कुमारी सरोज खापर्डे]

में लोगों को आसानी हो सके और अधिक साधनों को वे जुटा सकें।

एक आखिरी मुद्दा मैं आप से कहना चाहूंगी और वह यह है कि इस सदन में व्यापार मेला प्राधिकरण का जिक्र, जिसे हम ट्रेड फेयर अथॉरिटी कहते हैं, उसे लेकर कई आलोचनात्मक प्रश्न पूछे जाते हैं। आलोचना तो होनी चाहिये, परन्तु वह क्रियात्मक ही होनी चाहिये। जैसे कई बार यहां पर प्रश्न होते हैं, वह बड़े निराधार साबित होते हैं। परन्तु मैंने यह देखा है कि अधिकतर आलोचना प्राधिकरण के बारे में निराधार है। इस सम्बन्ध में कुछ तथ्य जो मेरे पास आए हुये हैं, वह मैं सदन में पेश करना चाहूंगी। इस संबंध में सुना जाता है कि प्राधिकरण के सात अधिकारी जो प्राधिकरण में काम करते थे, उनको कुछ अपराधों के कारण प्राधिकरण से ट्रेड फेयर अथॉरिटी ने निकाला हुआ है। उनके विरुद्ध अनुशासनहीनता, गुंडागर्दी, चोरी आदि के अपराध थे। वही कर्मचारी इतने बड़े संस्थान के विरुद्ध कोई न कोई षड़यन्त्र रचते रहते हैं।

व्यापार मेला प्राधिकरण प्रसिद्ध अन्तराष्ट्रीय व्यापार केन्द्र बन गया है। 1982-83 में प्रगति मैदान में प्रदर्शनियों के द्वारा तेरह सौ करोड़ रुपये का व्यापार किया गया है। विदेशों में प्रदर्शनियों द्वारा 96 करोड़ रुपये का लाभ अभी तक उठाया है। ये कोई कम उपलब्धियां ही हैं। ऐसे संस्थान को तो हमें सदन और सदन से बाहर प्रोत्साहन देना चाहिये और उसकी तारीफ करनी चाहिये।

अनुशासन बनाये रखने के लिये कर्मचारियों के विरुद्ध कुछ आवश्यक कार्यवाहियां भी करनी पड़ती हैं। इन कर्मचारियों की संख्या केवल सात है, जो कोई बड़ी संख्या नहीं गिनी जाती है, नहीं मानी जाती है।

मुझे आशा है कि हमारे माननीय सदस्य—इस वक्त यहां पर हैं नहीं वह हमारे बड़े अच्छे मित्र हैं, डा० भार्गव महावीर और धावेजी, जो हमेशा इस चीज को सदन में उठाया करते हैं और उठाते रहते हैं, पांच-सात कर्मचारियों के प्रभाव में आकर निराधार हम लोगों को सदन में प्रश्न नहीं पूछने चाहिए।

अन्त में मैं इतना ही कहना चाहूंगी कि जब विकसित देश भारत से मार्गदर्शन लेंगे, जैसा कि इस समय अन्तराष्ट्रीय क्षेत्र में हो रहा है, देश की अर्थ-व्यवस्था का भार, उत्तरदायित्व वित्त मंत्रालय पर होता है जोकि आजकल और इन दिनों में हमारे कुशल और काबिल, ऐसे फाइनेंस मिनिस्टर के नेतृत्व में हम लोग चला रहे हैं।

मैं इन शब्दों के साथ आज इस सदन में जो वित्त बिल—फाइनेंस बिल बिलिफेशन के लिये आया है, उस बिल का समर्थन करते हुये, मुझे जो मौका मिला, उसके लिये मैं आप को बहुत-बहुत धन्यवाद देती हूँ।

SHRI KALYAN ROY (West Bengal): Whatever might have been the faults, failures and lapses of the Janata Government like its lack of perspective, drift, so-called genuine non-alignments, foggy economic ideas which helped big business, one fact must be admitted that industrial peace which prevailed in the core sectors like steel, coal, banks, LIC, BHEL, and defence, from the beginning of 1979 to 1982—four years—was due to industry-wise agreement in all the industries in 1979.

After hesitation and opposition the Janata Government shelved the Bho-othalingam Committee report which advocated wage freeze and accepted the minimum demands of the workers and employees of aU these industries without using the Bureau of Public

Enterprises as a stick, which is being done to frustrate all collective bargaining. The total impact of various agreements in 1979 in steel, coal, banks and BHEL was more than Rs. 500 crores and if we take the other agreements covering the LIC, and Government employees, the total money involved in 1979 was more than Rs. 1,000 crores. But it gave near total peace to the present Government in all these core sector industries from 1980-83 and helped them to increase production and fulfil the targets. And it boasts of its record of industrial growth of 8.6 per cent in 1981-82. But now it has declined to less than 3 per cent. Industry-wise, the peaceful strike in the coal mines on the 8th November, 1982 and on the 17th and 18th January, 1983, was against the attempt of the present Government to pack the Wage Negotiating Committee with the INTUC people which was rejected by the miners and because of this the coal production which was 124 million tonnes against the target of 130 million tonnes in 1982-83. All the agreements have expired and new agreements are going to be signed. Unfortunately, Madam, we are back to 1979. Instead of understanding and sympathy, the present Government has created a deep suspicion in the minds of—the workers and the employees in the core sectors like steel, coal, banks, LIC, BHEL, Manganese Ore India Ltd., etc and without consulting the Centre of Indian Trade Unions the Finance Ministry and the Bureau of Public Enterprises have given foolish, impractical and unacceptable guidelines that there should not be any wage settlement with retrospective effect and wage increases must not exceed 10 per cent, which have been rejected by all the trade unions including the INTUC. A mini-agreement has been signed in steel and BHEL for four years up till 1986 which states that the minimum wage of a worker on September, 1982 at the All-India Consumer Price Index Number of 470, has been fixed at Rs. 781.90 per month and this will be paid with retrospective effect. But,

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Madam, what is the reaction of the Government? In this connection, I would like to quote from the "Economic Times" of the 8th May, 1983. It says:

"However, the Bureau of Public Enterprises and the Finance Ministry have found themselves in a quandary and the agreement is still awaiting the approval of the Finance Minister. It is realised that no one wants to take the responsibility to give the approval with retrospective effect. It is being forwarded to the Prime Minister for a final decision!"

Se, Madam, . . .

THE MINISTER OF FINANCE (SHRI PRANAB KUMAR MUKHERJEE) :  
Where are you quoting from?

SHRI KALYAN ROY: I am quoting from "The Economic Times", issue dated the 8th May, 1983.

SHRI PRANAB KUMAR MUKHERJEE:  
You are depending on capitalist papers)

SHRI KALYAN ROY: Industry-wise, according to the Finance Ministry not even the managements in the public sector have to be trusted. Even where the management and labour have come, under this Government, to an understanding and agreement, it is subjected to the veto by the Finance Minister. What is the meaning of collective bargaining? Madam, we in the public sector do not understand what is meant by collective bargaining. The wage negotiation in the coal industry has reached a deadlock. The LIC negotiating team met only once on the 19th April, 1983 which yielded nothing. The bank unions have submitted a charter of demands and the negotiations are yet to begin and the Government is deliberately delaying to have meaningful dialogue with the AIBEA which is the recognised union. Then, Madam, the Central Government employees have submitted their

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charter of demands and they are demanding an interim relief of Rs. 130 p.m. and only the other day there was a very big demonstration by the employees before the Prime Minister's House. So, Madam, once again we are facing a situation of confrontation on negotiations because of the perverse behaviour of the Bureau of Public Enterprises under the Finance Ministry and the anti-labour and anti-working-class attitude of the Finance Ministry.

Madam, you have seen the strike in the Indian Airlines and Air-India which is symptomatic of the widespread discontent among the employees. Remember, Mr. Finance Minister, the railway strike and its consequence. Madam, if he ignores it, it would be only fatal. What is the relationship of all these things with the Finance Bill which the Finance Minister has presented? I will come to that soon.

SHRI PRANAB KUMAR MUKHERJEE:

At least you have decided to come to that?

SHRI KALYAN ROY: This is part of it. I am saying all these things because the Bureau of Public Enterprises sits over 20 lakh workers and your Finance Bill is silent about the deficit which you are going to have which will be more by Rs. 1,553 crores. Anyway, Madam, whenever a demand is raised, say, for an ambulance in the coalmines or for adequate compensation for the workers killed in accidents in mines or in factories, or for quarters for the workers, the Bureau of Public Enterprises has given guidelines and has cautioned the management regarding the provision of quarters. The Finance Ministry talks of constraints of resources, lack of finance, etc., which are repeated by the various administrative Ministries. Not that the administrative Ministries are unempathetic and there is lack of understanding but they are terribly afraid of the direction of the Finance Ministry. The whole talk about

financial constraints is absolutely false, mischievous and misleading propaganda that the Government has no resources. The Public Accounts Committee had pointed out about the near collapse of CBTD and its failure to collect taxes—mounting arrears, exemptions, deliberate wrong calculations, write-offs. In one case the P.A.C. has pointed out that Rs. 1.40 crores was written off in relation to Raja of Ramgarh. These are not accidents but lack of political will to collect taxes from the rich large-scale sector and monopolists.

Madam, if you see the Corporation-tax, you will be surprised by the answer given by the Finance Ministry. Why is it that the actuals under Corporation-tax have fallen short of the budget estimates in each of the last five years? The extent of short-fall varies from 3.98 per cent to 13.20 per cent. In the total gross collections under Income-tax and Corporation-tax, the share of Corporation-tax has declined over the last four years from 55 per cent in 1977-78 to 51 per cent in 1978-79, 51 per cent in 1979-80 and 48 per cent in 1980-81. This I am quoting from a document submitted by the Ministry of Finance.

Madam, I will just point out one little factor—the Sales Tax. The Budget estimates in 1978-79 was Rs. 55 crores, collection Rs. 46.80 crores; in 1979-80 the budget estimates was Rs. 59.52, while the collection was Rs. 32 crores; in 1980-81 the budget estimates was Rs. 62 crores and collection Rs. 21.54 crores. If this is the efficiency of the CBDT, then liquidate the CBDT, which is the custodian of monopolists. Madam, they are talking about financial constraints but actually it is their refusal to see the reality and to collect money. Madam, I just point out one thing from a paper which is not for the working class but which is totally with the Government—the Statesman, dated 12th April, 1983—I quote:

“The reputation of tax administration has greatly suffered in re-

cent years because of a steep decline in both efficiency and integrity. Those who pay their taxes full or at least in substantial measure cannot but view with mounting dismay the privileged few who seem to be able to evade their obligations and accumulate large arrears while the Government continues to issue dire warnings merely for the record. Some of the disclosures in the latest report of the Comptroller and Auditor-General for 1981-82 are indeed shocking... The report points out that direct tax arrears had risen to Rs. 1,510 crores, of which Rs. 925 crores related to earlier years. Of this, 399 defaulters owing more than Rs. 25 lakhs each accounted for unpaid taxes of Rs. 357 crores. The report attributes these shortcomings to defective planning of work and maintenance of records and lack of coordination between assessing and recovery sections. The tax paying public is aware of all this, and of much more about increasing corruption and high-level patronage which encourages collusion in tax evasion."

I charge the Finance Ministry with helping the multi-millionnaires and big business monopolists to evade taxes and refusing to pay taxes.

But I must admit that in spite of all this, there are good beginnings made to impose taxation on certain private trusts and charitable trusts. There is a good beginning to mop up some taxes from those who have not been paying any tax—people like TELCO, taxmaco, etc. But, nevertheless, although a good beginning has been made at the time of the Budget, after presenting the Budget under the pressure mounted by the Chamber of Commerce, and Mr. Mukherjee, retreated. I do not understand that when he has imposed tax on the closely-held concerns, why the public limited companies have been exempted from wealth tax? Why the wealth tax is not imposed on the private sector companies particularly whose assets have grown

fantastically in the last five years? Why is it that while the charitable trusts have not been subjected to some tax discipline, these trusts—I think, the number is 552—which are notified and not notified should not be brought within the discipline of income-tax and particularly those trusts and those institutions which have been given exemptions from the levy of tax for an indefinite period?

Madam, in the Explanatory Memorandum to the Budget of the Central Government, I was shocked to read this para. I am quoting it:

"Under the Finance Act, 1969, the value of agricultural property held by individuals and Hindu Undivided Families was also brought within the purview of the Wealth Tax Act, subject to certain limits. However, with the amendment brought about by the Finance (No. 2) Act, 1980, no wealth tax is leviable on agricultural property with effect from the assessment year 1981-82, except on four specified plantations viz., tea, coffee, rubber and cardamom. The Wealth Tax on these four plantations has also been withdrawn under Finance Act, 1982. The Wealth Tax on agricultural land will thus stand discontinued with effect from the assessment year commencing on the 1st day of April, 1983."

In other words, you have already come to an agreement with the monopolies. Now, you have come to a full understanding with the kulaks. And let the hell V loose on those who have no house, no shelter at all, and you would compromise. You have compromised with the kulaks. And you have compromised with big mill-owners, and you are putting the entire tax burden on the Poor.

Madam, he was talking about financial constraints the other day. Madam, there is one company, the HINDALCO, which is also under no tax liability. There is an essential control order under which the various aluminium companies are entitled to a re-



[Shri Kalyan Roy.]

tion price for aluminium. And those whose prices are more than the retention price are to receive money from the Aluminium Regulation Board from those whose retention price is lower. In other words, Madam, the BALCO, which is a public sector unit and the MALCO are to receive money from the HINDALCO. And the amount of money accumulated today in the hands of the HINDALCO is Rs. 40 crores. Mrs. Ram Dulari Sinha and Mr. Salve had candidly frankly and openly admitted in the House that the Birlas are not paying Rs. 40 crores. Rs. 25 crores are under litigation and nearly Rs. 15 crores are under litigation. Why is the Government so helpless? The BPK issues the guideline that there should be no wage revision of more than 10 per cent. But here is one industry belonging to the topmost tycoon in the country in the country who has also not paid, illegally, according to your version, Rs. 40 crores. What action have you taken? Is there one step, one action under essential control order? Nothing has been done. As a result, Madam, the BALCO is on the verge of collapse, the MALCO is on the verge of collapse. They say that we need the support price, for equalisation of aluminium price. But the Birlas have shown their thumb to you. You dare not take any action against them. And when the Government employees want the minimum wages, when the minimum demand more compensation, when the bank employees want a pay revision, you say, no resources and there is a financial constraint. Which face is true? What side is true? What word is true? If you do not have the money, then get hold of the Birlas who have not paid Rs. 40 crores. Get those Rs. 1,000 crores of arrears of tax which have not been paid, according to the PAC, by the big business. The Government is impotent to face the tycoons. But you are very virile, you are very aggressive *vis-a-vis* the worker- and the peasantry

SHRI A. G. KULKARNI: Why are you laughing? It is instigating him.

SHRI KALYAN ROY: Madam, for non-payment of this money due to the Government under the Aluminium Regulation Order, what punishment have you given to Aditya Birla? Aditya Birla has been taken as a Member of the Board of Directors of the Reserve Bank of India. That is the punishment that you have given to him for cheating the people, for cheating the Government. You have elevated him to be one of the directors of the Reserve Bank of India because he has not paid Rs. 40 crores. The same thing applies to the Duncan Brothers. According to the Public Accounts Committee, according to your reply, they have not paid taxes, direct taxes, Gift tax, Wealth tax, Surtax, to the tune of Rs. 3 crores, and the result is promotion to the Reserve Bank of India. This is also what applies to the Goenkas, the Birlas, the Singhanias. Those who are experienced evaders, the Finance Ministry will defend all of them. But to miners whose wage depends on cutting more coal if he fulfils the norm, Madam, he is subjected to income-tax. There is no relief because out of 45 lakhs of income-tax assesses in the case of 35 lakhs taxes are deducted at source. You have to tackle only five or six lakh assesses and there are a few thousands who are not willing to pay taxes, and you are not able to tackle them because you are impotent, because you do not have the political will. Workers approach you, peasants approach you and you talk of financial constraint, and you say wages cannot be increased because of financial constraints. But, here, you are giving incentive after incentive, you are giving concession after concession, and allowance after allowance is given. (*Time Bell rings*). One last question, Madam.

Have you made any in-depth study of the incentives you are giving and the revenue you are collecting? No, no study has been made. Have you made any in-depth study of the effect of allowances that you give? No, no study. This is the mighty achievement of the Finance Ministry. But all the time, Madam, they

go and plead, we do not have the money. Have you made any in-depth study of how many charitable institutions are under MRTP? No, no study. What is the study that you have made? Only in the case of nine companies. How many charitable trusts they have made? Madam, you will be surprised to know, 1500 ...(*Time bellrings*). Madam one minute more.

THE VICE-CHAIRMAN [DR. SHRI-MATI NAJMA HEPTULLA]: I have the constraint of time.

SHRI KALYAN ROY: Madam, you know now that under the Taxation Laws (Amendment) of 1975, this particular provision with regard to investment of trust funds was to be done by 1st April, 1978. Then the Bill was extended again up to 1st April, 1981. Then again this period was extended up to 1982 or 1983. Now the Finance Minister has extended this period finally up to 30th November, 1983. We would like the Minister to give a categorical assurance to the House that this is not going to be further extended. But I am quite sure and I can say positively that the Minister is going to change this decision for the benefit of private trusts. He has already made up his mind. But he is afraid to face it. He has already started the process and we will be waiting in November whether this date will be again extended. If you take the wage agreements, the deficit will be twice the amount you have disclosed in the Budget. I am quite sure you are going to increase the steel price, you are going to increase the coal price and you are going to increase the price of BHEL commodities and this price increase will come, I can say with authority, in the month of June. Can you deny that? -Has he got the guts to deny that? He cannot deny it. (*Time bell rings*)

So, Madam, before I sit down, what is the effect of this Finance Bill? It means wage freeze for the workers. The ESMA is already in force. It means wage freeze for the poor, fifty per cent of our people who are already below the poverty line. Here is the only country among the developing countries in the world where one out of two are unemployed and what have you done? What have you done in

this century to give them unemployment allowance? Mr. Mukherjee says, he does not have the money. He can give them bullets to the iron-ore miners coal miners he can retrench them, he can shoot the textile workers, starve them to work, he has nothing to give them but only to the rich. Lastly, I would say, Madam, he has got whip for the workers and apple for the rich. That is the essence of this mighty Finance Bill which is now being discussed in the House. Thank you.

SHRI M. S. RAMACHANDRAN (Tamil Nadu): Madam, Vice-Chairman, I rise to support the Finance Bill which is now under discussion. At the outset, I would like to express my heartfelt thanks on behalf of the small-scale industrialists all over the country for the concessions granted by the hon. Prime Minister and the Finance Minister in giving adequate relief to them. One substantial relief given to them is by extending the concessional limit of excise duty from 15 lakhs to 25 lakhs of rupees. At the same time, one damage was proposed, that was to reduce the limit of excise duty from Rs. 7.5 lakhs to Rs. 5 lakhs. After hearing the representations made by the industry and also from the Members of Parliament, the Finance Minister was kind enough to reconsider the whole situation and he agreed to restore the old limit of Rs. 7.5 lakhs. This has given a good relief to the small-scale industrialists. At the same time, I would like to appeal to the Finance Minister to consider whether some more relief could be given to small-scale industrialists, at least to a section, which is agro-based, small-scale industrialist, at least on a selective basis, where the excise duty exemption limit could be increased from the present limit of Rs. 7.5 lakhs.

Madam, Vice-Chairman, my State of Tamil Nadu is now facing unprecedented drought. There is acute shortage of food; there is acute shortage of power; there is acute shortage of water. In my own city, we are getting drinking water supply from the Metro Corporation, once in 5 days. For the remaining days, we have to get supply from nowhere. This is the situation in most parts of the State. In these circumstances, the Prime Minister was kind enough to visit Tamil

[Shri M. S. Ramachandran] Nadu to make an on-the-spot study of the situation herself and then order some immediate relief measures. People of Tamil Nadu are really grateful to her for her visit and the interest she has taken, and also for the 'immediate relief she has sanctioned. But the relief so far given by the Central Government is not just adequate to meet the requirement. The shortage is very acute; requirement is very large and the relief is disproportionately small. I would urge upon the Central Government not only to increase the question of relief, but whatever relief they can be generous to grant to meet the requirement, should be given in an expeditious manner.

It is often said in different circles that there are stringent regulations, fiscal or otherwise, in respect of financial matters. But the fact remains, the loopholes are more than the regulations and the restrictions. Take, for instance, the case of Lohia Machines. This company who are yet to construct their plant, who are yet to manufacture even a single machinery, have already collected, by way of deposits, for the sale of scooters, from the consumers, from the general public, more than Rs. 110 crores. This is nothing but sheer exploitation of the consumers, taking advantage of the shortage of scooters in the country. Not only that. This is sheer exploitation of the loopholes in our fiscal system. If there had been stricter control on these companies, through the fiscal system, these things could have been avoided. I would appeal to the Finance Minister to see that all the money collected by this company or by any similar company, for that matter, is properly invested and the interests of the public who have deposited their money with these companies are fully safeguarded.

Madam, Vice-Chairman, how far our Plan targets are being implemented effectively is proved by one instance. The Public Accounts Committee recently revealed the deplorable state of implementation of our already sanctioned irrigation projects. Today, we are short of food. Our irrigation facilities are not enough. We are now in the stage of importing foodgrains. But at the same time, most

of the irrigation projects sanctioned during the last fifteen years and over fifteen years have not been implemented. This has been pointed out by the PAC recently. This is not the case with the Plan targets only. This is also the situation in regard to schemes like NREP, IRDP etc. The main reason is, in the implementation of these schemes, social organisations, voluntary organisations, are not given any role and this is mostly done by the bureaucrats. I would, therefore, urge upon the Government to involve more and more the social and voluntary organisations in the implementation of these schemes. (*Time bell rings.*)

Madam, Vice-Chairman, the Finance Minister while making his Budget speech, announced his intention to set up a Pay Commission. Two months have already gone.

SHRI KALYAN ROY: It is not acceptable.

SHRI M. S. RAMACHANDRAN: It is not acceptable to you.

SHRI KALYAN ROY: Neither it is acceptable to the INTUC.

SHRI M. S. RAMACHANDRAN: Two months have already gone and no follow-up action has been taken. This delay has resulted in the frustration among the Central Government employees. They doubt that Government may just stop with the announcement of the setting up of this Commission, but they may not follow it up and like all other commissions and committees, this will also be a time-consuming process. Therefore, a lot of resentment has been expressed by the Central Government employees. I would, therefore, appeal to the Finance Minister not only to expedite the follow-up action for setting up this Pay Commission, not only expedite their recommendations, but, in the meanwhile, I would suggest that it will also be worthwhile to start a dialogue with the Central Government employees to explore the possibilities of having a negotiated settlement on the question of their emoluments. One disappointment in this budget was that the lower income group of the salaried employees was expecting that the tax exemption limit will be raised and they will get some concession. In the present rate of inflation, they were justified in expecting that Rs. 15,000

limit would be enhanced. But that was not done. I hope the *Pin incl* Minister will take notice of the resentment prevailing among the lower income groups and try to set right the thing at least during the next budget.

Another thing which I would like to bring to the notice of the hon. Finance Minister is, along with the income tax, we are also having a system of compulsory deposit. If it is a question of voluntary deposit, of leaving it to the assesses, then it can be left to their discretion when to do it, where to do it or how to do it. But when you make it compulsory, I suggest it will be better if the compulsory deposit is also deducted from their wages along with the income tax because it will reduce the clerical work and other difficulties for the lower income groups, because the moment they get the money in their hands, it disappears the next moment and they have no money to deposit under the Compulsory Deposit Scheme. Therefore, I suggest that so long as it is a compulsory deposit, it can also be deducted from their salaries.

Before I conclude, I would like to voice the sense of dissatisfaction among the customers at the working of the banking industry. As one of the bank customers, I can say that the service the people are getting from the banking industry is far from satisfactory. Every day it is going from bad to worse. Each bank is becoming almost like our earlier Sultanates. They do not appear to be under the discipline of anybody. In the olden days, people were afraid of going to the treasury and they would prefer to go to a bank. But now there is no difference between a treasury and a bank. Wherever you go, unless you are prepared to spend at least half an hour, you cannot encash a cheque or deposit some ten rupees. This has been the deplorable state of service which the people are getting from the bank industry. It is high time our Finance Minister has a look at this state of affairs and see that the whole banking system is streamlined and people get some good service from it.

One more point I would like to submit is, we are having the budget in February and we pass it by May. It is time to think

whether in the conditions of our country, this timing is suitable for us to pass the budget. Because when you are passing the budget, when you are making the budget estimates and economic surveys, you are doing just before the monsoon sets in. We are only making estimates and preparing our estimates. If there is any change in the monsoon and other climatic conditions, all our estimates are changed and then we suffer some deficit. I would therefore suggest to the hon. Finance Minister to think, whether depending upon our agricultural production, depending upon our monsoon, we should not change the budget timings. Madam, there is one more thing which I would like to say and then I will conclude.

SHRI KALYAN ROY: You can change the monsoon but not the budget.

SHRI M. S. RAMACHANDRAN: Mr. Kalyan Roy can change anything including the monsoon.

SHRI SADASHIV BAGAIKAR: He wants change of time.

SHRI M. S. RAMACHANDRAN: Madam Vice-Chairman, under the Payment of Gratuity Act, as a result of a decision of the Supreme Court, 240 days' attendance is stipulated for eligibility to gratuity. Then, when the matter was represented in the Labour Consultative Committee and other committees, the Government promised that they will have a look into the matter and that the Gratuity Act will be amended for giving some relief to the workers. That promise still remains a promise, even after a long time. So, I would urge upon the Government to expedite the amendment of the Gratuity Act to remove this anomaly created by the decision of the Supreme Court.

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

THE VICE-CHAIRMAN [DR. (SHRI-MATI) NAJMA HEPTULLA]: Shri A. G. Kulkarni.

SHRI A. G. KULKARNI: Thank you, Madam.

THE VICE-CHAIRMAN [DR. (SHRI-MATI) NAJMA HEPTULLA]: I will thank you when you conclude. Give me that opportunity.

SHRI A. G. KULKARNI: I thank you in advance—and I am taking very little time on the points that I am going to mention now except some political observations which will take more time. Anyway, Madam Vice-Chairman...

THE VICE-CHAIRMAN [DR. (SHRI-MATI NAJMA HEPTULLA): Together, how much time would you take?

SHRI AG. KULKARNI: Madam, don't worry.

THE VICE-CHAIRMAN [DR. (SHRI-MATI) NAJMA HEPTULLA]: But Mr. Ghulam Rasool Matto also is there.

SHRI A. G. KULKARNI: I have got a watch; I will manage.

In the morning I made a reference to the IMF or the World Bank poking their nose into the economic affairs of this country. I know the Finance Minister will take proper care, but because ultimately we are mortals in this country, we feel that perhaps the big cartels of financiers will do some damage to the country.

Madam, now I want to proceed point by point. About section 35C of the Income-tax Act on rural investment, etc., I want to draw the attention of the Finance Minister to two directions of mine. I am supporting him. When he introduced this measure whereby this investment in rural development, etc., has to be made through a centralised investing agency, the name was different. Now the Finance Minister was pleased to change the name leaving "Prime Minister". Because it might have a clout or because there may be political aspersions, he changed it into "National Rural Development Fund." But I desire that the Finance Minister will give a firm guideline. Whenever I spoke to many of the industrialists or those who donate the money, I found that they were afraid that perhaps it would be politically misused. So, I would request you that a firm guideline should be issued. There, you have indirectly mentioned somewhere that the donor's wish will also be a criterion. I desire, Mr. Finance Minister, that since the scheme is to be vetted and screened by your Income Tax Commissioner, the donor's wish also should, as far as possible, find a way.

Then, Mr. Finance Minister, I have come with a genuine case of difficulty about which I saw you also. In the morning also I think many of the Congress Members mentioned it. Perhaps, Dr. Zakaria also mentioned it. In Maharashtra there is a tradition that educationists—very knowledgeable persons, intellectuals—have started some educational institutions. There is one educational institution in which, in the tradition of Mahatma Gandhi and the age-old Vedas, the intellectuals take very little or meagre pay and the students learn while they earn, and they do not accept a single farthing either from the State Government as educational grant which is usually given, or from the UGC. That organization has been exempted under section 10(23) (c) (iv). Now, such organizations are mortally afraid whether they will be taxed because they are running some lathe and doing some work which is being supplied as ancillary products to a factory. I would request you, Mr. Minister, that such cases should be taken care of.

Then, Mr. Minister, you had done much for the small-scale sector in the Budget on double Excise taxation. In one case, Mr. Minister, it has not attracted your attention. It is stated that double Excise will not get attracted for any product. And for that purpose, whatever products are used in air-conditioning like motor, rotor, refrigeration, compressor, air-conditioning, electrical fan, electrical appliances, etc. you have exempted since they are taxed at the source. But in the case of electrical tools they have not been exempted. At your instance I talked with the Chairman because this is a general case of small-scale industrialists. He said that there is a limit of Rs. 5 lakhs or Rs. 10 lakhs for clearance, but there are medium scale industries. The fear was that perhaps the benefit may go to Rallis Brothers. That is why they are afraid. Whether the benefit goes or not, Mr. Finance Minister, I enjoin upon you one thing. You can stop the benefit going to a large sector. But to the medium scale industries, if you stop, it will be injurious to the growth of the small-scale sector. That is what I wanted to say.

Now, I am coming again to the case of crimpers for your sympathetic consi-

derations. The duty was enhanced. Myself and my friend late Piloo Mody made great efforts to stop duty on POY yarn imported. But it was a revenue measure. I said, "Nothing. Let it go ahead." But those 10 very selected spinners bade increased their prices by further Rs. 25. So ultimately the sufferers are these crimpers who have deployed roughly Rs. 500 or Rs. 600 crores in the industry, given employment to lakhs of workers; but now they are at the suffering end.

Now, Madam, there are two points more about the industrial licences and reservations which I wanted to go into, but I do not want to go into these because I have to spare time. Now I come to the last point which is really political and it is for you, Mr. Finance Minister. Very recently, I had the occasion—and perhaps you also must have had the occasion—to go through an article by Sham Lal in the Times of India, *National Scene*. Usually he writes very intelligently. He has brought in the entire economic perspective of this country and the effects of the perspective on the new type of hybrid society we have developed. And he has criticized the politicians, and rightly so. I am also one of them, those being criticized. I know my defects. But the system is such wherein vested interests of politicians is forbidding them to do national service and rise to the occasion. It is not that corruption has come within only two years of Indira Gandhi's rule, or 10 years of rule; it was there right from Pandit Nehru's rule in this country; but there were certain limits.

Now, Mr. Finance Minister, you also in your own way try to convince us—and at least I tried to get myself convinced—as to what really the objective analysis is. *(Interruptions)*

THE VICE-CHAIRMAN [DR. (SHRIMATI) NAJMA HEPTULLA]: You can talk through me.

SHRI A. G. KULKARNI: I can talk through you, Madam, but ultimately the dramatic effect is in looking at the Finance Minister and seeing how he reacts—you have got a sweet face; I can be very happy on that. What I <sup>4</sup> <sup>pr</sup> <sup>re</sup> wanted to say, I forget, where I came actually, which word I was

using. Yes, corruption. Sorry. Madam Vice-Chairman, when you go outside, you have got a captive audience. Many are sycophants. There are many who want their work to be done through you. So are they mostly. Sometimes you call us for dinner. There we have got the Opposition leaders also who can give you guidance, but that is not the time for discussion. But the point is, whenever people talk, it is really obnoxious to listen to them. They say this and that and that. Very recently we discussed the case of Golden Tobacco. Now about the diamond export and the people arrested. Rs. 700 crores worth of diamond export is made by this country. The big people in the Indian industrial hierarchy are connected. They have been raided by your Department, and now an effort is being made, and if I change—I do not want to charge—but if I have to change, it is the people round about the Prime Minister, who are suppressing the investigation in Bombay. And we have got our own assessment. We have access to the Bombay offices. We go, we get information from many sources. And now these are big industrialists. I do not want to name them whom I would have named. I am not very much afraid of anybody.

SHRI VISHVAJIT PRITHVIJIT SINGH (Maharashtra): Please name them. You have talked of the Prime Minister.

SHRI A. G. KULKARNI: Near about Prime Minister, my friend, Mr. Vishvajit

SHRIMATI MARGARET ALVA (Karnataka): He is talking about industrialists, not the Ministers.

SHRI A. G. KULKARNI: Others, Dhawan, Fotedar are there always.

SHRI VISHVAJIT PRITHVIJIT SINGH: They are not industrialists.

SHRI A. G. KULKARNI: They are not industrialists. The Finance Minister knows. The point is important. One of these industrialists is a Tata person. Leave aside, Mr. Pranab Mukherjee and the Department of Economics. What to say about Tata? When Mr. Kerkar, the Managing Director of Taj Mahal pays Rs. 25 lakhs to Mr. Antuley's trust and gets permission for building a hotel, what type of national character can the politician

[Shri A. G. Kulkarni] cians have? Mr. Finance Minister, I say again that one gentleman who was a poor fellow, got such a fright of his life that he jumped from the fifth floor of his office and expired on the spot. That is the name, Mr. Vishvajit Singh. Then there are others, Bhagwati, Khatao, famous names in Indian industry, connected with the diamond smuggling and ultimately being raided by the Finance Minister's Department. But now efforts are being made how to compromise the whole thing. SHRI VISHVAJIT PTHVETIT SINGH: Thank you, Mr. Kulkarni. At last you have said it. You say that they are connected, and then you say they were raided by the Finance Minister. Thank you very much.

SHRI A. G. KULKARNI: I never said 'connected'. Perhaps, Madam Margaret followed me correctly. I never said that. So, you know, Mr. Finance Minister, such is the position of the economy, and whereby we all get scare. There is another tycoon, Mr. Jhunjhunwala. He came from Singapore. He owns a hotel there. He came to Calcutta, paid Rs. 50 lakhs to a person that I am not going to name and went away. For what? For spares of military equipment. This is the information. This is not a figment of imagination, Mr. Mukherjee. Let me be clear with you. Whenever I say, I have the information passed on to me. But you are not responsible. When I have brought this before you, you have to tighten your De-parentnt. It is only possible for you and particularly the Prime Minister to come very heavily on such transactions and show to the people in this country and abroad that the Government means what it thinks. Only criticising Mr Arun Shou-rie here and there for bringing out some murders in Nellie etc. is not going to bring any laurels to your Government. That is a weakness. The Government could have ignored Arun Shourie's article. Why was the Home Minister so much concerned with what Arun Shourie writes or with those telex messages which we read here and which were published? Let them be published. If you are really sincere about your steps in Assam, you should have been firm. Similarly about corruption I want to say the same thing.

Madam Vice-Chairman, I am coming to the end of my speech. I promised to finish in 10 minutes and it is 15 minutes now. About the Finance Bill, Madam, I am aU out to support the Finance Bill. Let me be very fair with you. At the beginning also I said it. I could not speak on the Budget. Otherwise I would have supported it at that very time. In the Budget and the Finance Bill, the Finance Minister had done the maximum to encourage industry, to encourage investment, to get more benefits to the agriculturists and the small scale sector. I am for the Bill. There is no difficulty about it. But what I am not for, I have categorically stated. And I would request you particularly about this Swaraj Paul myth or whatever it is. He is awarded Padma Bhushan. Why not Bharat Ratna? I do not understand. Mr. Finance Minister, what is special with Swaraj Paul? Please tell me. A non-resident Indian—non-resident, non-Indian—is being given Padma Bhushan. What is so special about him? I can understand, Mr. Finance Minister—I am also a human being—that during the bad period of Mrs. Gandhi Swaraj Paul helped Mrs. Indira Gandhi and she should always be very careful about her relations with Swaraj Paul. (*Interruptions*) But that is a personal matter between Mrs. Indira Gandhi and Swaraj Paul. The Bharat Ratna Award or the Padftm Bhushan Award is a national award. And you know, he has given the fright of their lives to the Indian industrialists. I welcome your suggestion that this is to be limited to five per cent. But I will tell you, Mr. Finance Minister, the Caparo company which invested Rs. 40 crores in purchasing some London-based companies, has got only 2,000 sq. feet of office and not more than 35 per cent in the com pany. Is that company capable of running the Mody's or Escorts or Bharat Ram's empire? I think Mr. Swaraj Paul is very liberal with somebody else's money, and that money belongs to the politicians of this country. I think your hands should *be* very hard while dealing with Swaraj Paul, but here again politics will play a part. The final

balance rests with the financing institutions. To influence the financing institutions either to help or not to help is the choice of the Finance Minister. Thank you.

SHRI SANTOSH KUMAR SAHU (Orissa): Madam Vice-Chairman, I stand to support the Finance Bill. The budget was presented in the Lok Sabha on February 28. Now when we discuss the Finance Bill, already more than two months have passed. Every year the budget is criticised on the ground that the prices go up. But this year it is unusual that, the prices of almost all the articles have not increased, except in the case of foodgrains, because of the severe drought conditions and there, too, the Government is trying to supply foodgrains through the public distribution system. So this budget is generally welcomed and aU praises are due to the Finance Minister for bringing such a good budget.

Now, Madam, certain amendments have been brought by the Finance Minister himself. There are two questions which have been highlighted through the newspapers. One question which is most important is the de-stabilisation of well-managed Indian industries. Now in the context of our country when the resources are limited and our need is very great, it is a welcome feature that a new innovation has been made by which there will be a regulated flow of investment by non-resident Indians in our companies. As we know, today the big houses, through the newspapers, through the media, have created a scare about it. But the tip of the iceberg is now coming before the public. If you analyse the Indian industry, as Mr. Kulkarni has said, the financial institutions of India contributed more than 40 per cent of the equity share. Even in the papers it has come out, in some industries the equity share contribution by the public financial institutions is more than 50 per cent. We have another question here. We wel-

come the measures taken by the Finance Minister for regulated flow, that there cannot be more than 5 per cent of equity shares, purchased by the non-Indians and he has instructed public financial institutions who contribute much more share of these companies that they must take care that the big companies where the public financial institutions contribute more than 40 per cent, are not destabilised in their industrial management. Now the big question for the country is, a few persons continue to perpetuate the parsons continue to perpetuate the dynastic rule in the Indian Industry, industry? That question also requires some insight into the matter. The social objectives should be fulfilled and they must show greater production and greater objectivity to serve the people as they thrive on by institution finance to a great extent. There is another important question which we have discussed in this House. Many of these big houses which started many of the industries, after 30 years, are reporting sick. Many jute mills are sick, some of the cloth mills are sick. The Government of India invested Rs. 2400 crores in the sick mills because there is pressure as there will be unemployment. Some of these monopoly houses, big industrialists, have also a responsibility to the nation, because they are taking money from the public financial institutions. The question is why they are not having pursue continuous research and development and replace the old machinery. Their mills have become sick. We know much investment has been done in the NTC. We know how difficult it has been aU this time. The country is suffering for want of Fair Price common cloth. The second question is about the jute mills in Bengal. We have seen how the Government has to take over and run them and keep the employment intact. Now it is a welcome measure that there must be regulated flow of foreign exchange. They cannot destabilise the management. Industrial management has also a responsibility towards the economy of the country.



[Shri Santosh Kumar Sahu.] The other most important point for consideration is this year which is great factor for destabilising economic conditions in the country. The Government report is that 22 crore people are suffering due to severe drought in different parts and different States of the country. And the Central Government has given a matching expenditure sanction of Rs. 436.26 crores for the States. I think we have the experience in this country, the whole people know what is the suffering in the drought-affected areas, how people in those areas have to suffer. This is one of the great destabilising factors in the backward areas of the country. It is not a question of only one part or one State. In almost fifteen States in India today there is severe drought, there are the worst cyclone-hit areas, there are the worst-flood-hit areas. Therefore, the question of greatest and most urgent importance is of economic rejuvenation of these areas. Now the problem is whether the system of Central giving or assistance is very correct or how it should be done. If you go through the history we see that during 1884-85 famine relief and insurance fund was created by Lord Lytton. It had three purposes. One purpose was to give relief to the persons who have suffered; the second was protective measures against natural calamities; and the third was to create insurance. Now, shall we not do the same thing after so many years of independence? These backward people who have suffered natural calamities, who have suffered severe drought conditions, severe famine, must have insurance cover. The Centre must assist liberally; otherwise, I don't think the people who are below the poverty line, whose marrow is getting dried up, whose backbone is being destroyed, can any longer develop in this country. Unless that is done, eighty per cent of our people who live on agriculture in villages cannot improve their standard of living and their economy cannot change. It is, therefore, very much necessary that we must

bring forward some comprehensive social security scheme for their benefit. In other words, the scheme of crop insurance must co-ordinate in a big way. And the Central Government must assist the States in all such schemes, so that the economic conditions of the poor people can be improved to a certain extent. Under the present debt-relief scheme recommended by the Finance Commission the interest payment consumes a significant portion of the tax revenue in States like Orissa, Himachal Pradesh and Assam. Because of continuing drought or other natural calamities in these areas in every alternate year the backbone of the people there has been broken and destroyed. The Prime Minister has already stated and this has been the opinion of all the economists that until and unless all the regions of the country develop equally, the situation will not improve. If there are undeveloped areas in certain regions then these areas will eat away whatever surplus is generated in the economy. Therefore, it is my humble plea that the Finance Minister must take a bold step to see that a national fund is created by which we can at least ensure some minimum relief to the poor and weaker sections among our agriculturists who are suffering time and again due to natural calamities. As has already been pointed out by some others, irrigation must get the top priority in this scheme. Irrigation projects which have been lying incomplete for over 15 years must be completed soon and the Centre must monitor progress of these works so that when complete these projects can bring direct benefit to these people. And the national scheme to "join the Ganges, Mahanadi, Godavari and the Cauvery must be implemented to save the farmers from vagaries of nature. A study conducted by the Indian Management Institute at Ahmedabad has revealed that to a large extent all the schemes in the rural development programme have failed to benefit the poorest sections of the people. They have failed to benefit these people because-

cause of challenges posed by poverty and unemployment. It is very important to see that there is no damage caused to the schemes. The schemes should be formulated in such a way that they, when executed, should benefit the people for whom they are intended.

Another important thing which upsets our economy is the huge amount of money we spend on administration and non-plan expenditure. If we analyse the budget, it will be seen that out of Rs. 34,336 crores, non-plan expenditure consumes about Rs-22,1984 crores, and it is rising every year. Of course, there are certain welfare schemes also included in this. But we have to see that the social benefit of these schemes goes to the people living in villages, at grass root. Otherwise, the condition of the masses will not be improved. We have to see that some dynamic action is taken to improve the condition of the poor people.

The other important question is unemployment. In reply to a question in this House the other day the hon. Minister has stated that about two crore of people have registered their names with the employment exchanges. Besides, the names of thousands of rural youth are not included in these registers. For that, it is necessary that we should have some perspective planning and proper job evaluation.

As I said, due to natural calamities like drought my State is also suffering. Apart from that there is another artificial famine being created. For instance, in various States in the Badli and Gurumasihi sectors, where Adivasis are living, the crop has been totally destroyed. They are toiling hard to raise ores in the iron ore mines in order to survive. Now what has happened is that they have been served with notices by the mine-owners that they are going to close down the mines because the MMTC is not purchasing their ore. Some 20,000 people will be affected by this decision. So, where is the monitoring?

This comes under the Labour Minister who must look into this problem and see that the MMTC purchases the iron ore. Otherwise, Madam, these poor people who have already suffered a lot will have to suffer more. A lot of people will be affected. So, this should be solved immediately. Otherwise, these poor people would be rendered homeless, these poor people will be rendered jobless and they will have nothing at all. So, Madam, my submission is that the Planning Commission should not only plan from here, but it should also monitor the programmes, taking into account the special problems which are there in the different parts of the country so that real benefits can accrue to the people through these special programmes.

Madam, Mahatma Gandhi said that India lives in the villages. We have the rural development programmes and the Prime Minister has given a lot of importance to the twenty point economic programmes. But in the implementation of these programmes there is delay and there is a lot of gap between the declarations and the actual implementation of these projects. Unless these programmes are properly and effectively implemented, and unless there is proper supervision, there is proper valuation of the projects and unless there is proper monitoring of these projects and programmes, I do not think we can have better results and the benefits of these programmes will not reach the people and the result will be as it has been all these thirty years. It is important that a progressive Budget should not only spell out programmes, as has been demanded by Members of Parliament, but it must have also a proper evaluation of the results which have actually gone to the poor people. This should also come along with the Budget: How much has gone to the poor people, how much of the money spent has gone to the weaker sections and what the difficulties are.

[Shri Santosh Kumar Sahu.]

With these words, Madam, I support the Finance Bill. Thank you.

THE VICE-CHAIRMAN [DR. (SHRIMATI) NAJMA HEPTUALLA]: Now, Mr. Biswa Goswami. There are two speakers from your party, yourself and Mr. Shahabuddin, and both of you have got a total of 20 minutes. The Finance Minister's reply is at 5-30 P.M.

SHRI BISWA GOSWAMI (Assam): Madam Vice-Chairman, the Union Budget no longer presents a clear picture of the exchequer these days. There is obviously no point in discussing the Budget as such. The pre-Budget hikes in taxes, freight rates and the administered prices have to be taken into consideration for a proper evaluation of the budgetary policies. Madam, the tendency of the Government has been to raise substantial additional resources through non-tax measures. There was a time when the resources mobilisation was done through the Budget. But, since 1980, the Government has chosen the path of mobilising the resources through non-tax measures.

Madam, the Government has raised several times the administered prices of items like steel, petroleum products, fertilizers, cement, etc., and the railway and postal tariffs have also been enhanced. The Government no longer waits for the Budget Session or till the Budget is placed to enhance these prices although the Budget is only a few weeks ahead. This tendency of the Government erodes the discipline that the Budget imposes on the Government's discipline and control which it imposes on the Government. Moreover, these non-tax measures, these hikes, are analogous to indirect taxes and, therefore, the States are deprived of their due share of the resources that accrue to the Central Government through these price hikes because they are not shareable as they are not the result of tax measures. Now, Madam, this year's taxes have been levied, according to them,

to the tune of Rs. 760 crores and this gives the impression that the Government is apparently lenient and it is considerate in imposing burdens on common people. But the reality is that during 1982-83, the pre-Budget imposts amounted to Rs. 2,600 crores. And the post-Budget imposts were Rs. 2,500 crores. This year, before the Budget, the Government raised Rs. 2,100 crores through imposts. Secondly, Madam, Budget estimates are revised and re-revised, and actuals are not available at the moment, and the frequency and dimensions of Supplementary Budgets have increased. Thousands of crores of rupees are accounted for through the Supplementary Demands. This *ad hocism* in the Budget estimates has reduced the Parliamentary scrutiny meaninglessly.

Madam, the hon. Finance Minister has said in his speech:

"The budget, is more than an exercise in raising revenue or financial outlays. In a planned economy, it represents a potent instrument for achieving national objectives and sustaining the pace of development through appropriate financial and fiscal policies."

The National Objectives are reduction in the inequality in income and expenditure. If we take up the MRTP companies, we find that the big industrial houses have raised their total assets from Rs. 12,426 crores to Rs. 19,443 crores in 1981 alone. The total profit of these companies before tax has risen from Rs. 975 to Rs. 1,384 crores.

Again although the real income of the country has not fallen, the purchasing power of the common people or the real income of the low income group people has considerably fallen and the financial policies pursued by the present Government have led to concentration of wealth in the hands of very few people and side by side increasing poverty and unemployment. About 50 per cent of

the total population of the country is below the poverty line. So this is the state of affairs as a result of the policies, economic policies, pursued by the Government. Madam, the Government has not been able to arrest the growth of unemployment problem. Rather it is growing fast. In this country, if unemployment has to be solved, we have got no other alternative but to take recourse to the development of small-scale industries. But the Government is not prepared to develop small-scale industries. They are giving preference, as a result of their policy, to big monopolists. We are following a mixed economy. We have seen the result of the mixed economy. This mixed economy has totally failed to improve the lot of the common people. But monopolists are getting all the benefits. Moreover—I have no time now to go into these things—even these big companies are not paying taxes. About a hundred companies do not pay tax at all. This is the state of affairs in our country today. Madam, it is high time that the Government realises whether the capitalist path of development can deliver the goods. They should think over the matter, whether the capitalist method can any more solve the economic problems and deliver the goods to the people of this country. I feel, Madam, that the time has come that there should be a radical transformation of the socio-economic pattern of our society. And only a socialistic economy can deliver the goods. So, if we do not take urgent steps, the time will run out and the country will plunge into more poverty and greater distress in course of time.

Madam, regarding the economic development there has been an uneven economic development in the country. As you know, Madam, the North-Eastern region is the most backward region economically. We were told that a Cabinet Sub-Committee was formed to look into the matter. I do not know what the Cabinet Sub-Committee has done. But I feel that nothing has been done to develop economically the North-

Eastern region, and particularly Assam. Madam, Assam produces oil; Gujarat also produces oil. Assam and Gujarat get only Rs. 61 per tonne as royalty, and it was fixed on the basis of 20 per cent of the then prevailing price of crude oil. But the crude oil price has gone up to Rs. 1,182 per tonne but the royalty given to Assam and Gujarat has not been revised (*.Interruptions*). On the one hand, the Central Government is trying to rob the States of their resources by pursuing a policy of raising the Central resources through non-taxation measures but on the other the States are suffering and their resources are dwindling. So, it is in the fitness of the things that the royalty on crude oil should be increased.

Madam, in Assam, some demands were raised. There was a promise also that the broad-gauge railway line would be extended up to Dibrugarh. But, till now, the broad-gauge line from New Bongaigaon to Gauhati has not been completed. I do not know when it will be completed. So, they treat it casually as regards the problems of the North-East are concerned. Then, there was a demand for the construction of a rail-cum-road bridge at Jogighopa over the Brahmaputra. But nothing has been done. There is also a demand for the construction of a bridge over Brahmaputra at Dibrugarh. Then, the Ashok Paper Mill is going to be closed down. The Government should come forward and rescue it from closure.

As regards the holocaust, Madam, immense money is to be spent for the relief and rehabilitation of the affected people in Assam who are in lakhs in number. Moreover, large contingent of the police force are inducted into Assam, and the Assam Government has to bear the expenses as the law and order is a State subject. I submit that the Central Government should come forward to bear the expenses so far as the maintenance of the large police force in Assam is concerned.

[Shri Biswa Goswami.]

Lastly, I would like to say that if peace is to be restored in Assam, if economic activities are to be started in Assam, the Government should dismiss immediately the Ministry which is going on there. It should be dismissed, the Assembly should be dissolved, and fresh negotiations should be started for an amicable settlement of the foreign nationals issue. And a high-level judicial enquiry presided over by a Supreme Court Judge should be appointed to go into the causes of the holocaust and also about the police atrocities and find out the persons responsible for these things.

With these words, Madam, I conclude.

THE VICE-CHAIRMAN [DR. (SHRIMATI) NAJMA HEPTULLA]: Yes, Naidusahib. Mr. Naidu, as we are short of time, please try to be brief. I do not want to disturb you by ringing the bell. So, kindly restrain yourself.

SHRI N. P. CHENGALRAYA NAIDU (Andhra Pradesh): You have already taken two minutes.

THE VICE-CHAIRMAN [DR. (SHRIMATI) NAJMA HEPTULLA]: You need not take this time into account. I will make a note of your time from the moment you start speaking.

SHRI N. P. CHENGALRAYA NAIDU: Madam Vice-Chairman, I support the Finance Bill and I bring the following loopholes to the notice of the hon. Finance Minister for his kind consideration.

Firstly, Madam, with regard to the fixation of agricultural prices, there are a lot of complaints. Several times every year it has been brought to the notice of the Finance Minister and to the Government that while in the case of industries the Government announces in the Budget the concessions as customs, import duties and such other types of duties on many commodities, but in the case of agri-

cultural produce prices are not fixed in advance. In the case of agricultural products only when the produce comes into the market and when it is passed on to the middleman, then the prices are fixed. The Agricultural Prices Commission has only one representative of the agriculturists and the rest of them are all officials. That is the reason why we have not been able to get proper price fixation for agricultural products. Actually, we have represented to the Government that prices should be fixed in advance so that the agriculturists can choose as to the sowing of which seeds will be beneficial to them. The peasants can have the choice of growing wheat, paddy or groundnut. They must have the opportunity to select the produce the growing of which will be more advantageous to them. At present the Agricultural Prices Commission is fixing prices only after the produce has gone to the middleman and thereby the middleman is making the profits and the producer is not being benefited. This is one point that I want to bring to the notice of the Finance Minister. Hereafter, when they announce the Budget they must also announce the prices for the agricultural commodities. Otherwise the Government will be doing injustice to agriculturists.

Madam, as you know vast population of our country lives in the rural areas but they are not being benefited whenever any relief works are taken in hand. It is only in cities and towns that Government is spending the money. For rural areas they are not allotting enough funds. If Government funds are allotted on the basis of population, at least the rural population will also get some funds or some money for the development of rural roads, rural electrification or for starting schools, hospitals etc. in the rural areas. Unless this is done the rural areas will not be developed.

Regarding Andhra Pradesh, Madam, famine conditions exist there at the moment. Due to famine conditions,

the agricultural labour is migrating to other towns in other States. Now they have to start relief measures. But the State Government is not able to start the relief works because it does not have enough money. A fact-finding mission including the representatives from the Planning Commission has gone to Andhra Pradesh to make an on the spot study. Unfortunately this mission travelled during night-time and not during daytime. I do not know what they would have been able to see during nighttime and what recommendations they are going to make to the Government. But since this mission has travelled during night-time, the Government must send another mission which should be asked to travel during day time and submit its recommendations urgently.

Madam, from the Rayalseema area we are representing to the Central Government for the last so many years that river waters from the Godavari and the Krishna must be diverted to Rayalseema so that the Rayalseema area may be benefited. Actually the present State Government have started one canal called the Telugu-Ganga to supply water to Madras city. But on the way this canal will irrigate a few thousand acres only and the Rayalseema as a whole will not be benefited. Only some areas through which the canal passes will be benefited. A majority of districts in Anantpur, Kurnool and Cuddapah will not be benefited by the present canal. So my request to the Central Government is to take up a Central scheme under which the waters of the Krishna and the Godavari can be diverted to the Rayalseema district so that this perennially famine affected area will be benefited. Unless this is done, or more industries are started in these areas, things may not improve. I appeal to the Finance Minister at least to take up the river water projects in Rayalaseema and also to start Central Government activities in Rayalaseema famine affected areas. Madam, the agricultural labour and even the agricul-

turists who have to depend on this river water, migrate to other parts and which causes great inconvenience to them. There is no drinking water in this area; there is no fodder for the cattle and no food for the people. We are greatly suffering. I appeal to the Finance Minister to sanction liberal grant for the famine relief works in Andhra Pradesh and I would also appeal to him to give funds for at least study of the river water projects in Rayalaseema area, so that at least next year they can be granted funds for starting these projects. I would appeal to the Finance Minister to not only sanction these projects but also to sanction enough funds for the State. Thank you.

THE VICE-CHAIRMAN [DR. (SHRIMATI) NAJMA HEPTULLA]: Shrimati Razack.

SHRI N. P. CHENGALRAYA NAIDU: You are giving ten minutes to everybody; but when it comes to me, it is only five minutes.

THE VICE-CHAIRMAN [DR. (SHRIMATI) NAJMA HEPTULLA]: I did not say anything; you only stopped abruptly.

SHRIMATI NOORJEHAN RAZACK (Tamil Nadu): Madam Vice-Chairman, since I have got only few minutes to take part in the discussion, I would like to confine myself to some important points.

Our Tamil Nadu State stood first up to January, 1983 in regard to the implementation of 20-point programme. Yet the allocation of the Central financial assistance to us is only Rs. 845 crores. I request the Centre to increase the assistance up to Rs. 1000 crores, considering the unprecedented drought condition in Tamil Nadu.

Our Prime Minister is kind enough to agree to grace the occasion of inauguration of Krishna Water Scheme in the last week of this month. Since our Tamil Nadu Budget is a deficit one with Rs. 159.55 crores this year, I request the Centre to donate at least

[Shrimati Noorjehan Razack.] Rs 300 crores towards Krishna drinking water scheme to keep up the promise of Prime Minister given to Tamil Nadu people in the year 1976.

The proposal given by the Congress Party in Andhra Pradesh to the Sth Finance Commission for creating a revolving fund to grant the loan to the States for irrigation and power projects needs sympathetic consideration of the Centre.

The increase in expenditure in the departments of Defence, Home and Antarctica Expedition is a welcome one. At the same time, I would like to request the Finance Minister to divide the States into 3 categories for the financial assistance: (1) Developed States; (2) Under-developed States, and (3) undeveloped States. So far as Tamil Nadu is concerned, it falls under the category of underdeveloped States. Hence, I am unable to understand why the permissions sought for new industries were not granted to us, since the present party assumed power at the Centre. Even in the last year, we were, given permission only for 37 out of 188 recommendations for new industries. I hope the Centre should not think on the party lines, before financial assistance is extended to us.

With your kind permission, Madam, I would like to propose that a monthly pension may be given to all the Ministers of the Centre and the States on the basis of their salary last drawn. Anyhow, the Ministers are entitled to draw pension as the Members of Parliament, but to keep up their dignity and status as well as in the public interest the Centre should see that ex-ministers are given monthly pension enabling them to serve the country in a dignified way.

With these words, I support the Bill on behalf of my party.

THE VICE-CHAIRMAN [DR. (SHRIMATI) NAJMA HEPTULLA]: Shri Vishvajit Prithvijit Singh. Please be very brief.

SHRI VISHVAJIT PRITHVIJIT SINGH: I will be brief, Madam. But as I have already requested you, this is an important topic on which I would like to speak and if I am not going to be given sufficient time, I would rather not speak today than...

THE VICE-CHAIRMAN [DR. (SHRIMATI) NAJMA HEPTULLA]: The Minister has to reply at 5.30 P.M. and we have to fit in...

SHRI VISHVAJIT PRITHVIJIT SINGH: There are 45 minutes for that. There is plenty of time.

THE VICE-CHAIRMAN [DR. (SHRIMATI) NAJMA HEPTULLA]: There are four speakers.

SHRI VISHVAJIT PRITHVIJIT SINGH: Madam Vice-Chairman, the Sixth Plan in Chapter 23, para 31, page 395, speaks of the process of urbanisation and says:

"Given the economic importance of large cities, care must be taken to improve the conditions of the urban poor and raise civic services such that large capital investments of all kinds that exist in these cities are utilised better. Given the constraints of available resources, the only way the appalling conditions in which the urban poor live today can be improved is to adopt more realistic norms and standards for urban services."

The Plan provides for an outlay of Rs. 422.83 crores for 1980—85 for urban development. If our rural areas, the fields, the farms, the forests and the rivers, are the body of our existence, it is the cities, the massive urban agglomeration, which act as the heart pumping the blood of industrial production, channelising the energies generated in rural India. We are witness to the gradual decay of our cities. The pavement dwellers of Calcutta, the present scarcity of water in Madras and the slums of Bombay are only the symptoms of the malaise

which has overtaken us and which threaten to destroy—I do not say this lightly, Madam—the very existence of our social and political fabric. If our cities are forced to come to a grinding halt, it is not only the sixteen per cent of our urban population which is affected, but also those very institutions, which knit together through their warp and woof, as I have mentioned, the fabric of our social and political life. Our law courts, our newspapers, our legislatures, our Universities, our libraries, our museums, in fact, practically all the repositories of our culture are housed in our cities. It is ironical that I should be saying this in Delhi which has become over the years a model of planned development. Madam, it is the exception which proves the rule. Delhi is the capital of India and it is a Union Territory. As such, it is treated like a favoured child. I strongly feel that the time has come when we cannot abandon the fate of all the other metropolises to the State Governments. The State Governments cannot by themselves generate the resources required for any meaningful action.

I will confine myself, Madam Vice-Chairman, to the problems of Bombay. Why only Bombay? Not because I have been elected from Maharashtra of which Bombay is the capital. Not because I am emotionally involved with the development of this very beautiful city. But because, if there is any city in the country which symbolises the spirit of Indian endeavour, it is Bombay.

DR. RAFIQ ZAKARIA: You are absolutely right, hundred per cent.

SHRI VISHVAJIT PRITHVIJIT SINGH: Growing from an origin of seven fishing villages over seven islands, it is now the largest city in India with a total area of 438 sq. kms. and a population of 8.2 million. It has a population density of 18,750 persons per sq. km. It has the highest *per capita* income in the country. It generates Rs. 10,000 crores worth of goods

every year. The overall trade per year amounts to Rs. 50,000 crores engaging 1.5 million traders. In fact, one-third of India's total income-tax comes from Bombay. It contributes in the form of tax revenues Rs. 2,000 crores a year. The octroi duty alone paid to the Bombay Municipal Corporation comes to Rs. 70 crores a year, which is, as you are aware, Madam, in the hands of the Opposition now. There are 800 large industrial units and 15,000 officially registered small scale industries. The unofficial unregistered industries are estimated to be over 1.5 lakhs. Six thousand trucks and 600 railway wagons unload the city's requirements every day. One thousand two hundred and thirty million meters of cloth and 108 million kilograms of yarn are produced every year, which figures represent respectively 30% and 60% of the national output. Bombay produces 70% of India's light and medium engineering output. Its chemical industries produce 45 per cent of the national total and contains 70 per cent of all the dye-stuff units of the country.

By itself, the city accounts for 15 per cent of the total employment in India's organised industry. Being India's largest port exporting 46% of the country's foreign trade, it hence contributes more than 50 per cent of all Customs and Excise revenues. There are 1400 kilometres of road, 40,000 taxis, 4 lakh vehicles. Every year there are about 23,000 accidents involving vehicles, over 700 of which are fatal. I may remind the House that these figures are the highest in the world.

The total local railway length is 167 kilometres. The local trains carry 5.5 million commuters per day, each train carries 227 per cent of its capacity and the 2100 buses carry 4.5 million passengers per day. The open areas are restricted to a quarter of an acre per one thousand persons which figure includes the open traffic area. Compare this, Madam, to the 6 acres per thousand in London and 10 acres per thousand in American cities. There



are only 1860 schools with 11 lakh students. There are only 25,000 beds in the Municipal hospitals.

Four hundred and twenty million gallons of water is received every day—20 per cent of which is lost due to tampering of pipe-lines. The city produces 3200 tonnes of garbage every day of which only 20 per cent is treated, the rest being dumped into the sea. There are estimated to be 10 million rats and 2.5 lakh stray dogs.

SHRIMATI MARGARET ALVA: I hope he does not pass them on to the neighbouring State of Karnataka.

SHRI VISHVAJIT PRITHVIJIT SINGH: With pleasure, you can have them.

DR. RAFIQ ZAKARIA: He is absolutely right. With so much of garbage there. Why is he not back in Bombay?

SHRI VISHVAJIT PRITHVIJIT SINGH: One hundred persons are murdered every year. There are about 400 major robberies and one lakh offences under the Prohibition Act. The present civic amenities are geared for a population of only two million. The population of the city is 3.2 million. The civic amenities are for only two million. Three hundred families migrate to Bombay every day. There are 570 slum pockets with Dharavi being the largest in the world.

I am sorry, Madam, if I have mandated this House with a flood of figures, but it is essential for all of us to realise the enormity of the problem before we can find any solution.

SHRI SYED SHAHABUDDIN (Bihar): How much black money is generated every day?

SHRI VISHVAJIT PRITHVIJIT SINGH: I think you must be more familiar with it, Mr. Shahabuddin. Why don't you please tell us since you know so much about black money?

SHRI SYED SHAHABUDDIN: You seem to know every thing about Bombay.

SHRI VISHVAJIT PRITHVIJIT SINGH: The two areas which need immediate attention are—city transport and slum improvement. Whereas between 1951 and 1981 the increase in Bombay's population has been 173 per cent from 29.66 lakhs to 82 lakhs, the number of commuters on the rail system has gone up by 430 per cent. The number of trains on the suburban networks has increased by only 113 per cent.

At present there are only 54 trains per peak hour, while the requirement is for 102 trains per peak hour. At the present rate, in the year 2001 the requirements would be for 172 trains per peak hour. Experts have recommended and Government has approved a sixth corridor. The sixth corridor would consist of an additional pair of lines between Bandra and Goregaon on the Western Railway, an additional pair of lines between Kurla and Bhandup on the Central Railway and thirdly, an additional pair of lines between Rawli Junction and Fort Market. Out of these, the projects requiring urgent implementation are the lines between Bandra and Andheri, a flyover at Rawli Junction and an augmentation of power supply on the Harbour Branch on the Central Railway estimated to cost Rs. 46.61 crores plus extension of the railway line from Mankhurd to Belapur with a bridge across Thana Creek estimated to cost Rs. 75.74 crores.

I may mention that this West East Corridor was given the highest priority by the National Transport Policy Committee in its report of 1980. The Planning Commission has cleared both these works but the allocation in the present budget is just one crore to each of them projecting a target date of December, 1986 for the first and 1991 for the second. If, Madam, we do not ease the pressure on Bombay and do not provide adequate facilities for Greater Bombay, no exercise of any sort can have any effect upon the near disaster situation prevailing in the city. I would like to remind the Government that Shri S. B. Chavan

who is now the hon'ble Minister for Planning made a statement which was published in the 'Times of India' dated the 1st of August, 1976 at which point of time he was the hon'ble Chief Minister of Maharashtra in which he said:

"We are incessantly writing to the Centre about finding solutions to the problems of Railways and bus transport. The inordinate delay in clearing the projects connected therewith is leading to the multiplications of the city's headaches."

As regards the Bombay bus transport system, as I have mentioned earlier, it carries over 40 lakh passengers per day, and its losses have been mounting over the year from 7.79 crores in 1979-80 to 16.26 crores in 1981-82. I would like to mention here the answer given by the Minister of Shipping and Transport to Unstarred Question No\* 1852 in the Lok Sabha on the 3rd March, 1983 when he stated that the provisional loss of the Delhi Transport Corporation in the year 1982-83 with figures available only up to January, 1983 were 58 crores and 52 lakhs. I have only given this example as a comparison.

Madam, I will now deal with the slums which is my last topic. Over 3.5 million people or, in other words, over 40 per cent of Bombay's population, live in slums. The answer to the slum and squatters problem does not lie in physically lifting and dumping them away from the city. It has to be realised that people living in slums form an inescapable part of the city's life. They are essentially required in various spheres of activity and are often even indispensable. The only way to solve the problem is to constantly improve and elevate their living conditions and environment.

Bombay's total land area is roughly 43,000 hectares, out of which 12,000 hectares is residential. The area occupied by "unauthorised" hutments does not exceed 2,000 hectares. According to dependable records, there are more

than 10,000 hectares of vacant land in Greater Bombay or New Bombay, a good part of which is owned by the Government, the Municipality and by other authorities. The Government has declared that it has earmarked 41.5 hectares of land for the poor but even this meagre area is still to be actually made available. The estimated total area needs to house the city's entire slum and hutment population is about 2,000 hectares which is only a fifth of the vacant land available with the authorities.

Central Government departments like Civil Aviation, Defence, Railways, Shipping, etc., own large areas of land in and around Bombay but these are, by and large, already occupied by slums which are hard to evict without alternative accommodation. These slums do not have even basic amenities, and the people are living in extremely unhygienic conditions. The Central Government should, therefore, direct the various Ministries concerned to make over their lands already under occupation by slum dwellers to a special body set up for the purpose and assign to it the responsibility of providing, on an urgent basis, bare amenities like water, lighting, roads, sanitary needs, sewerage, etc.

I am sure that the Government will, after now being seized of the special importance and problems of Bombay, see to it that justice will be done to this Queen of our Cities which contributes so much to our economy asking for very little in return.

With these words, Madam, I support the Finance Bill as introduced by the Hon'ble Minister.

5 p. m.

THE VICE-CHAIRMAN [DR. (SHRIMATI) NAJMA HEPTULLA]: request for a better allotment of money for Bombay.

Shri Shahabuddin. You too have very little time; so try to be precise. There are about 10 speakers.

SHRI SYED SHAHABUDDIN: Madam, Vice-Chairman, I consider it a privilege to speak on the Finance Bill,

[Shri Syed Shahabuddin.]

though it is at the fag end of the debate. I do not think I have very much original to contribute, but I would like to summarize some of the succinct points made in the course of the debate. I consider it an affront to parliamentary supremacy over the finances of the country that the Finance Bill is limited to Rs. 716 crores only, while the pre-budget revenue raising exercise was of the order of more than Rs. 2,000 crores. At this rate, I shall not be very far out if I say that perhaps there will be no need of a Finance Bill in one or two years to come.

Madam, I have also noted the various concessions made by the hon. Minister after he presented the Finance Bill, and I have also taken note of the valiant but rather half-hearted efforts made by the Finance Minister to close the tax holes. But I am sorry to state that the tax concessions are largely in favour of the big business. The business expenditure which was sought to be curtailed has aU been restored. The 'zero tax companies' are no doubt going to be taxed but I would have thought that he would be introducing a graduated system, curbing gradually the rebate available to them so that they come within a very short span of time fully within the tax net. I would have thought that he would make concessions by reducing the postal charges to the cause of literacy to the low income groups which are groaning under the burden of taxes by reducing the burden of indirect taxes. I wish that had been done, but that was not to be so.

I would not like to dwell upon the economic situation. But I would like to say that I do not share the rosy picture that the hon. Minister painted when he presented the Budget. If you take any index whether the price index or the foreign trade figures or the foreign exchange reserves or the GNP at constant prices, or even the total real investment in the plans at constant prices on *per capita* basis, if you take the foreign debt figures, if you take the unemployment statistics, whether you take industrial production figures or agricultural production figures which has become sttgnant whether you look at

the social disparities and regional disparities which are increasing, y«u shall feel concerned, I think the Finance Minister has not quite followed his own dictum which he said in his speech that the purpose of the Budget was not merely a matter of calculation, it was aimed at giving a social direction to the country. I do not think that this Finance Bill takes us in that direction. I find, Madam, that the taxation policy is basically anti-people and reflects the elitist approach of the Government. I find, for example, from year to year the ratio of indirect taxes to direct taxes has been increasing. I find that there has been no effective action so far to reduce tax evasion. In fact, we have been told about large scale write-offs of taxes in the case of some businessmen. In fact, even the essential developmental expenditure on planned development, seems to be going down. There is no serious effort to collect the tax arrears. They seem to be mounting from year to year. I also find that the tax share of the States which bear a very large responsibility for development and for meeting the essential needs of the people is going down. The gap between their income and their expenditure is increasing; a-nd of course they have to resort to overdrafts. What I find surprising is that while the overdrafts by the Reserve Bank to the Centre carry 6 per cent, interest, similar overdrafts to the State Governments carry an interest of 12 per cent. The weaker have to pay a higher rate of interest. That is what I fail to understand.

I also support what my friend Mr. Biswa Goswami pointed out, that there should be a review of the policies on royalties. The royalties should be paid on primary commodities on *ad valorem* basis and not on the basis of weight.

Madam, the tax system that we have has become so complicated that every year when the Finance Minister presents the Budget, I nurse the hope that he will try to simplify it, he will lead us out of the thick, dark jungles. I claim that I am a fairly educated man. But, believe me, if I look at the Schedules of Incometax and Excise duties and Customs duties, I surely cannot find my way out. It

ij such a dark jungle, such a thick jungle that one needs a special guide to chart the way out. And this leads to corruption because those who chart your way through this jungle and those who have the responsibility of interpreting these very complex sets of rules, naturally charge their pound of flesh, and that is why the entire tax system has become a haven of corruption. The discretion that is vested, for example, in the Excise Inspectors leads to large scale corruption in every single industrial establishment.

Madam, about income-tax, for example, the other day I asked a question. I found to my surprise that the disparities among the various charges of various Commissioners, of Income-tax are indeed of the order of something like 1:50 or 1:100 in terms of tax realisation or in terms of the number of assesseees. Why can the taxation system and the taxation procedure not be rationalised? I simply hope that the hon. Minister will start an exercise right from now on, and I think that the report of the L. K. Jha Committee on tax administration reform shall be available in the mean time so that the next year at least his hope of mine which has remained unfulfilled so far shall be fulfilled^ and we shall have a more simplified system of taxation.

Madam, I find to my surprise that the wealth-tax arrears are of the order of Rs. 300 crores. The realisation last year was Rs. 70 crores. Ninety-five per cent of the assesseees are below five lakhs. Now, instead of having disproportionate of time spent on these two categories, these below Rs. 5 lakhs and those above Rs. 5 lakhs, why can't the system be organised in a manner that the administration cost involved in assessing and realising the taxes is commensurate with the amount realised. The same applies to gift-tax where the limit is Rs. 15,000. I think in today's age of inflation, this limit of Rs. 15,000 has become meaningless, specially taking into account the social demands in general of our society. The same applies to estate duty. I really plead with the hon. Minister that there should be a system of

full-fledged indexation of all these limits whether they apply to income-tax or estate duty or gift-tax or wealth-tax\*, so that automatically without any difficulty the citizen knows that the real taxation burden on him remains constant.

. Mr. Deputy Chairman in the Chair..

At this point, Sir, I would like to refer to the question of donations. I have been trying my very best in Parliament to find out about the donations, the donors and the donees. The Commissioners of Income-tax and the Income-tax Department seem to keep no record at all. I do not see why. The only reason I can think of Mr. Deputy Chairman, Sir, is that perhaps all these donations which get exemption in the hands of the donor and also exemption in the hands of the donee, are politically motivated. I do not see any reason why the Income-tax Commissioner cannot have a Special Cell to keep a record of the exemptions claimed on account of donations so that the political motivation behind it can be eliminated.

SHRI A. G. KULKARNI: You said 'Charity Commissioner'.

SHRI SYED SHAHABUDDIN: The Charity Commissioner is only in Bombay. We have no system of Charity Commissioner in the rest of the country.

Another point I have to make is, that the public sector which had been inaugurated with high hope to usher in the new pattern of society for us, has brought a bad name to our national goal or socialism. It has adopted bureaucratic methods. It has become a cesspool of corruption. There is need, therefore, today—; I cannot go into the details—for a full-fledged review of the performance of the public sector as an essential element of national economy in the light and in the spirit of the Resolution of 1956. I personally feel it has expanded itself into many non-essential fields, and time has come to resurrect its real spirit.

Sir, a reference was made here on the floor of the House to the banking system. It is a disgrace. Sir, I have personally gone to my own bank. It has never taken me

[Shri Syed Shahabuddin.]

less than an hour with myself sitting beside the Manager himself, being treated with special grace, to cash a check. At 11 o' clock nobody is available. I personally feel that the banking system has developed in a rather haphazard manner. I think the time has come for the hon. Minister to apply himself to the question of rationalisation of the banking system and introduce disciplinary methods so that both overlapping among the banks is avoided and some element of responsibility is brought into the system. I will not speak about corruption and black-money. I would like to say one sentence that corruption starts at the political level and goes down to the administrative level and not the other way round. That is all that I would like to say. But if you are really sincere about mopping up the black money which has been generated and about bringing it into circulation or even laundering it, then please do it through socially acceptable methods. Perhaps you can allow the black money to be invested in public housing, when we have such a dearth of housing. You can perhaps allow black money to go into construction of educational institutions and hospitals for special categories like lepers and so on, so that this black money finds its way into our national development.

Sir, I would like to make one point about our foreign debt. Our foreign debt today is of the order of Rs. 21,000 crores. We recently took a loan from the IMF. That has its own sorry tale. I am sorry to point out that to the best of my knowledge, when the Asian Development Bank was founded, we had given a commitment, as one of the founders of the Bank, that we shall contribute to the assets of the Bank but shall never draw on the resources of the Bank. Today we have come to a state of financial bankruptcy that we have to go back on our original commitment and draw, or

even attempt to draw, as the hon. Minister has confessed this morning, on the resources of the Asian Development Bank.

Sir, I would like to plead with hon. Minister for some special interests before it is too close. There is the question of pensioners. You have lost a case. You tried again for a review. You lost the review. Please take pity on those old pensioners who have been waiting for years and apply to them the liberalised pension rules immediately. It does not cost you much. It will cost you something of the order of Rs. 200 crores. But that will satisfy a very large section of our needy population.

I would like to plead here also for some religious and charitable trusts in whose case the original corpus was a running business. In those cases, obviously if the original business is to be brought into the tax net, all the charitable and religious activities that they have undertaken will be jeopardised. Therefore, I would plead with the hon. Minister to make one more exemption—he has given some exemptions already—and keep it in view that there are many laudable trusts, about whom he cannot find one dark spot, whose original corpus was business, and so long as their present activity is a natural and logical continuation of their original business, there should be no difficulty about granting them exemptions. Of course, if they then go into some other lines of profitable activity, then that obviously will attract taxation.

Then I would like to plead with him for the Government servants. They are daily fighting a losing battle against inflation. You have appointed a Pay Commission. The Pay Commission will take a few years to complete its job. But please in the meantime expedite this process whereby you give these DA instalments. Sometimes it takes six months. I have had occasion to draw the attention of the hon. Minister

earlier also. (*Timebell rings*). One minute. About the Rural Development Fund, I would like to say only one thing. The moment you make it a Prime Minister's Fund, it generates the suspicion that its utilisation is going to be politicised. It is motivated, that it is going to be controlled by the ruling party. The Government has its budget for rural development. If you want to have a separate fund other than the Government budget then why should you keep out voluntary agencies from the purview of rural development?

Finally, Sir, in regard to excise duty, I would plead with the hon. Minister the case of the small scale industries. Please don't have an arbitrary cut-off point, whether it is Rs. 25 lakhs or Rs. 50 lakhs. You should have a graduated scale so that the excise burden on the small scale industry grows gradually. Otherwise again it will give rise to corruption. The small scale industry will not declare its correct production and they will pay your Inspectors to keep within the allowed limit.

Finally as far as the customs duty is concerned, I find that during the course of the financial year, it is often raised and lowered. Why should this be so? Again people suspect that it is on account of political factors. Therefore, I would suggest that industrial raw materials for manufacturing products of mass consumption, should be at least assured of a uniform level of customs duty. It should not be changed up and down.

Sir, I would have supported the Finance Bill, but today I cannot say in good conscience that the Finance Bill is likely to lead us to a free India that Pranab Mukherjee dreams of or Shahabuddin dreams of. It is not a socially oriented Finance Bill. Therefore, I have no option but to oppose it.

SHRI GHULAM RASOOL MATTO  
(Jammu and Kashmir): Mr. Deputy

Chairman, before I speak on the Finance Bill itself, I want to make a few observations and I would request the Finance Minister to take note of them.

Article 109 of the Constitution of India provides under Clause (2):

"(2) After a Money Bill has been passed by the House of the People, it shall be transmitted to the Council of States for its recommendations and the Council of States shall within a period of fourteen days from the date of its receipt of the Bill return the Bill to the House of the People with its recommendations and the House of the People may thereupon either accept or reject all or any of the recommendations of the Council of States."

Then Clause (3) states:

"(3) If the House of the People accepts any of the recommendations of the Council of States, the Money Bill shall be deemed to have been passed by both Houses with the amendments recommended by the Council of States and accepted by the House of the People."

These are the constitutional provisions. Both the Houses are adjourning tomorrow. Last year also this was raised and it was informally suggested to the Finance Minister that the Finance Bill may kindly be considered a few days before it is passed by the Lok Sabha. The formality can later on be done by bringing the Finance Bill here. Now, Mr. Pattabhi Rama Rao was introducing the Bill stating:—

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1983-84 as passed by the Lok Sabha, be taken into consideration."

"Shri Pattabhi Rama Rao to move that the Bill be returned."

[Shri Ghulam Rasool Matto.]

So the question is when this House is adjourning tomorrow and the other House is also adjourning tomorrow, it is only an exercise in futility now. "We are only wasting the Government's precious time when the points raised by the Members here are not being taken into consideration by the Government before the Bill is passed. I would therefore urge the honourable Minister to take this under Clause (5) of Article 109. Clause (5) states:

"If a Money Bill passed by the House of the People and transmitted to the Council of States for its recommendations is not returned to the House of the People within the said period of fourteen days, it shall be deemed to have been passed by both Houses at the expiration of the said period in the form in which it was passed by the House of the People."

The Finance Minister is also the Leader of this House. I would request him to resort to this Clause rather than having it considered here and sending it back. The time is off now in the sense that the Bill has been passed. So this point may be given attention to when taking this Bill into consideration. What we say now is of no use except that it may be used by the posterity or that it can be kept in the archives of Rajya Sabha. None the less I venture to make my observations with regard to the Finance Bill.

I must congratulate the Finance Minister that he has been very generous with regard to the small scale industry to which I also belong. He has given certain concessions which go a long way in improving the health of the small scale industry. I would only urge him one point and that is for the health of the economy of this country we need to encourage corporate sector rather than firms and other things. In order to

encourage corporate sector the domestic as well as private and non-private limited companies will come into operation. When I see the Finance Bill I find that in the case of the domestic company or in the case of a non-domestic company, the rate of tax is the same in both cases. I would, therefore, urge him in the case of small scale industries, whether they are in the private sector or in the public limited sector, the rate of duty should be reduced from 55 per cent to 45 per cent and in the case of those companies which are domestic from 60 per cent to 50 per cent. Now, for this purpose I would only mention one point. As against the slab system in the rate of income-tax for registered firms, for instance it is 5 per cent, 7 per cent, 15 per cent, 24 per cent, there is only one slab in the case of limited companies, and that in a case where the total income does not exceed Rs. 1 lakh and in the case where the total income exceeds Rs. 1 lakh for public limited company, in other words, where a public company earns Rs. 1 lakh and another company earns Rs. 5 crore, the taxation is the same. I would urge upon him to introduce a third element raising the tax liability of a public or a private company in case the income exceeds Rs. 1 crore. That should be given to the small-scale sector so that the small-scale sector gets the benefit as a result of this taxation.

A lot has been said about section 35-CCC giving rural development allowance. I am happy that it has been changed to rural development fund. The Finance Minister has come out with an amendment in the other House to this section. Under this amendment the donor can also specify in what place this money can be invested under the rural development scheme. Mr. V.P. Singh was reeling out the names of big companies in Bombay. Suppose one of those Bombay firms identifies a place which is either located in Bom-

bay or, for political reasons, is located in the constituency of a ruling party Minister. Then what happens is that a backward State like mine will not get any benefit from this scheme unless and until the discretion is exercised by the Government. Therefore, while the donor may give his preference, that preference should not be absolute. The Government shall see to it that the corpus of the rural development fund is used for the benefit of the entire country, particularly a backward State like Jammu and Kashmir.

The third point is that the Central plan expenditure has been increased from Rs. 11,000 crores to Rs. 13,870 crores. I would request the Finance Minister to see that more allocation it made to the States. Dr. Adiseshiah has also said this that the States should be given more finances because they are short of funds. (*Timer bell ringh*) There are many other points, but due to shortage of time, I will discuss them with the Finance Minister informally.

SHRI B. SATYANARAYAN REDDY (Andhra Pradesh): Mr. Deputy Chairman. I would like to say that we have by now completed five Five-Year Plans and we are about to complete the Sixth Plan. In spite of all these Plans, there are still problems of poverty, unemployment and disparity of income and the problem of drinking water, housing and clothing. As a matter of fact, during the last three years there has been an increase in poverty, unemployment and disparity of incomes. I would like to know from the Finance Minister in what way he proposes to solve these problems. He knows very well that the number of people living below poverty line constitutes 50 per cent of our population. As a matter of fact, there are thousands of people living in villages who have only one cloth. The other important problems are food and housing. We still see thousands of people living in slums. You go to Bombay, Calcutta or any

big city where you can see thousands of poor people living on pavements. Either they live in the dirty *nullahs* or they live on the pavements. This is the position which we are seeing today in our country. According to preliminary report of 1981, 4.14 crore families were under one roof in the country and this is apart from those who live in slums and pavements in the cities and towns. In the list of industrially advanced countries, our country occupied the 73rd position in 1964-65 and it went down to 103 in 1973 and to 111 in 1976 and, today, our position might be above 120 or so. This is how we are solving the problem of poverty and this is how we are progressing. I do not know how we are going to solve all these problems. In order to solve these problems, I think the first priority should be given to agriculture. In the first Five-Year Plan, 37 per cent had been provided for agriculture and only 5 per cent for industry. But, in Second Plan, 21 per cent had been provided for agriculture and for heavy industry, the outlay was raised from 5 per cent to 24 per cent. And, Sir, in the revised Sixth Plan, Rs. 5,685 crores had been provided for agriculture and Rs. 19,000 crores for industry. 72 per cent of our population live on agriculture and agriculture contributes 46 per cent of the national income whereas industry contributes only 16 per cent and provides livelihood only for 10 per cent of the population. Then, Sir, what is the justification for spending only 30 per cent on agriculture and 70 per cent on industry?

Again, it is said that the subsidy that the Government gives goes to the farmers. It is not for the farmers, but it is for the public distribution system. As a matter of fact, the majority of the fair price shops are in the urban areas and not in the rural areas and, so, the subsidy is, in fact, given not to the farmers, but is given only to those who are running these shops. You know very well that we have spent a huge amount,



[Shri B. Satyanarayan Reddy.]

about, Rs. 1,500 crores, on the Asian Games and that amount could have been spent for the developmental irrigation projects. It could have been spent on the irrigation projects, hydel projects and on housing schemes. But we have not given priority to those schemes. We have wasted that money on the Games. I would like to give some examples from my own State of Andhra Pradesh. In Andhra Pradesh, there are many irrigation schemes or projects. There is the Sriram Sagar Project, there is the Srisailem right bank canal project the Srisailem left bank canal project, the Eluru reservoir project and there are many other hydro projects also. There is also the Visakhapatnam Steel Plant which is pending completion and is awaiting resources from the Centre. These projects need immediate financial help from the Centre. Sir, the Eluru reservoir project is a major irrigation scheme and it is in the East Godavari District of Andhra Pradesh. The Planning Commission has earmarked Rs. 55 crores for the Plan period 1980-85. During this period, a further loan assistance of Rs. 52 crores to be sanctioned in order to meet the project requirements. A total amount of Rs. 107 crores is needed now. Similarly, in the case of the Srisailem right bank canal project also, the estimates are for Rs. 225.22 crores and the Srisailem left bank canal project needs about Rs. 314 crores. The foundation-stone was laid for this only recently. The Visakhapatnam Steel Plant was allocated Rs. 187 crores whereas it needs about one thousand crores. Recently, the foundation-stone was laid for another project on the 27th April, 1983 under a historic agreement which was signed by the Chief Ministers of Andhra Pradesh and Tamil Nadu and it requires at least Rs. 725 crores and, Sir, if this project is completed, it will provide drinking water to Madras city and vast drought prone areas in Rayalaseema in Andhra Pradesh would get water for irrigation. One more point.

MR. DEPUTY CHAIRMAN: That will do.

SHRI B. SATYANARAYAN REDDY: I am only giving points.

MR. DEPUTY CHAIRMAN: There is no time left now.

SHRI B. SATYANARAYAN REDDY: Andhra Pradesh had completed the Tungabhadra project and Rajodli-banda canal schemes. In November last year Andhra Pradesh executed the Jurala project to clear the needs of the drought prone Mahboobnagar district in Telangana.

MR. DEPUTY CHAIRMAN: That will do. Dr. Asima Chatterjee. Your State needs more money. That is clear.

SHRI B. SATYANARAYAN REDDY: I urge the Central Government to give special assistance in the form of grants and loans for the Telugu-ganga project. Andhra Pradesh Government has sought Rs. 165.12 crores to meet the drought situation in the State. But the Centre sanctioned only Rs. 68.76 crores. More funds should be sanctioned.

MR. DEPUTY CHAIRMAN: Mr. Reddy, these points have been covered several times. Dr. Asima Chatterjee, please. (Interruptions) Please take your seat. There is no time.

SHRI B. SATYANARAYAN REDDY: Last point. The Central Government is now trying to bring cement, medicines, petroleum products, paper, etc. from the orbit of sales tax to the orbit of Central Excise duty. If it is done it would be a great loss to the State and the people of our State will not tolerate such things to happen. One more point...

MR. DEPUTY CHAIRMAN: Now, you please take your seat.

SHRI B. SATYANARAYAN REDDY: Now, about the Finance Bill. The Finance Bill, 1983, proposed certain amendments affecting the charitable and religious institutions like Tirumala Tirupati Devasthanam. I request the Finance Minister to exempt Tirumala Tirupati Devas-thanam from the operation of the In-come-tax Act.

PROF. (MRS.) ASIMA CHATTERJEE (Nominated): Mr. Deputy Chairman, Sir, I would like to thank you most sincerely for giving me this opportunity to participate in the discussion on the Finance Bill. I would like to support the Budget. The Budget is quite reasonable and rational. Sir, it is not unknown to us that the budget is flexible and can be revised and modified and there is enough scope for betterment.

While supporting the Finance Bill, I would like to make a few suggestions, particularly on import substitution and export orientation having a direct impact on the economy of the country. India imports various instruments, including the sophisticated ones which cost hundreds of crores of rupees. After a few years, these instruments become outmoded and the components and accessories are not available and, thereby, these instruments become totally scrap and useless. This is a huge waste and it is a recurring loss amounting to several crores of rupees. The Universities, research institutions and industries are encountering these problems. The Indian scientists and technologists are competent enough to fabricate such instruments. If they are given incentives to undertake such projects. I am sure that our country can save crores of rupees in terms of foreign exchange. This project should be implemented through the concerned Ministry.

I have got another suggestion to make in this connection. The World Health Organisation has been advocating for the past few years to utilize

our natural resources and to utilize drug plants for the production of herbal medicine. India has a colossal source of drug plants. The export of herbal drugs and drug plants would help us to earn an appreciable amount of foreign exchange. And this would undoubtedly improve the economic situation in the country, and at the same time this would help to some extent employment generation.

While concluding, I strongly support the Finance Bill. Thank you.

SHRI PRANAB KUMAR MUKHERJEE: Mr. Deputy Chairman, Sir, first of all, let me express my gratitude to all the hon. Members who have made contribution while participating in the discussion on the Finance Bill. Sir, as many as 26 hon. Members have participated in two days' discussion—today and on the 5th of May. And from various angles, they have made their observations, highlighting some of the important aspects of our economy. And, Sir, with the seal of approval of this august House, the exercise which we initiated in the evening of 28th February which is more than two months ago, that exercise will be over, and the proposals enunciated through the Finance Bill, amended by the Lok Sabha to some extent, will be the guiding principles of managing the fiscal policies for the year 1983-84.

Sir, in a speech covering the various aspects, it would not be possible for me to touch upon each and every issue raised by the individual Member and I shall have to accept some sort of generality and touch upon certain general points on which many Members have contributed. But that does not mean that if I do not react to any individual point that particular point is not worth consideration. Each and every point made by the hon. Member has to be looked into from various angles, and that exercise we make.

Sir, one general point has been raised that in our planning process

[Shri Pranab Kumar Mukherjee.] we are not laying adequate emphasis on agriculture sector. Both in the Lok Sabha and on the floor of this House, some hon. Members "have tried to point out that, perhaps, there is a serious distortion in our planning process that when a large number of people, predominantly large number of people depend on agriculture, why in the actual allocation in the planning process, not only in one but in a series of plans, it is not getting reflected. Firstly, there cannot be any artificial barrier<sup>1</sup> between the agriculture sector or non-agriculture sector. The economy is a compact, integrated one. And if you look at mere direct allocation for agriculture, perhaps, it would not lead you" to the correct perception of the problem. As I mentioned on the floor "of the other House, how would you take into account the investment in power generation, the investment in oil sector—because the farmers require the power, the farmers require the diesel—the investment in cement—because for major irrigation, you have to use huge amounts of cement and steel—the investment in fertilisers, the investment in pesticides, the investment in a host of engineering industries which will produce agricultural equipment? Therefore, to my mind, in our economy we cannot take that type of approach. The strategy which we are pursuing in the agriculture sector has been reaping dividend. It may not be upto our expectation. It may not be upto the level where we wanted to take the agriculture sector. But, at the same time, there has been a tremendous improvement which is not fully reflected because of drought situation, in one plan period, the full impact of two droughts had to be faced—the drought of 1979-80 and the drought of 1982-83. you have noticed it. But for this appropriate strategy our agricultural production would have been reduced much more and as it has not happened that itself establishes the soundness of the strategy we are pursuing.

But that does not mean that there is no area of improvement. Definitely there is an area of improvement. I have myself admitted on a number of times that the irrigation potentialities that we have created, nearly nine million hectares, the higher consumption of fertiliser to the extent of more than two million tonnes in the last few years that does not get actually reflected in our agricultural production. In certain areas we are having, I won't say some sort of stagnation, but definitely we have not made much improvement. And even if you look at, I would not go into the detail of the statistics and figures at the fag-end of the day, the quick review that I was just making as to what has been the performance in the third year, which we have completed, so far as the current plan period is concerned, and the allocation which we have made in the Fourth year of the Plan period, utilisation in agriculture is much faster compared to other sectors. It is nearly 88 per cent. Obviously, much of the projects depend on the performance of the State sectors and if the State sectors' performance is not matching, we won't be able to have good results. So far as all sectors' investment is concerned, I think while the overall performance is to the tune of 83 per cent in the agricultural sector, utilisation is a little more, it is about 88 per cent. Therefore, it would not, perhaps, be correct to come to the conclusion that we are not paying much attention so far as agricultural sector is concerned and in the case of agriculture you will have to take into account agriculture, rural development, flood control, irrigation and certain other allied sectors.

The second point which has been repeated and I think it is worth taking note of is that in our taxation system why is it that the share of direct taxes is coming down, and the contribution of the indirect taxes from the early 50s is substantially increasing. It is bound to increase be-

cause what was the base for the industrial production, industrial activities in the early 50s? Or, if you talk of 1981 when the first budget was presented, what was the base? When the industrial activity expands naturally the base of Central excise, customs and foreign trade also expands and contribution from these sectors would increase. And, so far as direct taxes are concerned, we shall have to keep in mind a big chunk of your gross domestic income, national income, which is outside the purview of the Central income-tax itself, and this is the whole of the agricultural sector. In a country where more than 700 million people live, the persons who pay direct tax, income-tax, is not more than 45 or 46 lakhs. And, every year there is a persistent demand from the Members belonging to my side and belonging to the other side asking that more people be taken out of the tax net. Therefore, you cannot accept a situation where you can meet all these contradictory demands.

In regard to the point which certain hon. Members have made that perhaps in our fiscal system and while the Finance Minister starts his taxation proposals, he takes into account the areas where he will get more and where the State will get less. On a number of times I said that this is absolutely wrong. This conclusion we should not have. Each and every taxation proposal has its own merit, you may not agree with it. The motive behind taxation proposals is not to take into account whether the States will get more or the Centre will get more. When I am to increase or decrease the customs duty, I do not have to take into account, as Mr. Shahabuddin asked. Why can't you have uniformity. Sir? From the very nature of taxation, you cannot have uniformity. Today you are having 'X' percentage of a particular duty and you are taking into account your domestic production, how much quantity should be allowed to be imported to see that

your domestic production and indigenous production is not affected and what is the price level in the international market today. If you find that suddenly the price gets depressed and if there is a tendency to dump your country with that particular product, you will have to adjust custom duty to take care of it. You can do two things: either you can put total ban on imports, or you can adjust the duty in such a manner that your domestic production does not suffer. It does not merely depend on you. But a fair amount of uniformity is possible and we try to do it. What I was trying to arrive at is that it is not the intention that I am increasing the taxation with a view that my share will be more or I am giving concessions in direct taxes not with a view that I am contributing anything at the cost of the States. What is required for the health of the economy or what measures are to be considered appropriate to meet a particular situation, is the main consideration. It is not a question whether the States will get more or the Centre will get more. I have mentioned it a number of times and I repeat that after the successful plan or the success of the economic development depends on the States. If we can match only these two things, then only the car of progress will move. It cannot move on one wheel. If the Centre is one wheel, the other wheel is to be provided by the States. And we are fully aware of their problems. When plan allocation was decided, Rs. 48,600 crores were to be in the States sector; Rs. 15,000 odd crores would come from the Centre in the form of assistance towards the States plans and the States were to provide Rs. 33,000 odd crores to support their plan. And at the time of planning, it was decided that States will mop up so much of resources. And here I must compliment the States that they mopped up resources. But there was a big hole in the whole scheme. They could not maintain their present resource base. They were to mop up, if my under-

[Shri Pranab Kumar Mukherjee.]

standing of the figures is correct, about Ks. 9,000 crores and actually they have mopped up Rs. 11,000 crores. But an erosion in their existing resource base has taken place to the extent of Rs. 6000 crores. Therefore, the States find it difficult. And when they are finding a difficulty, we are coming to their rescue by converting the overdraft—which stood on 31st March 1982 at Rs. 1743 crores—into medium-term loan. I have tried to see that their plan is protected, by providing additional Rs. 1650' crores Central assistance in two years, current year and in the next year again, to see as to what extent erosion could be avoided. Therefore, it is not the case, because I know they cannot support their plan, if adequate resources are not made available to them, they cannot complete their plan. One hon. Member was mentioning that we are not providing adequate relief towards drought. Could you tell me of any particular year, whether in 1978-80, was the drought of that magnitude? The amount of assistance we have provided upto 31st March 1983, is more than Rs. 600 crores, taking floods, drought and other types of natural calamities. And I have sent teams again for the period from April to June. Therefore, we are providing assistance, whatever is necessary and justified. And at the same time, we shall have to keep in mind whatever is possible within the means available to us to take care of it.

Another point raised by a number of speakers, particularly, Dr. Adisheshaiah and Mr. Shahabuddin and some others also like Mr. Bhandare is for simplification of tax laws. I am a little afraid. The more I try to simplify the tax laws, the more they become complex. And the more we appoint commissions or expert bodies, the more their recommendations make these laws complex. And in a given situation, in a developing economy like ours, it is bound to happen. Through one set of instru-

ment, your objective is to collect more revenues, for development, your objective is to see that industries are diversified, your objective is to see that the small scale industries are given more incentives, your objective is to see that concentration of economic power does not take place. By utilising one set of instrument, if We want to achieve so many objectives, it would be extremely difficult to make it a simple instrument. We are trying. I do not say that this is not being attempted, this is not being tried. But the more we are trying, in the process, we are finding more difficulties and it becomes more complex. Last time, when I was addressing a conference of Commissioners and Collectors of Excise and Customs, I asked them, that from their personal experiences, whether they can let us know what type of modifications and what type of rationalisations are needed than merely from the point of view of theoretical expertise. The recommendations of the Jha Committee would be made available and some of the recommendations we have received and I have tried to implement them in the last year's Budget and in this year's Budget also partly. After getting the recommendations in detail, I would come forward before the House with a comprehensive Bill and would try to see, to what extent, we can implement them.

Sir, another general point which has been raised is in respect of the performance of the economy in the last year and what is going to be the effect in the year 1983-84. The question has been raised whether we are going to achieve the objectives which I have set out in the budget speech. It is not my case that in 1982-83, we have done well. But what I say is that, but for the timely action taken by the Government, the situation would have been worse. You should take into account the type of drought we had to face, the type of international environment with which we are confronted. Hon. Members would

agree with me, that such a situation was not there even in the thirties when the world had to face a serious type of depression, when the world trade and economy almost remained stagnant for two or three consecutive years. Now, on the domestic front, you find that you are fighting against cruel nature in the form of drought, in the form of flood. There is one particular State where there was drought, there was flood and there • was cyclone.

SHRI GHULAM RASOOL MATTO: And in our State, there was neither drought, nor flood, but unseasonal rains.

SHRI PRANAB KUMAR MUKHERJEE: But for the timely management and appropriate action, the situation would have been worse. And what have we achieved. There has not been a negative growth. Yes. Growth has come down and it is not five per cent or six per cent. The GNP would be two per cent and industrial production would be three to four per cent. But in a situation like this where there would have been a likelihood of a negative growth rate, there has been no negative growth rate. In 1983-84, as I mentioned, if we are not to fight against another spell of drought or flood or eventualities like that, perhaps, it would be possible for us to recover. And we have to make certain assumptions. Science of Economics is not as accurate as Physical Sciences. We have to make certain assumptions. While making my proposals, I shall have to take into account that there would be certain conditions and on the basis of those assumptions, I shall have to arrive at certain conclusions and if, because of the climatic conditions or because of certain extraneous factors, those conditions do not remain, they change, naturally, the conclusions would not be as accurate as we expected them to be. In this connection, I would like to draw the attention of the hon. Members to the balance of payments position. Some hon. Members have

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said that this is very serious. Particularly, one hon. Member mentioned this. I think, you spoke about ADB. Perhaps it is not correct to say and this we should not use that we did not make any commitment. I went through the entire file and if I understand it correctly, the first meeting of the Board of Governors was attended by Mr. Morarji Desai, as the then Finance Minister. What he said was that we were not going to borrow for the time being. We did never say that we would never borrow. And it is not merely a question whether we want the money or not. It is a question of principle. And this is the point I raised in the press conference. And while having discussions with the Bank management, I found that certain countries were taking a very peculiar position. When the question of IDA comes, they say: "Look, China is coming, a new borrower is entering into IDA. Therefore, the traditional borrowers like India must sacrifice and their share should get reduced". Fine. If a big country, a large country which was not a borrower wanted to borrow now, we are all for accommodating them and in that process, if it is necessary, we can though our argument is that answer does not lie in getting the share of traditional borrowers reduced, the answer lies in increasing the quota, in increasing the total kitty available for disbursement, if IDA-Sixth was 12 billion dollars, IDA-Seventh should be 18 to 19 billion dollars so that the requirements of the traditional borrowers can be met and they can be accommodated as well as the new borrower can be accommodated. Instead of applying that logic, they say: "No, you will have to sacrifice". But when the question of ADB comes, we find that that type of argument is used against us in a completely different manner. There they say: "You are not a traditional borrower. In order to protect the interests of the traditional borrowers, you shall have to sacrifice." In IDA, the traditional

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Borrowers are to sacrifice to accommodate the new borrower, whereas in ADB, the new borrower cannot be accommodated to protect the interests of the traditional borrowers. That means, heads I win, tails you lose. This is the type of argument against which we are fighting. It is not merely a question that I am going for that. That is why I said, I did not go for canvassing the loan. I wanted to say that this is a case where you cannot take a view like this. We are eligible to borrow and we can say this to our credit that all long we have taken care of the needier people. It is not that we are not in a comfortable position. And in absolute terms, you cannot treat us like that. After all India is the largest country, next to China, and its population has doubled since Independence. Therefore, in absolute terms, on the basis of the number of poor people, per capita income—on every account we are eligible to have it. Our view was, we ought to accommodate others. That is why we did not want it from the soft window; we wanted it from the commercial window.

श्री रामेश्वर सिंह : श्रीमन, पर क्रेडिट इतकम बढ़ी नहीं है ?

श्री प्रणब कुमार मुखर्जी : कुछ बढ़ा है, ज्यादा नहीं बढ़ा है ।

श्री नरेन्द्र सिंह [उत्तर प्रदेश] : आपलेशन बढ़ रही है ।

SHRI PRANAB KUMAR MUKHERJEE: You will have to see that on 15th August, 1947, we were 330 million and today it is more than 700 million—almost double. That is why at this point I want to make quite clear.

Still, the balance of payments position has improved substantially because of the proper policies which we are pursuing. Our net draw-down in the last financial year—1982-83—has

been almost half of the draw-down in the year 1981-82. It was roughly about 2100 crores. That was the draw-down from the foreign exchange reserves. I am talking of this, excluding the IMF. This year, the draw-down has been around 1000 crores. It has been possible because of our reducing dependence on imports of oil, steel, - fertilisers, aluminium, cement and in certain other areas. So the process of import substitution and export promotion has been encouraged and we can say that we can get dividend out of it.

Sir, the point which certain hon. Members have raised in regard to the non-residents, I thought I should not raise it here again as I have made my point clear. I am really at a loss to understand why these people are raising this furore and why Members of Parliament are agitated over it. I am really at a loss to 6 P.M. understand it. All these big houses are to depend on the support of the financial institutions. In other words, they are to depend on the support of the shareholders. When we are talking of democracy, it is a very peculiar position that day in and day out the Indian corporate sectors are talking against control, talking of liberalisation, but they would very much like to have control to protect their own interests. And what is the position today? The position is, having a very small amount of share, they are controlling. I don't mind it. If they are a good management, they can control it. But the shareholders must have confidence in them. Therefore, their strength does not lie on law; their strength lies on the support which they can get from the shareholders. Today the largest shareholder is the financial institutions. Forget about the concessions which we have given to the non-residents. Even today, if the non-residents do not enter into the market if they do not come, even then they are to depend heavily on the support of the financial institutions. And when they came to me.

in private conversation I told them, "Well, I am instructing the financial institutions to support you so long as you have a good record of performance." I repeat it—if it is a good record of performance. As a shareholder I should satisfy myself that you are in a position to manage it well. But still, this type of demands are being put forward. Heavens are not going to fall if some non-residents invest four per cent or five per cent or six per cent. I have now put a blanket ceiling of five per cent. Why would the Reserve Bank's permission be needed? The Reserve Bank's permission would be needed because every foreign investment is to be guided by FERA which has to be administered by the Reserve Bank of India. Therefore, if somebody wants to have more than five per cent, he will have to seek the approval of the Reserve Bank. But I am unable to understand it. When I am saying that the financial institutions will support you so long as your management is good your performance is acceptable, and if your performance is not acceptable definitely you cannot expect me to pass a fiat that Mr. X will perpetuate the ownership of company 'A' or company 'B'. They will have to prove their worth, they will have to enjoy the confidence of the shareholders—and so long as they could, they have this practice. And there was no question of destabilisation.

Here I am really amazed. I do not want to take up the time of the House, but this is really very interesting. As I was just going through the comments when I introduced the concessions in the budget proposals, this is the item which was welcomed by everybody including all the newspaper people in their editorials. I can quote. Particularly one newspaper—I won't mention the name—said that this is the most positive contribution of the Finance Minister that he has provided concessions and particularly talked of tax concessions and relief from the procedural wrangles so far as the

non-residents are concerned,' and we hope through this money will come. And, day before yesterday, the same newspaper, in the first article in the editorial column said, "No, no this was very much wrong." I can understand that they have taken a little time to understand that it is going to affect their interests. I don't think it is going to affect the interests of any existing management because I am quite clear that so long as the financial institutions have confidence in the existing managements, they are safe. If the financial institutions do not have confidence, which means if the Government does not have confidence, definitely they have no right while having the minority share. If I want to destabilise them, who can protect them?

SHRI A. G. KULKARNI: They might be afraid of political interference.

SHRI PRANAB KUMAR MUKHERJEE: Today the political pressure is there. If today I want to disturb Mr. A. who is there, is there anybody who can protect him—because I hold 54 per cent of the shares, the financial institutions hold 54 per cent of the shares? Therefore, if I am not guided by political motive today, why are you coming to the conclusion that I will be guided by it tomorrow? If I am not guided so long and if I have taken into account the management which has a proven record and whose performance according to me is good—not according to Mr. Kalyan Roy or Mr. Dipen Ghosh—what is there to be so much scared and to raise so much furore? I am really at a loss to understand it,

SHRI DIPEN GHOSH (West Bengal) :  
It was not I.

SHRI PRANAB KUMAR MUKHERJEE: I am not talking of you, I am talking of the industrialists.

SHRI SYED SHAHABUDDIN: Mr. Minister, the concern is really about



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the foreign nationals of Indian origin. Can you please define the term 'nonresident Indian' to mean the 'Indian national residing abroad'?

SHRI PRANAB KUMAR MUKHERJEE: I am coming to that. That is, why I said I will protect them through the institutional support because I do not want that there should be a remote control. It is not possible, it is not healthy, it is not desirable. But the question is, as somebody was saying, "why are you giving it to foreign countries' passport-holders?" Mr. Shahabuddin is well aware of the position that in many countries there are municipal laws where beyond a certain period you cannot stay if you do not acquire the citizenship there and if you do not surrender the citizen of your parent country. Many of them, a large number of them, tell us: "We have to accept the foreign citizenship under certain conditions because the municipal law of this country does not permit us to stay beyond a certain period. That is why, while we would like to continue to stay here more, we do not want to lose our identity as Indians merely because of surrender of our Indian passports and acceptance of passport of another country." Therefore, this is the position we have to care for. And you shall have to keep in mind the problems which we faced after the incident of Uganda, the problems which we had to face in early fifties in Sri Lanka, the problems which may come up in many other countries. Ultimately, if these people start coming in, what are you, going to do? Are you going to seal your border? If the non-resident Indians start coming in from other countries because they find that the country where today they are staying is becoming hot are you simply going to seal the border? It is simply not possible. Therefore, if they have to invest here, if they have to have some stake here, we should permit them to do so. Day in

and day out, we were told in private meetings, in deliberations, in discussions: "Enough money is there. But you people are not providing concessions to them. That is why money is not coming in." When a little bit of money is coming, we have started shivering in our trousers. I think that is not fair.

Now I come to certain other points, particularly the one raised by my good friend, Mr. Kalyan Roy. He practically converted the floor of the Rajya Sabha into a discussion for what they call 'collective bargaining'. Here I would like to make one point clear. You have collective bargaining with the private owners or with the private monopolists. I do not mind it. But, do you like to extend the same concept to the public sector? Who prevents you? He talked of the coal agreement, the steel agreement, the BHEL agreement, and he went to the extent of suggesting, what, I think, he called perverse and idiotic interference by the Bureau of Public Enterprises. Who is ultimately paying it? Either I am to provide the budgetary support, which you are demanding, Mr. Kalyan Roy, in the coal sector, from the existing wage bill of nearly Rs. 200 crores it will straight be up by more than Rs. 60 crores, in the BHEL it would be Rs. 15-16 crores more. I do not mind paying it, but there should be some discipline. I made it clear when I had held discussions with the trade union leaders that after all we have to provide the budgetary support; and when we have to provide that support, I would like to see that it has to be within certain discipline, within a certain limit. I cannot simply leave the concept of collective bargaining to be injected in the public sector, when I am to collect money, or rather pick money, from the Indian public and provide it. That is simply not possible. And still we have afforded it. The Bureau has put the guideline of 10 per cent. • But you know even at the time of the last agreement nowhere you adhered to 10 per cent.

The guideline was there, but we accommodated 13 per cent, 14 per cent or 15 per cent. As regards the question of retrospective effect, don't you feel that it is leading us to a really difficult situation? Even today I do not know, when I presented the Budget, how much commitment I shall have to make for the coal sector, for the steel sector, for other heavy public sector undertakings, because when the agreement will be finalized, nobody knows. You are talking of banks. When did they give their charter of demands? I myself told them, "Your agreement is going to expire. Give me your charter of demands, so that the process of negotiations can start." In the name of collective bargaining you are just deciding that it will have retrospective effect. An agreement shall be signed this year. I shall have to give money from last year. Where does the money come from? How can one make a plan? And when it will be passed on to consumers by price adjustment, you will start saying that we are increasing the price. Who has to pay? Where are you to put it? There should be some place in the system where this has to be absorbed. And if you do not have that, some place to absorb that, I am afraid that position cannot be accepted.

Sir, in regard to trust and rural development still there are certain misunderstandings. What type of trusts? All business income of charitable trusts should be taxed, or with certain exceptions. What are these exceptions? One exception is which is notified under section 23(c), that 577 or 522 whatever odd number may be

And some hon. Members said that I was going to tax the sale of the pretsadam of the Lord Venkateswara Temple. That is not. That is already exempted. They are covered under section 23(c). And I made it clear in the Lok Sabha itself. So, you need not have repeated that point.

Then I have said about certain trusts which Mr. Kulkarni also referred to, that ought to have some sort of activity, which, in the strict sense of the term, have business income, but they are being done in the process of either training or in the process of education or for the benefit of the beneficiaries. Suppose some trust is running a house for the old or an orphanage or a blind school. They produce something, and they sell it. But that would also be exempted. By the amendments which I have provided, that would also be exempted. The so-called business activity of the educational institutions which Mr. Kulkarni mentioned, would also be exempted. There is a separate law already. Hospitals charge, and that is also a business income. But that is exempted. Therefore, the business income from certain activities will be exempted, and except that all other business income will be taxed, and this is the provision I have made.

And why have I to extend the time till November? I do not know where the bravado of Mr. Kalyan Roy was when Mr. H. M. Patel extended it by one stroke to three years. I was sitting on that side. I did not see your bravado at that time. But what I say is—I told you last year—that I am awaiting further recommendations of the Jha Committee. And this year I have implemented it. And I told them, "By 30th September you dispose of."

And I have made one amendment which will take care of the problem raised by Mr. Shahabuddin about original corpus. What has been acquired by donation, but not purchase, what has been acquired by donation and the donee's share accrual of that original corpus up to June, 1973, that part, I am exempting, and the rest they will have to invest in the specified areas which have been provided in the law.

In regard to the rural development, I made it abundantly clear that

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it is not a question of having any political interference. Nobody can raise any objection with the Prime Minister's National Relief Fund or the Prime Minister's Drought Relief Fund or the Prime Minister's Fund for encouraging folk art and other things. Those are political issues. Up to now we have not reached that stage. But still I have changed the name. I did not want to bring the name of the Prime Minister. I have converted it into National Rural Development Fund. Why I wanted to do it? I wanted to do it because I must know what activities are taking place where. As in your case schemes worth Rs. 400 crores were approved and the actual disbursement was Rs. 6 crores. And why should I have this type of arrangement? That is why I have suggested that if the companies want to do it, guidelines will be issued, and this will contain these things. And if a company wants to do it by its own agency, they are permitted to do it. And if they do not want it and they want to contribute money to certain agencies, they can do it. But I must know three things: What type of programmes they are going to accept and it must be done of the approved programmes; secondly, in which area it has to be implemented; and thirdly to which agencies they are giving to do it.

Otherwise it would be extremely difficult. I am not just going to monitor it from one place. I am just providing guidelines. There will be committees at the State level. These committees are still functioning and they will implement it. So there is no scope for political interference or things like that.

One or two points more and I have done. Dr. Adiseshiah while making his observations, particularly with regard to one year's Appropriation Bill, asked why a huge amount was spent and he suggested that perhaps we are not making our assessments correctly. It is true. Sometimes we

face that. That is why we come up with supplementary demands, supported by the relevant Appropriation Bills. But I checked up the year which he particularly mentioned. He said that through the Appropriation Bills we took nearly Rs. 17,000 crores. Of this Rs. 16,000 crores were treasury bills. And you know treasury bills in the concept of gross budgeting: you take the receipt side and the expenditure side. And it is because of that in that particular year, the figure was astronomically high.

The second point he made was about new industries. Perhaps it is true that in this year's budget we have not done anything. But we have made available to the units established in the backward areas some tax concessions. I am talking of tax concessions, not of other concessions, subsidy or other things. I am talking of tax concessions provided to them for eight years, ten years. And there are tax holidays to the units established in the backward areas. These are already provided and these are inbuilt in the law. Therefore, if you take all of them into account, you will find that concession has been given to the existing units and tax concessions are also being given to the new units.

The last point...

SHRI KALYAN ROY: You are silent on the utter inefficiency of the CBDT.

SHRI PRANAB KUMAR MUKHERJEE: I am not at all silent about it. He has reminded me of something. He quoted certain figures and he said they were from the report of the Public Accounts Committee. I do not know whether it is a published report of the Public Accounts Committee. If it is not so, then you have committed a serious impropriety and you have done something which is not proper, because as a Member of the Public Accounts Committee, unless the report is laid on the Table of the House, you cannot use it in the course of a discussion or debate or even you cannot frame a question on that basis. (Inter-

ruptions) If it has been laid, it is all right. But I doubt. Anyway, Sir, it is not a question of inefficiency of the CBDT. It is not my case that all my organisations are doing well. If they are doing well, then Members would not have got so many points to criticise. But at the same time, you have to keep in mind that we are making efforts. For instance, take the question of the so-called arrears which is raised sometimes. I have explained that it becomes a misnomer in that sense. You raise a demand in March. Three months' time you give. But on the 1st of April, you can show it as arrears. But still we are making efforts. And I am guided by the conclusions of the Committee. When I introduced the concept of minimum corporate tax, the observations of the Public Accounts Committee helped me. But it is not a question of tax evasion. You cannot call it tax evasion. We are giving them certain concessions. People are utilising those concessions and making their tax planning in such a way that they are not to pay any tax. If you don't want to give tax concessions, then don't give tax concessions. But the moment you give tax concessions, then by proper planning, intelligent planning, they see that they don't have to pay taxes. So I have said, whatever concessions you may be entitled to, they would not go beyond 70 per cent. So that point will be taken care of.

The last point is about the small scale industries. I would be prepared to go with Mr. Shahabuddin. But it is extremely difficult. Suppose I say today that there will be no total relief. I do not know whether he will rise against me, but other Members will rise against me. It is not possible. I do understand the inherent difficulties. The moment you have a cut-off point, there is a certain tension. I am prepared to accept your suggestion; it would be more rational to have a graduated system instead of having a cut-off point. But, firstly, there is no fixed cut-off point. We started with Rs. 5 lakhs and then it

was raised to Rs. 7.5 lakhs. And now a demand has come that it should be made Rs. 10 lakhs.

The second problem would be that there would not be any more incentives for expanding; there would be no incentive for getting the unit cost reduced, improving the efficiency and there would be inherent tendency or inbuilt incentives to be inefficient and dependent on the tax concessions. We shall have to accept the system which we have already created for ourselves. It is just not possible for me to remove that thing. Whatever concessions I have given, I have explained in detail. I think the points some of the honourable Members have raised, I have tried to cover.

SHRI SYED SHAHABUDDIN: What about pensioners?

SHRI PRANAB KUMAR MUKHERJEE: I have told you on a number of occasions. I went to the court not because I did not want to give money to pensioners. I myself accepted the problem. The whole question is when the court says, you have to pay something, if I am to pay something, I will have to see whether I am in a position to pay or not, from where I can get that money, how I can get that money. Simply you cannot dictate. I have always said that there would be inherent dangers. "I have to see what would be the repercussions and consequences. Today when the employees are coming to me, I would say I cannot increase your wages, all right, I will do something for your pension. I will not be able to do it. I shall have to think twice or thrice if I can increase the pensionary benefits. And if I do any such thing to the existing employees, I shall have to give it retrospective effect. Apart from the hazardous administrative procedure involved in going through the records of all retired pensioners, the problem of money commitment involved would be much greater. So it has practically limited our scope of operation, the dialogue which we

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wanted to have with our employees. The last point is in regard to the Pay Commission. I do not agree with the suggestions made by them. We are having discussions with the employees; the process has been initiated and we have appointed an Officer on Special Duty. I do not agree and I would never accept the proposition that between the Government employees and ourselves there would be some friends like Mr. Kalyan Roy or Mr. Dipen Ghosh. We will talk to them directly through a set procedure. So I am not going to accept any intermediaries between me and my employees.

SHRI DIPEN GHOSH: But you are not talking with them.

MR. DEPUTY CHAIRMAN: Now I shall put the motion for consideration moved by the Minister. The question is—

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1983-84, as passed by the Lok Sabha, be taken into consideration."

*The motion was adopted.*

MR. DEPUTY CHAIRMAN: We shall now take up the Clause-by-Clause consideration of the Bill.

*Clauses 2 to 5 were added to the Bill.*

MR. DEPUTY CHAIRMAN: Now we come to Clause 6. There is one amendment in the name of Mr. Shaha-buddin. Are you moving it?

SHRI SYED SHAHABUDDIN: I just want to say a word. Perhaps the honourable Minister has explained the point that I had raised. If he assures me that under proviso (1) to which he referred just now, if the corpus of the original Waqf was the business itself, such business is covered under the term "asset", then I am

not moving; if it is so, I have nothing more to say.

MR. DEPUTY CHAIRMAN: So, you are not moving; so there is no amendment. Now the question is—

"That Clause 6 stands part of the Bill."

*The motion was adopted.*

*Clause 6 was added to the Bill.*

*Clauses 7 to 59 were added to the Bill.*

*The First Schedule was added to the Bill.*

*The Second Schedule was added to the Bill.*

*The Third Schedule was added to the Bill.*

*The Fourth Schedule was added to the Bill.*

*The Fifth Schedule was added to the Bill.*

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

SHRI PRANAB KUMAR MUKHERJEE: Sir, I move:

"That the Bill be returned."

*The question was proposed.*

DR. MALCOLM S. ADISESHIAH: May I just inform the Finance Minister, through you, that in the discussion on the Finance Bill, particularly on clause 36 relating to non-residents, amongst the Members there was a controversy as to whether the non-residents you are referring to here are citizens of India only who are residing abroad. I think your statement confirms what is here in the clause that they include person of Indian origin who are foreign citizens also.

MR. DEPUTY CHAIRMAN: He has clarified it.

**श्री हुक्मदेव नारायण यादव (बिहार) :** उपसभापति महोदय, मुझे केवल एक बात कहनी है और कई बार मैंने प्रश्न के मारफत भी इस सवाल को उठाया है और आज इस विधेयक पर जब चर्चा हो रही है तो वित्त मंत्री जी से मैं आप्रह करूंगा कि बैंक के जरिये जो भी कृषि के लिये कर्ज दिया जाता है उसमें उनकी जितनी कीमत, कृषि सामानों की, बाजार में है उससे डेढ़ गुना, दुगुना रुपया किसानों का लिया जाता है, जैसे चार इंची पाइप मिलता है वह 16.17 रुपये फीट मारकेट में है लेकिन बैंकों से किसान लेते हैं तो 24.25 या 26 रुपये में मिलता है। जो पम्प सेट पांच हजार का मारकेट में है वह 55 सौ या 6 हजार में बैंक से दिया जाता है। तो जितनी सन्सिडी सरकार देती है उससे दुगुने से ज्यादा बैंक वाले ले लेते हैं और फिर सरकार के जरिये जो सन्सिडी दी जाती है, बैंक वाले उस पूरी सन्सिडी का साल भर सूद लेते रहते हैं और जब तक वह सन्सिडी जाती है तब तक सन्सिडी से ज्यादा बैंक का इंटरैस्ट हो जाता है। तो सरकार जो देती है वह बैंक वाले (व्यवधान) इसके बारे में वित्त मंत्री जी विशेष रूप से इसकी जांच कराएँ और किसानों को जो सरकार सन्सिडी देती भी है वह किसान को मिल नहीं पाती है, सरकार को कोई लाभ नहीं मिलता है, सरकार की बदनामी होती है अफसरों के कारण, तो अफसर मिल करके आपकी नीति को चलने नहीं देते हैं। आप उन पर कड़ाई करें जिससे कि किसानों को जो सुविधा देते हैं वह उनको सही रूप से मिल सके।

**श्री रामेश्वर सिंह :** मंत्री जी को मैंने भी खत लिखा है, हमारा आपको खत मिला भी है, आपने जवाब दिया है।

जो आपने एक्साइज ड्यूटी बढ़ाया है इसकी कोई व्यवस्था करिये जिससे कि फैक्ट्रियां बन्द न हों... (व्यवधान) ऐसा कुछ सोचियेगा।

**श्री उपसभापति :** यह तो आपने भाषण में कह दिया है।

SHRI PRANAB KUMAR MUKHER. JEE: In regard to 5 per cent, one hon. Member also mentioned why I am not bringing in an amendment. The amendment is not necessary because it has to be provided through the guidelines, and the Reserve Bank will take note of it. We shall have to think about it. It is very difficult to administer. We will work out how to administer it.

Shri Hukmdeo Narayan YadaM spoke in regard to the problem of banks. I will have to check it because I am not aware of the situation. But we would like to see that the benefit goes to the farmers.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill be returned."

*The motion was adopted.*

#### THE AFRICAN DEVELOPMENT BANK BILL, 1983

THE DEPUTY MINISTER IN THE  
MINISTRY OF FINANCE (SHRI  
JANARDHANA POOJARY): Sir, I beg to  
move;

"That the Bill to implement the international agreement for the establishment and operation of the African Development Bank and for matters connected therewith, as passed by the Lok Sabha, be taken into consideration."

Sir, the honourable Members will recall that in February, 1982, the