

THE VICE-CHAIRMAN (DR. RA- 1 FIQ ZAKARIA): I think it is more than enough. He has said that he will convey it to the Minister concerned and looking to this thing, I am sure, the Minister would know what to do.

SHRI BHUPESH GUPTA: I appreciate what you have said, what Mr. Salve has said and what my friend has said. We had some other programme in mind, but we shall not do it expecting that the Minister will respect our collective wish or sentiment, call it whatever you like, of this House, which you have voiced and which he has also shared. Now, it is for the Minister of Parliamentary Affairs to expedite the implementation at least that part of the plan, namely, the presence of the Minister here as soon as possible to make a statement.'

#### **MOTION FOR ELECTION TO THE ADVISORY COUNCIL OF THE DELHI DEVELOPMENT AUTHORITY**

THE DEPUTY MINISTER IN THE MINISTRY OF WORKS AND HOUSING (SHRI MOHAMMED USMAN ARIF): Sir, I beg to move:

"That in pursuance of clause (h) of sub-section (2) of section 5 of the Delhi Development Act, 1957 (61 of 1957) this House do proceed to elect, in such manner as the Chairman may direct, one member from among the members of the House to be a member of the Advisory Council of the Delhi Development Authority."

*The question was put and the motion was adopted.*

#### **MOTION FOR ELECTION TO THE COIR BOARD**

THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI SITA RAM KESRI): Sir, on behalf of Shri Charanjit Chana, I beg to move:

"That in pursuance of clause (e) of sub-section (3) of section 4 of the Coir Industry Act, 1953 (45 of 1953), read with rule 4(1) (e) of the Coir Industry Rules, 1954, this House do proceed to elect, in such manner as the Chairman may direct, one member from among the members of the House to be a member of the Coir Board, for such period as may be specified by the Central Government."

*The question was put and the motion was adopted.*

#### **MOTION FOR ELECTION TO THE CARDAMOM BOARD**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KHURSHED ALAM KHAN): Sir, I beg to move the following motion:—

"That in pursuance of clause (c) of sub-section (3) of section 4 of the Cardamom Act, 1965, (42 of 1965), read with rule 5(1) of the Cardamom Rules, 1966, this House do proceed to elect, in such manner as the Chairman may direct, one member from among the members of the House to be a member of the Cardamom Board."

*The question was put and the motion was adopted.*

#### **THE BUDGET (GENERAL) 1981-82— GENERAL DISCUSSIONS—contd.**

THE VICE-CHAIRMAN (DR. RAFIQ ZAKARIA): Further discussion on the General Budget. Mr. Rama-krishnan, you have got ten minutes.

SHRI R. RAMAKRISHNAN (Tamil Nadu): Yes, Sir. Eleven minutes Mr. Vice-Chairman, sir, I just started my speech yesterday. I will say that the Finance Minister's job is not an enviable one. He has his shares of bou-

quets and brickbats, and by and large, I think, in this Budget, taking all the circumstances into account, he has done a very neat and good job.

At the outset, Sir, I would like to pose this one point to him and also for the consideration of the Government and the entire Parliamentary system. Why do we have this seerecy of the Budget at all? Is it not better to have the open system of discussion which some States in America have on what the Budget proposals are, which the bureaucrats can always work out, and what levies are proposed. The pros and cons of these can be discussed in Parliament, and then the Government can take a decision so that all the pressure lobbies can build themselves up in the open. Even now the pressure lobbies do build up, but it is all behind the scene activity. So, I pose this for the consideration of the Finance Minister.

To balance the Budget is not a very easy task. The deficit this year will be over 2,000 crores of rupees; that is what it will be once the entire thing comes through. Of course, in this stupendous task he has the able assistance of the demi-gods who are sitting there in the official gallery and the all-knowing people of the North Block. Why I say this, Sir, is that the bureaucrats of the olden days when the Indian Civil Service was there, were called the steel-frame. But now the all-knowing bureaucrats of today, I think, should better be called the aluminium or ever-silver frame because they think the suggestions offered by most Members are some sort of smattering non-sense or they consider many of the Members as odd job brokers for some business houses. I would advise them strongly to refrain from this attitude which they have developed in the recent past.

Looking at the Budget from the layman's point of view, I think the Finance Minister has really done well in raising the temptation limit to Rs. 16,000.

Even last year while speaking on the Appropriation Bill which came here, I said that the middle class was not attended to at all. And the Finance Minister has offered relief to more than 15 lakh assesses who will come in this bracket. Actually, if you calculate in a very good way as the chartered accountants do, the people who earn Rs. 23,000 or 24,000, after the standard deduction and all that, will get the relief of this tax benefit. The marginal changes which he has made in the standard deduction and also other relief he has offered, are really most welcome. In this connection, while he has raised the estate duty to Rs. 1.5 lakhs, I feel that the wealth-tax also should have been raised equally, to at least Rs. 3 lakhs. After all, the wealth will have to be revalued every now and then, and a house which used to cost Rs. 1 lakh before, with inflation will cost Rs. 3 lakhs.

Sir, the monetary expansionist policy of the Finance Minister—I am quoting from Mr. Brahmananda, an eminent economist:

"... will only pour tonnes of fuel into the blazing fire of 20 per cent inflationary furnace."

Sir, the Finance Minister has been described both in this House and the other House as a votary of the supply side economics and post-Keynesian school. But without going into all this technical quibbling, I think, a stage has come when we will have to live with this inflation. Mark Twain has said about weather that everybody talks about weather but nobody can do anything about it. If you are a realist-economist you will agree that these days everybody will have to live with this inflation. We must only be happy that it is not like post-war Germany where a cup of tea cost a few million marks. The inflation rate, I think, should be controlled and pegged at a reasonable level, as we are all attempting to do, rather than always keep talking about this inflation. In this connection, I would appeal to

[Shri R. Ramakrishnan] the Government to use all the powers in their hand, all these anti-blackmarketing, anti-hoarding laws, ordinances and bills which have become a reality. Now-a-days we find that most of these are only on paper and they are not being used against anyone. I would strongly urge upon the Finance Minister and the Government to use these laws against corrupt businessmen who are indulging in this sort of thing.

Sir, the Finance Minister has made a policy statement. He has accepted most of the major recommendations of the Sezhian Committee in reorganising the LIC. This is a step in the right direction. In this connection, I would submit to the hon. Minister, Mr. Sisodia and through him, to the Finance Minister, that the time has come when the functioning of the banks should be reviewed. A high-level committee should be appointed. Today there is a mushroom growth of banks, with each bank trying to compete with the other. No doubt, they will provide employment opportunities. But beyond that, there is quite a lot of money which is wasted in the name of deposit-gathering, in the name of serving the poor and in the name of serving the rural areas. This sort of competition in the Government's own banking system is not good. Even these can be reorganised into five or six banks. No doubt they would say that competition is good, but a stage has come when this can be looked into by a high level committee.

Regarding the famous "black budgets", I think the time has come when the Finance Minister, who is a man of high integrity, should accept the rightful criticism made by many sections of the public and also by many learned people. If a scheme which has been introduced in good spirit becomes a failure, there is nothing wrong in saying, "All right, I did a mistake; it became a failure." Perhaps this sort of thinking has come over him. Even the other day he said, "We are having some other schemes

in mind in case this fails. He has given an indication. I would like to say that these days we have to live with (black money. We must see how we can reintroduce the voluntary disclosure scheme, refined or adapted, to tap this black money and put it back into the economy.

The Finance Minister has already said that there will be no demonetisation now. But in the *Business Standard* of three days back, there is a report that some study group in the North Block is again studying to see whether a new-colour or a new-design hundred-rupee note can be introduced, whether some forms can be got when the old notes are given in exchange for the new notes, whether some CID men can track them and so on. I do not know whether it is imaginary or real, but the *Business Standard* has featured it on the front page. I would request the Finance Minister to look into the report and allay the fears of the public in this regard.

There would now come to some of the critical points. The levy on stainless steel bars has been increased from 75 per cent to 175 per cent. Sir, this is very glaring. Anybody who knows about the stainless steel industry will definitely know that this has been done to help one power bloc or the other. I lay an open charge in this House that this has been done to help Bihar Alloy Steels and two or three other big companies including the one in which one of the hon. Members of our own House is there. These are the persons who produce it and they get a windfall benefit because of this increase in the levy. This should be definitely reduced. I know the Finance Minister himself knows about the veracity of my statement. I would strongly plead with him to reduce the levy.

In regard to the problem of poverty, the Central Statistical Organisation, which is itself a part of the Cabinet Secretariat, has said:

"Leave alone measurement of poverty, even the concept of poverty-

ty is so complicated and raises several basic issues which are not easy to solve."

So this talk of people going above the poverty-line or below the poverty-line is just mere talk and prattle. What should be done is to ameliorate the condition of the poor and to see that there is maximum productivity and maximum employment is provided in the country, in this context, the need of the hour is more production. Just a few minutes back -we had a long discussion on the strike by public sector workers. More than 50 per cent of the capacity of the public sector units is lying idle. I think the Finance Minister along with his other colleagues in the Cabinet should see that production is maximised in the country. Sir, telephone rates have been jacked up very highly, and I would say very undeservedly. I am sure Members both from the Ruling party as well as the Opposition know about the wonderful, smooth and efficient performance of our telephone service. None of the telephones work. So that solves most of the problem. Most of the STD calls get disconnected, particularly at the crucial moment. In this connection I would like to bring to your notice that I have taken a flat in South Avenue but I do not live there; I live with my sister. My flat is locked. It is not subtle; it is locked. I have not stayed there ever since I became a Member of Parliament though I took possession of it. And yet I get a Bill for Rs. 10,000/- . I do not know which ghost has come and dialled from my telephone. Not only this. I get a bill pertaining to a period two years before I became a Member of Parliament. I do not know how this could happen. Therefore, this sort of things can definitely be looked into. When day in and day out criticism comes about this service, Mr. Stephen sits supremely immune to the criticism and takes it with some sort of rancour and arrogance, and says, "If the telephone is not good, then don't use it."

This is not the type of an answer expected of a Communications Minister, I hope he will surely concede that for the rates that we pay a better service should be provided by the telephone Department.

Next I come to the levy of auxiliary duty of 5 per cent. The impact of this falls greatly on the consumer. I would suggest to the Finance Minister that he could reduce it to 2 per cent keeping the inflation rate down.

Then, the 15 per cent levy on newsprint has heavily come in for criticism. I would request the Finance Minister to reduce this levy on newsprint from 15 per cent to 5 per cent and also give some concessions to the medium and small newspapers which are badly affected now. In this connection I have got a very important point to make. The Palekar Award which has been given has not been implemented by most major newspaper organisations. They have only agreed in principle. But from the backdoor they go to court and get stay orders. Even in this morning's papers we read that the largest group, the Times of India, has got a stay; similarly, tomorrow other big groups will go to court and obtain stays. The Palekar Award is only on paper. It is not being implemented. The Government would do well to reduce the newsprint levy and direct all the newspapers concerned to implement the Palekar Award.

The Finance Minister said that there will be no increase on petroleum products while on the other hand a backdoor increase has been made on kerosene for industrial uses by an administrative circular of the Petroleum Ministry. Kerosene oil price for industrial uses has been jacked up from Rs. 32.00. The Travancore Titanium, a public sector concern, was in need of several kilolitres of kerosene and they said, "We are prepared to pay more". Then some brilliant officer put up a note that this particular organisation was prepared to pay more. On that, some other more intelligent man said, "Put

[Shri R. Ramakrishnan] it for the entire industrial users of kerosene." What will happen is that the kerosene which is now available, for domestic consumption, will find its way into black market for industrial uses. There was a news report that this is being considered by the Ministry. I would urge the Finance Minister to discourage this sort of gazette notifications for these illegal levies. I would strongly ask him immediately to withdraw the circular of the Petroleum Ministry.

The Finance Minister no doubt has indirectly encouraged the cottage industry sector in regard to matches by increasing the levy from 420 to 550 where it is mechanised. He has kept the maximum slab at 720. There is only one big multi-national company in this country in this industry. Despite day in and day out criticism by Members of Parliament nothing concrete is done to check this company—it is WIMCO. It always has its way. There was a report even yesterday in the newspapers that WIMCO have 'declared the highest dividend. Again and again the Finance Minister seems to take a soft attitude towards this WIMCO which indulges in all kinds of mal-practices, which takes matches from the small sector, dampens them and then sells them so that they may get a bad name. WIMCO somehow is given a special treatment by this Government and the previous Government. I do not know why this special treatment is always meted out to this multinational which should be asked to quit the country right now. Still we will have self-sufficiency in match production. Just like Coca Cola which was thrown out, WIMCO also should be thrown out.

I congratulate the Finance Minister for including Asian Games; about Rs. 30 or Rs. 40 crores have been earmarked, I think officially. It may be more slightly. As my friends in the Opposition have said, several hundreds of crores of rupees may be spent on them. I think it is for pro-

moting the cause of international understanding. This is a rightful expenditure. The Prime Minister herself visited the World Tamil Conference at Madurai and she was ! deeply appreciative of the huge gatherings of twenty-five lakhs which was there to promote world Tamil understanding.

Sir, I have a few submissions to make on behalf of our State. It is very difficult these days for a State to raise resources. In this connection, I want to say that our Government has a proposal to change the capital of Tamil Nadu from Madras to a place between Tanjavur and Tiruchirappalli because we find that it is very difficult for people staying some 300 or 400 miles

I away from Madras to go there for all sorts of things every time. Furthermore, this will also help to ease the problem of unemployment and poverty. If a new capital like Islamabad could be built in Pakistan and if Brazil could have a new capital like Brazilia we also could have a new

capital city. And this will be built at a cost of Rs. 300 crores to Rs. 400 crores. I would earnestly request the Central Government to give us the maximum assistance out of the State Plan allocations for this project.

We also want to have airports and the third-level airlines to operate between Salem, Tuticorin, Tanjavur, Rameshwaram and other places of pilgrimage and tourist centres. There is not enough allocation in the Plan for this. Though we have already made a request I would now once again earnestly request the Central Government to consider our proposal for building airports in these small places and also for operating third-level airlines in some places where some infrastructure facilities are already available, for starting this.

We have also requested the Central Government for permanent drought relief measures and allotment of 100,000 tonnes of foodgrains for the drought affected districts and 2,000 drill pits for constructing deep bore wells so that the people affected by

drought conditions could be given relief from their distress. The Central team is most welcome to have a look at the relief work that is going on. I would request the Finance Minister to kindly expedite this and also to reconsider the Seventh Finance Commission report which said that for drought relief there should be no separate assistance other than the Plan allocation.

One final point is this. I do not want to raise any controversy. The Directive Principles of the State Policy says that the State should make all endeavours to implement prohibition and to prevent consumption of alcohol. We are finding it very difficult to raise resources and in case some sort of relaxation is made in this it will be better because unnecessarily some people bring us trouble with all sorts of imaginary scandals which never exit. Let the Central Government find out who are the persons really involved in this scandal, when the State Government's enquiry will be over. Then they can decide whether actually the State Government is involved in this or not. Also several persons who come to Delhi are not pointing at any individual M. P. or M. L. A. as signatories to the memorandum are themselves involved in criminal cases. Also spirit is nothing new. Even from 1974 spirit used to go from Tamil Nadu to other places. Whether it reached the destination or not, we do not know. I do not want to go into this question. I would only say in this connection that the Central Government

*[The Vice-Chairman (Shri Dinesh Goswami) in the Chair]*

has been receiving hundreds and thousands of telegrams every day. There are rumours that lobbies are working to see that the Sarkaria Commission report is withdrawn . . .  
(Interruptions)

SHRI V. GOPALSAMY (Tamil Nadu): Sir, on a point of order... (Interruptions).

SHRI U. R. KRISHNAN (Tamil Nadu): You sit down. Mr. Gopal-samy. When a Member is speaking, you should not interrupt.

DR. (SHRIMATI) SATHIAVANI MUTHU (Tamil Nadu): You give your ruling on whether it is relevant or not.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): You please sit down. If it is a point of order, I cannot help. Yes, Mr. Gopalsamy.

SHRI V. GOPALSAMY: The hon. Member was speaking about the budget and finances. Now he is speaking on something which is not the concern of the budget. I would strongly object to it... (Interruptions).

SHRI R- RAMAKRISHNAN: Yesterday hon. Members spoke about Gujarat reservation issue.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): So far as the point of order is concerned, unfortunately or fortunately on the question of relevance a lot of indulgence is given in this House. When Dr. Zakaria was in the Chair, the hon. Member was about to conclude. Now, I would request him to conclude his speech.

SHRI R. RAMAKRISHNAN: I only wanted to say that the Central Government has been receiving thousands of telegrams every day. The Sarkaria Commission, which was appointed by the very self-same people to enquire into allegations, has submitted its findings. The CBI is wanting to lay some charge-sheets. But there are efforts afoot to see that this is nullified and some report from below is being put up saying that the witnesses are retracting and that is why I say: Let the Central Government not be a prey to these machinations and justice be done on the merits of the cases.

•aURI V. GOPALSAMY: Sir only one sentence I want to utter. The persons who have been found guilty and against whom charges were made are now in the AIADMK Party and they are members of the AIADMK Cabinet. (Interruptions). One person has become the General Secretary of the AIADMK Party, (Interruptions)

SHRI R. RAMAKRISHNAN: That is why I have said that justice should be done on the merits of the case.

SHRI V. GOPALSAMY: That is not the point. (*Interruptions*)

SHRI R. RAMAKRISHNAN: I have said that justice should be done on the merits of the case. Let them do whatever they want.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMY): Let us hear the next speaker. (*Interruptions*).

SHRI V. GOPALSAMY: Also, Sir, one more thing I want to say. Sir, charges were made against the leader of the AIADMK Group in this House,

Shrimati Sathiavani Muthu. . . (*Interruptions*)

DR (SHRIMATI) SATHIAVANI MUTHU: Sir, this is not relevant. (*Interruptions*) He is saying something which is not relevant at all. (*Interruptions*).

SHRI R. RAMAKRISHNAN: Sir, I have not mentioned the name of any body. I have made only some general observations. Thank you, Sir.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMY): Yes, Mr. Nanda, only five minutes.

SHRI NARASINGHA PRASAD NANDA (Orissa): Sir, the various shortcomings in the Budget have been highlighted already...

SHRI N. K. P. SALVE (Maharashtra): Sir, I have to say something... I

SHRI NARASINGHA PRASAD NANDA: Sir, the various shortcomings in the Budget...

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): Mr. Salve, I am sorry, at least once you have been beaten in Parliamentary tactics.

SHRI NARASINGHA PRASAD NANDA: Sir, the various shortcomings in the Budget proposals have already been highlighted, particularly the ever-widening budgetary deficit, continued inflationary pressure, a poor consolation by a crafty employment

of point-to-point basis for price index as against the basis of average, departure from the policy of 'Zero Net Foreign Aid' and so on and so forth.

THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI SITA RAM KESRI): Sir, what is this?

SHRI NARASINGHA PRASAD NANDA: Sir, you notice today the erosion of respect or authority, deep economic malaise, intense social conflicts and tensions, etc. In such a situation, I will make rather unexpected unusual and unconventional comments. The greatest need of the hour is to create a climate of national integration, universal harmony and economic justice. In this connection, Sir, I shall invite the attention of the House to a Motion on "Eight-point Plan for Harmony", formulated by Dr. Mahavir Persad Gupta, which has been revived for the third time in the Rajya Sabha and presented by seven Members of Parliament belonging to four parties and among them are two lady Members. This is the work of a social thinker who is detached from party politics and it provides a working paper touching on the basic national problems. They are:—

Firstly, intensive moral and spiritual education, by educating the people on the true meaning of the sacred scriptures through the media of mass communication at the disposal of the Government in order to root out the pernicious evil of communalism from the mind of the people and to raise the national character. The author has put it down in such simple, concise and specific words that it can be easily understood by the common man. It is the right approach to the great religions of the world and an exceptional advance in presentation of their true meaning. It will be a significant contribution of India to world peace and harmony. The implementation of the second point ~ Of the 'Harmony Plan' will bring about pragmatic social reform. It is specific and follows the middle path in

economic philosophy to avoid the pitfalls of both right and left extremism.

The third point of bilingualism at the Centre will ensure the unity and progress of India. The fourth relates to intensive irrigation so that water reaches every farm. The fifth will control the population explosion and the sixth relates to extensive housing programme. The seventh relates to speedy administration of justice. And, finally, Sir, the eighth relates to the defence and security of the country by making very constructive and pragmatic suggestions to solve the border dispute with China.

Sir, these suggestions were summed up in a news item in "The Hindustan Times" of the 30th June 1980, on the author's book, "Aspects of Knowledge", under the title "Call to demilitarise Karakoram Road." These points which I have mentioned, the author thinks, will set the correct approach to our problems. Thank you, Sir.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): Yes, Mr. Salve. How long will you take?

- SHRI N. K. P. SALVE: As long as I need to complete.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): That is true. But, roughly, how much time?

SHRI N. K. P. SALVE: Twenty-five minutes, approximately Sir, I learnt from Mr. Nanda today a new technique: If one wants to speak out-of-turn, put your head down and start reading.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): That may not always be successful. (Interruptions).

SHRI NARASINGHA PRASAD NANDA: I finished in four minutes. I have still 30 seconds to speak.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): Which you are making up now. (Interruptions)

SHRI N. K. P. SALVE. At the outset, I owe an explanation to my friends in my party, the Opposition and in the Press, who have been asking me whether I have certain reservations on the Budget as a result of which I did not speak on the very first day. As a rule, Sir, thank to the kindness of my party, I have been speaking on the very first day; I was the first speaker of my party for several years. Sir, I want to dispel any apprehensions on this ground. I have absolutely no reservations on the Budget. If I could not speak as the first speaker, it was because of certain domestic difficulties. Sir...

SHRI SANTOSH KUMAR SAHU (Orissa): Why domestic difficulties? Why don't you say it was due to your son's marriage? (Interruptions)

SHRI N. K. P. SALVE: Difficulties arising out of the commitments ...

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): Many Members may not be acquainted with it. (Interruptions)

SHRI N. K. P. SALVE: On account of a marriage in the family

I have absolutely no reservations, so far as this Budget is concerned. I consider—I unequivocally put it on record—that the Budget proposals are very sensible and mature to bring about an extremely judicious blend of circumspection and enterprise at this extremely critical stage of the country's economy. Sir, in the midst of menacing pressures and stresses which are working to shatter the country's economy specially. Sir, in view of the unabated advance of inflationary forces, making a veritable hell of the lives of less privileged and under-privileged, I think, the proposals in the Budget deserve full marks and a very high commendation. Sir, the Budget, as all of us know, and it has been acknowledged even by those who take a more objective approach to these matters, has been acclaimed and well received by



[Shri N. K. P. Salve] the common man^ by the business man and, in fact, by every sensible man who understands the existing crisis, the existing state of crisis, in which the economy is engulfed. Experts and economists and heads from the Chambers of Commerce at State levels and at the New Delhi level have also commended the Budget. Sir, there has been a motivated criticism^ and I must submit, there has been some irresponsible criticism from members of some political parties who have not yet reconciled to the humiliation they have suffered in January, 1980 in subsequent elections. There has been criticism by some non-political men who have been pandering surreptitiously to the whims and fancies of these political parties. It is exceedingly unfortunate at this stage, political capital should be attempted to be made, that an attempt should be made to unnecessarily politicise the issues which do not exist, which do not arise out of the Budget. And I shall be referring to them just now.

Sir, I have read what Shri Piloo Mody and Shri Bhupesh Gupta have said on the Budget. Unfortunately, Bhupeshda is not here. Now, Sir, one of them is wedded, as you know, to *laissez-faire* and capitalism, the ideology of *laissez-faire* and capitalism, and the other, Mr. Bhupesh Gupta, is wedded to Marxism and Communism. And they both, making the most grotesque pair, drew absolutely common inferences from the Budget. Both of them found that the Budget was highly inflationary. They thought it was anti-growth; they found it was full of potentialities to increase unemployment it was anti-labour and it was anti-rapid industrialisation. And according to them, it is a Budget which would make the poor poorer and rich richer. The Bearer Bonds have been disapproved by both of them, entirely for different reasons. Now, Sir, the reasons given by both of them together are entirely at variance with each other. They are diametrically opposite as the two ends of the pendulum. According to one of them.

all the malaise and the deficiencies in the Budget can be attributed to an extremely faulty ideology and philosophy within the framework of which this Budget has been framed. He finds fault with the basic approach which this Government is wedded to, for framing the proposals of the Budget. One of them, Shri Piloo Mody, finds that mixed economy is, in fact, the cause of the entire misery and, in fact, the cause for keeping the large populace of our country anguishing below the poverty line for so many generations. According to him we must, in our ideology and in our philosophy, give up the whole approach of mixed economy. We must give up all controls. We must give up all regulations and we must wind up all the public sector undertakings and leave everything to the private sector under the rule of the market with no Government intervention whatsoever. And since we are not doing it and we are not wedded to this philosophy of *laissez-faire* and capitalism, according to him this Budget will always be a victim of such a pernicious ideology and stultify economic growth and social emancipation of the country. The other people—I am taking all of them as a symbol—have been criticising this Budget on the basis of basic ideology. We do not have anything to argue with them because we have accepted our ideology; we are wedded to it; we are going to implement it; we are going to live up to it and we believe that the Budget must cater to subserve our ideology of mixed economy. Mr. Bhupesh Gupta finds that we are sufficiently wedded to mixed economy to build up an egalitarian society. According to him, we do not have sufficiently strong and stringent rules and regulations. According to him we have given too much to the private sector. Just now, he was putting the entire blame for the strike that has taken place at Bangalore yesterday on the Government for not coming to terms with the Unions. He says that we have pandered to the wishes of the monopolists, the houses of multi-

nationals. Tatas and Birlas. He alleges that that is why we are not coming to terms with the employees.

Sir, one of them is at One end of the pendulum and the other is at the other end of the pendulum. The truth of the matter is that both of them are absolutely wrong. They have to understand that we have very clear ideology and philosophy and that we have to have a mixed economy as a means to build up an egalitarian society. We feel that this mixed economy alone will suit the Indian genius. It will give us economic growth, political stability, social emancipation and social justice. In this view of the matter, I have nothing

further to say. I leave here Shri Piloo Mody, Shri Bhupesh Gupta and all of their type. There has been an extremely humorous, if I may put it more correctly a very comical, attack on us. One of the leaders of Lok Dal in Lok Sabha said that Mrs. Gandhi's Government, ever since she came to power, has been frittering away the large, heavy and massive legacies which had been left behind by the Janata Government and the Lok Dal Government. In recent times, I have not heard of a joke which is more obscene and morbid than this one. He says that Mrs. Indira Gandhi's Government, after j^ assuming reins of powers in New Delhi, is frittering away the massive and great legacies left behind by the Janata Government and the Lok Dal Government. What happens if one ^-ere to see the legacies left behind by them? I am not one of those who likes to pinpoint the malaise, the evils, the deficiencies or the many problems left behind by them. In any way, we are going to solve the problems of the people We are her\* to solve the problems of the peopK because the people have looked to Mrs. Gandhi as the only leader who is capable of delivering the goods. We are bound to work positively for the betterment of the nation and to

» remove the problems which the peo» pie, especially the less privileged and the under-privileged, are facing. I for one do not like to point out the

lapses of the Janata Government and the Lok Dal Government. I do not want to point out the policies, fallacies and the legacies left behind by them. Sir, today's 'Hindustan Times', on the front page mentions some report which gives an indication of j the legacies which have been left by the Janata Party and by their more illustrious .successor, the Lok Dal I coalition Government. Sir, thg head-! lines of the report in the "Hindustan j Times' are: Cabinet was not fully briefed on gold auction. It further I says, "Had the 13 tonnes of gold not been sold at Rs. 86.5 crore in 1978, it would have been worth Rs. 220 crore in December, 1980." In a rising market, when the prices are rising higher and higher, there is a further indictment of the Government approach that they deliberately and wilfully so evolved a pattern and a system i and a method of selling gold that they allowed a set of people to corner the gold. Sir, the report further says, and I quote: "The sale was a betrayal of trust reposed by the people of India in the Government to have included in the gold for auction voluntary donations made by the people during the wars with China and Pakistan in 1962 and 1965." Sir, this country of Buddha and Gandhi, if nothing else, has a tremendous moral tradition. It is known for honouring its own words. Sir, in the comity of nations, India, despite its poverty, is respected all over for one thing that whenever the word is given by the Government with reference to certain deposits, certain loan payments, come what may, the Government has never gone back upon it. Sir, certain volun-tai'y donations given at the time of the China war and the Pakistan war meant to be only for the expenditure I of the nation and not to squander and not to fritter away; the precious gold was given in trust by the people of this nation, those people who, motivated by considerations of national interest, national security and patriotism parted with their belongings to the Government, and not to enable some people in the Government to enrich themselves.

Sir, there is another legacy on the same page of the 'Hindustan Times', the legacy of the Lok Dal Government. The heading is: "Charan Singh's son-in-law found guilty". What does it say, Sir? I quote:

"A LL'gislative Council Enquiry Committee has found the son-in-law of former Prime Minister Charan Singh and a past Chairman of the State Warehousing Corporation Guru Dutt Solanki guilty of having entered into a dubious l^d deal during his term in office. The Committee in its 41-page report iaid before the Legislative Council said without mincing words that Mr. Solanki with the help of other Dfiicers of the Corporation misuse his official position and the Government money to extend undue favours to his relatives."

These are the lagacies, Sir. Then, Sir, tRe Vaidyalingam Commission was appointed by Shri Morarji Desai when he was here after defying the House for so many days. It is only when the then Leader of the House and one of his own lieutenants Shri Advani, resigned on the issue that he agreed to constitute the Vaidyalingam Commission. It was not one of the Commissions on par or with the same purpose as the Shah Conmiis-si«ri. The Commission appointed by hint has come out with a scathing indictment of the working of the son of the then Prime Minister. Sir, we have never been wanting to be vindic. tivetowards these people. This has been the legacy. And what have been their legacies? Their legacies left behind have been inefficient administration, worst type of political opportunism, political and monetary corruption and political instability threaten, ing disintegration. And, Sir, the only thing that the Prime minister of t^^ Janata Government brought about was the massive publicity he has given to one remedy he has been preaching to the whole world the auto-therapy. So, the only contribution is the pregcriotion of the auto-therapy. And except that, these are the legacies. And what are they talking? They are

talking of Mrs Gandhi frittering way the legacies. Tliig Goernment, under the leadership of Mrs. Gandhi is ^ relentlessly and assiduously working to fulfill the promises that we have given at the time of elections. And come what may, we are bound to improve the situation as we have in 1980-31, aiid the statistics speak for themselves. But God forbid, if ever slie is not able to carry the country through, should she ever fail, it must be known to all the Opposition Members that the entire system will collapse, the entire Parliamentary democracy will fail. One is entitled to one's own views. (Interruptions) You are entitled to your views. With ^ what you have done to democracy, what mockery you have made because -of your political opportunism, internecine factional fighting the extremely despicable behavioUp in the party, devoid of discipline and which we have seen, do you think democracy can ever survive with that sort of approach to the problem? It is nice to talk glibly but it is very difficult to be able to inspire confidence in the people right from Kashmir to Cape Comorin and Goa to Gauhati. However remote may be the corner in *this* country, every man and every person feels that if there is the leader wlio can be trusted in this counry it is Mrs. Indira Gandhi and nobody else."^ It is she alone who, if at all can deliver the goods.

Sir, an honest evaluation is necessary to be able to determine the merits and demerits of the Budget. And the first thing, therefore, whicii needs to be considered is the context, the circumstances, the critics' state of the economy in the midst of which these Budget proposals have

come, I do not want to .go back for finding any political fault with anybody. But purely as a factual evaluation I want to .give what was it that happened in : 979-80 because the entire economy of the country had been put in the reverse gear. Thanks \*

to an extremely indiscreet, high-handed, arbitrary a.pprOiach in the Budget of 1979 presented by ChauJnat TiAran Singh, I think in

the history of India's economy there has never been a calamity greater than the calamity of the Budget of 1979 and it is not to criticise Chaudhavisahib that I am saying tills but the figures will reveal this thing. The inflation was highest possible at the time when he was out of the Government. The prices had started increasing and in two months time we had reached the phenomenal figure of 4 per cent and ultimately we ended up by 20 per cent; How much back we had gone in 1979-80? If one were only to see that in respect of growth, we went 15.5 per cent minus in agriculture, we went 1.5 per cent minus in industrial production and our GNP for the first time in the last 20 years went minus by 4.5 per cent and an inflation rate of 20 per cent. This was the state of the economy when Mrs. Gandhi and her Government took up the reins of Government in New Delhi. There was a serious backlash of drought. When they took up there were serious infrastructural constraints and deficiencies. There was imported inflation already on the head of the economy and there were heavy deficiencies in the balance of payments. Over and above that, Sir, thanks to an extremely faulty monetary policy there was also very excessive liquidity ratio at the time this Government headed by Mrs. Gandhi took over the reins of Government. Thereafter, for the next six or seven months, it was clear that the position was improving. It is due to the extremely pragmatic and sensible approach of this Government that it is what we are having next year, i.e., 1980-81. There is the agricultural growth of 19 per cent, for which no one is going to give credit to Mrs. Gandhi, because they will say that it is due to monsoons. To some extent it is true that we had good monsoons, but overall it is the agro policy which does make a difference. Be that as it may, there is an expected industrial production of 4 per cent and out of that up to December it has only been 2 per cent. The plus figure is only 2 per cent up to December, November and December, in fact, up to October we were hardly able to neutralise the

adverse effect. We were hardly able to bring the reverse gear into the neutral gear. The country had first to be brought into the natural gear and that is what the Budget has done. You had to bring the economy into the neutral gear and then you think of a thrust forward. The GNP rise is expected to be 6 per cent and inflation has been kept at 13.2 per cent. By no stretch of imagination the inflation of 13.2 per cent can be allowed to continue. If we continue with this rate of inflation it will mean further difficulties, miseries, unabated miseries, heaped upon that section of the society which is the weakest and which is the less privileged and the under privileged. Inflation will have to be contained. We will have to fight it out. But the fact remains Sir, that in 1980-81 the performance of this Government has been what these figures speak for themselves. I am likely to be accused of trying to be partisan when I commend the Budget more than it is necessary but the performance is before everybody's eyes. The Economic Survey is there. Whether or not we are likely to reach the figure of 6 per cent growth in GNP and that is primarily whether the industrial growth will touch 4 per cent or not, I ardently hope the industrial relations, and the labour problems will be taken care of and by March we would be able to reach 4 per cent industrial growth. If we do not reach 4 per cent industrial growth and if our GNP does not grow by 6 per cent, this will not be the fault of this Government. It will be because of those people who are responsible for irresponsible trade-unionism; it will be because of those people whose practice and perceptions are at such variance... (Interruptions) What are they speaking from? They come and talk here.

SHRI MANUBHAI PATEL (Gujarat) :  
Why do you over-hear anybody?

SHRI N. K. P. SALVE: I will go on as it is. For your consumption, I would tell you that you have such a difference in your practice and perceptions. Here when you are speaking on Gujarat, you say you do not

[Shri N. K. P. Salve]

support the anti-reservation stir, and that you are not with them. But once you go back to Gujarat everyone who has come here, and who has nothing to do with politics, has been saying...

SHRI MANUBHAI PATEL: I challenge. I have made a personal explanation in writing; here it is on record. I have never said, Sir, as he is referring to.

SHRI N. K. P. SALVE: Why did it hurt him?

SHRI MANUBHAI PATEL: Indirectly why should you refer to it? Where is the question of Gujarat?

SHRI N. K. P. SALVE: I did not even know that he had a guilty conscience in which he spoke.

SHRI MANUBHAI PATEL: How are you irritated?

SHRI N. K. P. SALVE: There have been people from Maharashtra who have been agitating for reduction in the price of sugar and some people are among them who are agitating for increase in the price of sugarcane. Do they think that our Government is a trickster or a conjurer which can have miracles in the economy, on the one hand to reduce the price of sugar and on the other, increase the price of sugarcane? They must know, the rules of economics know of no miracles; they are absolutely ruthless; as they cannot be cowed down by cheap political slogan-mongering or by pious platitudes by which they speak here and outside the Parliament. They will only be cowed down by strong discipline, by hard work, and nothing else, and whatever is done to break the spirit of discipline, whatever is done to break the spirit of hard work, whatever is done to make the people more selfish to the detriment of the community, it is never going to help us.

Therefore, Sir, I hope that we will reach this 4 per cent increase in industrial production. But if we did not reach, it was because of the man-days lost and, surely this Govern-

ment is very little responsible for the man-days lost.

The other aspects of the Budget which I would like to refer to are of quite some importance. There are reliefs to the taxpayers. The most salutary the most wholesome and welcome relief has been given by the Finance Minister in raising the exemption limit to Rs. 15,000. This is a well-deserved relief that he has given to those who are not able to pay on account of unabated inflation under which they are groaning. Not only that, it is also a relief to the Department. I understand, the average cost of an assessee is somewhere in the vicinity of Rs. 600 to Rs. 700 to the Department and the average collection from the assessee in this group was Rs. 500. Therefore these assesseees were uneconomical so far as the Department itself is concerned. This manpower, I hope, will be diverted for better purposes, for better investigations and for augmenting the revenues.

There is also an incentive provided for investment by way of increased rate of interest on deposits up to 5 years. Bank rates on such deposits have been increased. Only today, Economic Times has given that 'Bank Deposits Responsive to Increased Rates'; this Economic Times is a journal; certainly it is not going to support any Budget purely for political motivations but deposits are extremely sensitive; they are extremely responsive to what the rates of interest are. And so, the banks are able to get larger deposits. That is what is necessary. This is an incentive which is a very salutary feature. And for six years, National Savings Certificates, which will mature after six years, the investment rate has been doubled because of interest rate of 12 per cent. It is a very salutary feature of this Budget.

Another salutary feature of the Budget is the removal of the anomaly which had been existing for quite some time between the requirements on the one side that not more than 40 per cent of the equity shares will

be held by the promoter; at the same time there was another requirement that not less than a certain percentage of sums will be invested in the project. Now, sums can be invested in projects exceeding 40 per cent of the shares to be held. Earlier, the projects were bogged down, I know, for myself, about two dozen projects were bogged down. For months, this anomaly went on and I am happy, at long last, this anomaly has been removed.

I must congratulate the Finance Minister for making an allocation of Rs. 17,479 crores against the allocation of Rs. 14,593 crores, which means a 20 per cent increase. I hope, they will make best efforts and the only effort they can make is that they should be very stringent and very rigorous and very strict in the management of the economy and in the management of the administration of the Government to ensure that the expenses are minimised to the maximum. They should try to minimise, at least to the extent of ten per cent of the expenses. If they are able to do it. I have no doubt in my mind that so far this amount of Rs. 17,473 crores is concerned, it will not be cut on account of inflation. If there is inflation of 15 per cent or 13 per cent or 17 per cent, to that extent, it means. We are progressing at a stagnant point; we do not make any growth. I ardently hope that inflation will not seriously cut into the Plan expenditure.

SHRI KRISHNA CHANDRA PANT (Uttar Pradesh): What is your expectation for this year?

SHRI N. K. P. SALVE: So far as this Budget is concerned, my own expectation is that, it all depends on how the Government is able to efficiently and effectively control the monetary and fiscal policies, and how much economy we are able to effect in the administration. If they are able to work it well, if they are able to bring about greater discipline and if there is adequate industrial production and given good monsoons and good management and a better agriculture, I have no doubt in my mind

I that inflation can easily be checked. I do not for a moment subscribe to the view that imported inflation or higher prices of crude which we have to pay—again, there may be a hike by the OPEC countries—can alone contribute to inflation as such. It all depends on the efficient management and if there had not been efficient management, it would not have come down from 20 to 13 per cent. I hope, again, from 14 per cent, it will be pegged at 2 or three per cent at the highest, which can easily be absorbed by the growth.

Then, Sir, there are certain changes, statutory changes, brought about by the Finance Bill. The most salutary of them is that, about fourteen articles have been removed from Schedule XI. I have never understood the rationale of Schedule XI. Schedule XI contains some articles and certain things manufactured by certain industries which are not considered to be in the priority sector, in our country, at this stage, every industry which manufactures anything is a priority sector and, therefore, the Finance Minister has said that there is no justification for these fourteen articles being there. I hope, he will also see that there is no justification for the remainder of the articles to be there. Therefore, Sir, he has taken an exceedingly pragmatic view of the whole matter.

Then, Sir, there has been liberalisation of higher ceiling on development allowance to the tea industry. There is also relief to small-scale industries. There is complete tax holiday to industrial units in the free trade zones. They are going to extend the scope of section 35(b) in regard to weighted deduction to be allowed on certain activities connected with export development. There is a reduction in surcharge on income-tax in respect of all classes of companies from 7.5 to 2.5 per cent. *(Time bell rings)* Sir, you have given the signal. All that I would like to submit is this. May be, these Budget proposals are not unduly bold or unduly courageous. At this stage, he could not make such a major departure. At a stage when

[Shri N. K. P. Salve]

the economy is in such a state, he had to be cautious and, at the same time, blend with the enterprise. This is what has been done. Hence, Sir, if we evaluate this Budget, we will find that the trend that this Budget indicates is the most healthy trend in thinking and in the formulation of Budget proposals. This has been realised that by raising the rates of taxation indiscriminately you do not either raise revenues and you also do not seem to achieve the ends of social justice. This is what every economist and every pragmatic thinker, who accepts mixed economy, has been pleading for quite some time. Mr. Venkataraman's Budget of this year accepts this and this is a healthy trend. I ardently hope that this rationalisation of tax structure will follow year after year, until we come to a point where we have corporate taxation, we have individual taxation, we have taxation in the non-corporate sector and nobody will consider it necessary to evade any tax and that they would find payment of tax more rewarding than evasion of tax.

4 P.M.

Sir, there are only one or two things more which I want to suggest. I do feel honestly that there is further scope for improvement in corporate taxation. In the organised sector, to bring rationalisation, in my opinion it requires removal of the incentives. These incentives have caused so much litigation and so much of problem to the Government, and one never knows whether as a result of these incentives we have been able to give the requisite of intended direction to the industry, to the business, to the trade, or not. There are no data available. Everybody exploits, takes advantage of the incentives in his own way. Today again the "Economic Times" has brought out a special survey on investments. It has come out with a fact which is already known to the people, who are dealing with corporate taxation. It says that the effective company-tax rate is down to 46.2 per cent. Sir, the effective rate means the rate of

actual tax to be paid, to be calculated, on income before profit. I have always maintained that in terms of percentage, it is much less than that prescribed by Mr. Venkataraman in his Finance Bill. That is because of those various incentives, various artificial deductions. Therefore, to avoid all these complications, get rid of these incentives, I suggest that the corporate taxation rate should be fixed at 50 per cent straight for the industrial companies and 55 per cent for the non-industrial companies. Only one incentive should be given. Sir, and that incentive would be that those companies who put up new plants, new buildings and new machineries, should be allowed to write off 75 per cent of the cost of plant and machinery in the year of installation. Thereby, I am sure, the Government will lose nothing. As it is, it is just giving depreciation in advance. Excepting that, there is nothing that needs to be given.

One more suggestion. So far as the tax rates for the non-corporate sector is concerned, they must be further reduced. Under the existing inflationary pressure it becomes exceedingly difficult for an honest man to be able to make the two ends meet even if he is earning Rs. 50,000. At that rate, however, one may earn. The greed will continue. If you want really to take a pragmatic approach and ensure voluntary compliance, I suggest that the maximum rate of individual taxation, at no stage, should exceed 50 per cent or 55 per cent, income-tax and wealth-tax taken together. Sir, for the first time, in the wake of the courage shown in the Budget, there has been no excise levy. It is for the first time there is no attempt to raise revenues by direct taxes because it has become counter-productive. Neither do they bring in revenue nor do they serve the purpose of social justice. In that I view of the matter I do hope that we will consider these aspects of the matter. We want him to collect more and more taxes. We want the people to pay more and more taxes. And

that will come only if there is voluntary compliance. Otherwise, you cannot rule this as a police state. You cannot go behind the infringements and violations. He does not have the machinery- It is not possible to check every assessee of every second assessee who evades taxes. He does not have the means to be able to check that sort of evasion. Therefore, ultimately, you have to depend on voluntary compliances.

Sir, before I close, I have only one thing to submit, and that is that in this Budget the only dark horse is the bearer bonds. There is a feeling amongst knowledgeable people who understand the tax law and the Constitutional law that it is a very tricky going before the Supreme Court. I do not want to say anything because the matter is pending before the Supreme Court. That alone is the dark horse. I am sure, the imagination of our Finance Minister is, God forbid, if the scheme fails, he will certainly come out with a more pragmatic scheme which will meet the Constitutional requirements and will be able to raise Rs. 800 crores this year. I do not know whether he will be able to collect Rs. 200 crores by the 31st March.

Before I close I would repeat what I said because he was not here. Unequivocally I have said that it is a sensible and mature Budget bringing about a very judicious blend of circumspection and enterprise.

Thank, you.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAI SINGH SISODIA): Sir, I am intervening in the general debate on the Budget at this stage primarily to highlight some issues relating to tax policies and administration and public expenditure which I consider important so that some of the budget proposals may be assessed in the correct perspective.

I have gone through with great care the record of speeches made by esteemed Members of this House. I have also been present most of the time listening to the speeches made

by the Members. Having listened to these speeches, I can understand why the hon. Members opposite feel so aggrieved about the budget. The Finance Minister has not obliged them by presenting an unpopular budget. The Finance Minister has disproved the ancient dictum that i., is not given to man to tax and please. He has made an earnest attempt to mobilise resources for the plan and yet he has chosen the levies so judiciously that not only has the common man been spared from additional burdens, but he has also been given reliefs on a scale which none had anticipated. This Government has refused to oblige the Opposition with a budget which they could make use of for whipping up popular feelings against the Government. The middle classes are happy because a vast majority of them have been freed from the burden of direct taxation. Over 60 per cent of income-tax assesses have either been totally exempted from payment of tax or have secured some reduction in their tax liability. Other sections of the society are also happy because larger incentives have been provided for savings in the form of higher rate of interest for the investments made by them in bank deposits or small savings schemes. The small entrepreneur feels enthused because the concessions available to him under the income tax law and under excise duties have been enlarged and he can now compete more effectively with bigger units. The housewife has welcomed the budget because for the first time in many years, no excise duty at all has been levied or increased for raising revenue. I would like the hon. Members to contrast the approach of this budget, a humane budget, with the budget for 1979-80 when virtually no single item in the Central Excise Tariff was left untouched.

Sir, several hon. Members have referred to the increase in the prices of products such as those of petroleum products, coal and steel, which was effected a little ahead of the budget, I am surprised that a person like



[Siiri Sav'ai Singxi Sisodia] Shri Sankar Ghose with his economic expertise and experience should take exception to the adjustment of prices of administered products not as part of the budget but as an independent operation. He ought to be aware of the fundamental difference between price and tax which even elementary text-books of economics bring out clearly. The consumers of any commodity should pay its economic price. It is not fair to expect the general tax-payer or those who do not pay any taxes at all, such as the vast majority of the people who live below the poverty-line, to bear the burden involved in keeping the prices of particular products artificially low. Why should a poor man in a village who hardly uses any steel be constrained to pay through tax or deficit financing in order to maintain the price of steel low for the benefit of the man who puts up a multi-storeyed building in Delhi or Bombay? May I also remind hon. Members that adjustments in prices of administered products had been effected even in the past independently of the budgetary process? When Shri P. V. N. Mody's party was in power, the prices of coal were revised sharply, but after the budget of 1979-80, when the caretaker Government was in office, the prices of petroleum products were raised in August, 1979 without being linked with the budget.

Sir, many Members of the Opposition referred to the problem of black money. I would like to ask whether it was not a fact that it was during the Janata rule that the problem of black money, which has plagued our economy since the Second World War assumed large proportions, because of weak administration. The then Government level often spoke of the need for freedom from fear. Unfortunately tax evaders and tax dodgers took this promise of freedom seriously and enjoyed to the full the fruits of this freedom. In 1975-76 and 1976-77 search and seizure operations had been intensified as part of the 20-point programme. But after 1977 the drive against black money lost its momentum. Only 439 searches were carried out in 1977-78 and assets worth only about Rs. 2.16 crores were seized. In 1978-79, the number of searches carried out rose to 965 and the amount seized was only Rs. 362 crores. By 1979-80 the realisation perhaps grudgingly dawned on the Government that tax administration had become slack giving black money opportunity to play havoc with the economy with impunity. There was greater recourse to searches during the year; but even so, the number of searches carried out was only 1674. Ever since this Government took office, and particularly in recent months, vigorous steps have been taken to unearth black money. In the current financial year up to the end of January, nearly 3000 searches have been carried out by the Income-Tax Department resulting in seizure of assets valued at Rs. 15.65 crores. I want to assure the honourable Members that the Department's drive against black money will be pursued with unrelenting vigour. If our Bearer Bonds Scheme

SHRI KRISHNA CHANDRA PANT: Will the Minister stop for a minute? The point raised by Mr. Sankar Ghose and also by Dr. Adishesiah was that since the price adjustments now come to very large sums, Rs. 2200 crores or so this year—it is understood that they are different from the Budget—should not Parliament have some say in these matters now? When you take Rs. 2300 crores from the consumers in general should Parliament

not have some say in these matters? This was really the point they made.

SHRI SAWAI SINGH SISODIA: This is quite a different issue. Please listen to me first. If there is anything left over, then you can raise your point.

Sir, many Members of the Opposition referred to the problem of black money. I would like to ask whether it was not a fact that it was during the Janata Party rule that the problem of black money, which has plagued our economy since the Second World War assumed large proportions, because of weak administration. The then Government level often spoke of the need for freedom from fear. Unfortunately tax evaders and tax dodgers took this promise of freedom seriously and enjoyed to the full the fruits of this freedom. In 1975-76 and 1976-77 search and seizure operations had been intensified as part of the 20-point programme. But after 1977 the drive against black money lost its momentum. Only 439 searches were carried out in 1977-78 and assets worth only about Rs. 2.16 crores were seized. In 1978-79, the number of searches carried out rose to 965 and the amount seized was only Rs. 362 crores. By 1979-80 the realisation perhaps grudgingly dawned on the Government that tax administration had become slack giving black money opportunity to play havoc with the economy with impunity. There was greater recourse to searches during the year; but even so, the number of searches carried out was only 1674. Ever since this Government took office, and particularly in recent months, vigorous steps have been taken to unearth black money. In the current financial year up to the end of January, nearly 3000 searches have been carried out by the Income-Tax Department resulting in seizure of assets valued at Rs. 15.65 crores. I want to assure the honourable Members that the Department's drive against black money will be pursued with unrelenting vigour. If our Bearer Bonds Scheme

is evoking response despite the pendency of court proceedings, it is because those with black money are conscious that the Department is in pursuit of them and they will sooner or later get caught. Action against other economic offenders like smugglers and foreign exchange racketeers has also been identified. Various steps were taken to revitalise the intelligence and preventive network and to identify the areas vulnerable to smuggling and the commodities sensitive to smuggling. Particular attention was paid to the west coast region and to commodities such as watches, synthetic textiles, electronic goods, gold, silver and wild life products which were the main items being smuggled. The Intelligence Wing stepped up the efforts and immobilised two major gangs or organised smugglers operating in the country. Simultaneously action was also taken to curb the open display and sale of smuggled goods in the principal cities in the country. During 1980 goods totally valued about Rs. 56 crores were seized as against about Rs. 40 crores in 1979. Special attention was given to prevent outward smuggling of silver. The total value of silver seized during 1980 was about Rs. 9.48 crores as against only Rs. 1.23 crores during 1979. The provisions of the CO-FEPOSA were also more vigorously enforced. During 1980 354 orders of detention under COFEPOSA were issued as against 257 in 1979. Two hundred and ninety-eight persons have been detained so far under COFEPOSA in 1980.

There is also a spurt in the activities of the Enforcement Directorate in the current year. The Directorate carried out 1423 searches all over India and foreign currency seized by them was also double the figure in 1979. The total amount involved in offences detected during the year 1980 was of the order of Rs. 55 crores as against Rs. 30 crores in the year 1979. On departmental adjudication, penalties exceeding Rs. 1 crore were imposed in the year 1980. The

amount of Indian and foreign currencies confiscated amounted to Rs. 35 lakhs as against Rs. 14.5 lakhs in 1979. While taking energetic action against smugglers and foreign exchange racketeers, we have at the same time taken a number of measures to facilitate quick clearance of passenger baggage. I would not like to weary the House with details of the various measures taken. But I would like to stress that the walk-through system which has been introduced at the airports with effect from 6th February, 1981 has been welcomed by the passengers, tourists, the press, and the public in general.

While pursuing effective action against black money, we are also trying to tackle at its source the causes for generation of black money. As Finance Minister has explained in his Budget Speech clearly, we propose to raise additional revenue not from enhancement of rates of taxation but from effective tax administration. During the period of Janata rule, the marginal rate of income-tax was raised from 66 per cent to 72 per cent in two stages. In 1980-81, despite the reduction in rates of taxation, which entailed a loss of revenue of nearly Rs. 100 crores in a full year and about Rs. 80 crores in 1981-82, we will be realising the budget estimate. The Corporation tax will also yield Rs. 1,550 crores against only Rs. 1,515 crores which we had budgeted for, and this despite the fact the same concessions had been given to the corporate sector in the last budget. Latest trends in collections indicate that the actuals may turn out to be better than the revised estimate. We now anticipate that collections under income tax and corporation tax together may well touch the Rs. 3,090 crores mark.

While referring to the concessions given under income-tax, some Members have sought to make out that we have been magnanimous at the expense of the States. May I remind that exemption limits under income-

[Shri Sawai Singh Sisodia] tax law have been revised from time to time and the burden involved in extending the concessions has been shared by the Centre and the States depending upon the pattern of the devolution of income-tax is settled by the Finance Commission. In 1975-76, we raised the exemption limit for income-tax from Rs. 6,000 to Rs. 8,000 crores! Last year, in the very first budget of the present Government, in fulfilment of the pledge made in our election manifesto, we raised the exemption limit to Rs. 12,000 crores ...

SHRI KRISHNA CHANDRA PANT: These are thousands and not crores.

SHRI SAWAISINGH SISODIA: I am sorry. It is Rs. 12,000/-. All that which has now been done is that in keeping with our party's concern for the interests of the middle class, exemption limit has been further raised to Rs. 15,000. and lowered the tax burden for assessee upto Rs. 30,000. As far as I am aware, no State Government has criticised the grant of these concessions. The State Governments are equally interested in affording a measure of relief to the middle class. Even looking at the impact of the concessions from the narrow point of view of the ways and means position of the State Governments, I would like to stress that the interests of the States are well protected. When the Planning Commission finalised the plan of the States for 1981-82, the States' share of income-tax had been estimated at Rs. 981 crores. As against this, even after taking into account the concessions envisaged in the Finance Bill, States will get, as their share of income-tax, Rs. 1,029 crores that is, nearly Rs. 50 crores more than anticipated when their Plans were finalised. The States should therefore face no difficulty in financing their Plan outlays as determined by the Planning Commission for 1981-82 provided of course they fulfill their part of the commitment in raising resources for the Plan. Further, the

enhancement of exemption limit for income-tax should not be viewed in isolation from other proposals in the budget. The various tax concessions and other fiscal policies as outlined in budget are designed to promote a climate better conducive to investment and generation of incomes in the economy. These measures are bound to have a beneficial impact on the growth of revenue from Income-tax. The States will, therefore, gain significantly if the Budget proposals are viewed in their totality. The loss on account of the raising of the exemption limit and reduction of the tax liability in certain States will be more than made up in the coming 1 years through a faster rate of growth of the economy.

Sir, during the discussions on the Budget, attention tends to be focussed on tax rates and tax policies. In assessing the contribution which the Budget seeks to make to the solution of the problems of the national economy, it is essential also to look at the projected pattern of expenditure in the Budget. The Budget seeks to raise the Plan outlay in 1981-82 by nearly 20 per cent. Coal, power and oil, the three crucial sectors of our economy, the healthy growth of which is vital for our survival as a self-reliant nation, have been given the pride of place in the allocations in the Plan for 1981-82. In the other productive sectors, there has also been a reasonable step-up in outlays. While striving to stimulate the rate of growth of the economy by way of larger investments in productive sectors, we have taken special care of the needs of the weaker sections of the society.

The honourable Members will recall that for the first time after this Government assumed office, a provision of Rs. 100 crores was made in the Budget for 1980-81 for the Special Components Plan for the Scheduled Castes. This programme is being continued with an enhanced provision of Rs. 110 crores in 1981-82. We have also introduced a uniform

Integrated Rural Development Programme covering all parts of the country. The allocation for the Integrated Rural Development Programme and the related programmes has been stepped up from Rs. 158 crores in 1980-81 to Rs. 155 crores in 1981-82. This will be augmented by provisions in the State Plans. May I also take this opportunity to dispel the wrong impression which seems to prevail regarding the allocation for the National Rural Employment Programme? We have made a provision of Rs. 180 crores in the Central Plan for this programme. But this will be matched by an equal amount in the State Plans. The aggregate provision available for this programme in the coming year will, therefore, be Rs. 360 crores and this will make a significant impact on the augmentation of opportunities for gainful employment in rural areas. The rate of growth projected in the Sixth Plan will materialise only if the projects and programmes envisaged in the Plan are cleared expeditiously and implemented with purposeful vigour. I am aware that the Finance Ministry has a special role to play in the expeditious clearance of projects. As the House is aware, major projects costing over Rs. 5 crores need the approval of the Public Investment Board. Honourable Members will be glad to know that in 1980-81, the Public Investment Board has cleared, upto the end of February 1981, 79 new projects estimated to cost Rs. 6,935 crores as against 73 projects in 1979-80, which were estimated to cost Rs. 4,946 crores, projects such as Phases IV and V of the Bombay High, development of South Bassein gas fields and so on in the petroleum sector, 22 production-oriented projects in the Coal Sector, several projects for expansion and improvement of port facilities, projects for augmenting of generation of power, both hydel and thermal, projects for creating new capacity for the production of aluminium, lead and cement. I have referred to the

working of the Public Investment Board in some detail because I would like the House to appreciate that the Government's macro policies for the achievement of a higher rate of growth and economic self-reliance are being backed up by bold and timely investment decisions. I hear a great deal of talk about economy in expenditure. Some honourable Members have referred at some length to it. While wasteful expenditure should be curbed ruthlessly and the increase of non-functional staff kept under check, I do not think that the House will accept the basic thesis that economy in expenditure calls for minimal government. My party's economic and political philosophy assigns a dominant role to the public sector in the promotion of economic growth. We are, however, keenly aware of the need for economy in public expenditure not in the narrow sense of the term but in its larger connotation—of ensuring that we get the best value for investment made in public sector and departmental enterprises. Investment decisions should be taken on sound techno-economic considerations and implemented with the utmost expedition. I have carefully listened to the views expressed by the hon. Members on the performance of public enterprises. Public sector was in a run-down condition when this Government assumed office. We recognised that something needed to be done urgently to rejuvenate the public sector. The non-availability of power, inadequate supplies of coal, and troubled situation in some parts of the country which resulted in interruptions in supply of feed-stock, etc. were identified as major obstacles to improvement in production. The situation in ports and the difficulties in rail transportation were also taken into note. These problems received the urgent and continuous attention of the Cabinet Committee on Infrastructure. I think the results of their endeavour are there for all to see. I quote figures—

[Shri Sawai Singh Sisodia]

showing improvement in production in 180-81 over 1979-80. Coal-India Production has increased by 9 per cent, Lignite Production has increased by 69 per cent^ Blister Copper Production has increased by 24 per cent,

and

SHRI SHEIDHAR WASUDEO DHABE (Maharashtra): Has the utilisation capacity increased in Coal-India?

SHRI SAWAISINGH SISODIA: Please try to hear what I say.

Lead production has increased by 43 per cent. ONGC (Offshore) crude output has increased by 6 per cent. The public enterprises in Heavy Engineering group like BHEL, Bharat Standard, Jessep & Company, Garden Reach shipbuilders and others have also improved production in the current year. Similarly, the enterprises in the light engineering group like the Cement Corporation of India, Nepa Mills, Hindustan Photo Films, Scooters India Ltd., have also improved production. The hon. Members may also be glad to know that recently there have been clear indications of an increase in production in steel after months of stagnation.

Sir, we welcome all legitimate and constructive criticism of the Budget and the economic policies it outlines. But I would request the hon. Members not to decry or underplay its positive aspects. I would also appeal to them to rise above partisan prejudice and cooperate with us in the implementation of the Plan on the basic objectives on which there is a broad national consensus.

Sir, I can say with all sincerity and honesty that the progress of our country on all fronts, including the economic front, is safe and sound and our nation is marching ahead with pride under the dynamic leadership of our leader, Shrimati Indira Gandhi. Thank you. (Interruptions)

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): Mr. Maran. Your party has 15 minutes. Kindly keep this in mind.

SHRI MURASOLI MARAN (Tamil Nadu):

Mr. Vice-Chairman, Sir, let me, at the outset, congratulate the hon. Finance Minister for his brilliant Budget which he has produced for the second time in succession. Sir, We know Budget can make history.

SHRI KRISHNA CHANDRA PANT:

Tamil Nadu's contribution... (The interruption??,s)

SHRI MURASOLI MARAN: Yes. Right from the days of Mr. R. K. Shanmugan Chetty (Interruptions) up to Mr. Venkataraman, we have a tradition. But sir, Budgets can make or make Governments. We all know that during the pre-Independence days, during the interim Government, the Congress gave the Finance portfolio to Mr. Liaquat Ali Khan. And he created a new tax called Excess Profits Tax to mop up vast war time profits, and you know it created such a propaganda that it was thought that Liaquat Ali Khan was putting this tax to kill all the Hindu industry, and the result was — that the Congress leaders were compelled to accept partition. So that Budget of Liaquat Ali Khan hastened in the partition of the country. Like that, Sir the previous Government put taxes in such a savage manner ^ that they could not come back to power; the people did not return them. In that context, I would say that this Budget of the hon. Finance Minister is a Budget of consolidation and innovation. In his own words, from crisis management he has come to increase the growth of this country. In fact, he has given a relief of Rs. 146 crores in direct taxes alone. There are several notable features to promote savings and investment. The mood of the people can be best depicted by the cartoon done by Mr. Abu who was a Member of our House. He has drawn a very beautiful cartoon. He has depicted a middle-class housewife planting a kiss on ^ip the cheeks of Mr. R. Venkataraman. The caption is "Mad for each other". It speaks for itself.

THE MINISTER OF FINANCE <SHRI R. VENKATARAMAN>: My "Wife will sue me for divorce

SHRI MURASOLI MARAN: It is only a cartoon. The entire salaried middle-class people are very happy and on behalf of all of them I congratulate Mr. R. Venkataraman once again. He has raised the nil slab rate from Rs. 8,000 to Rs. 15,000, in respect of Income-tax. On account of this, about 12 lakh of Income-tax payers will go out of the Income-tax net. By way of other exemptions and reductions, 25 lakh Income-tax assesses out of 40 lakh assesses will be benefited. This is a very notable feature of this Budget. At the same time, another question arises. By this provision, the Centre is losing Rs. 115 crores. If you look at it from another point of view, the States are losing about 85.6 crores of rupees because income tax is being shared by the Centre and the States. Just now, Mr. Sisodia told us that even then the States are getting Rs. 50 crores during the plan period. My argument is that if the reductions had not been made, the States would have got more. Their cake would have been bigger. That is not the argument. If you ask me; "Does it mean that you are not in favour of it?" My answer is "No". In fact, I will go a step further and say that just like in some of the European countries such as Netherlands, Denmark, Canada and Australia, there should be an automatic indexing of exemption limits by reference to inflation. My grievance is that the States' share is being reduced. They may get Rs. 50 crores more because of buoyancy of collection. But I would suggest that the Corporation Tax should also be brought into the divisible pool. I remember that during the N.D.C. meeting, the Chief Minister of Maharashtra, Mr. Antulay, stated that it was the duty of the Centre to see that the States did not suffer financially. Almost all the States are ruled by Congress (D) Party. That is why, I would urge upon the Finance Minister to consi-

der including the Corporation Tax also in the divisible pool.

According to me, the only one unpleasant feature in the Budget is the 15 per cent duty on the import of newsprint. I am also connected with the newspaper industry and mine is a small newspaper. But it is unprecedented. It is the first time. So far the newspapers had been a sacred cow and newsprint has never been subjected to import duty. This 15 per cent duty on the import of newsprint is not justified. The newspaper industry is completely dependent on imports. We do not have sufficient indigenous production. There is only one NEPA mill and it gives very poor quality of newsprint. Even in Bangladesh, very good type of newsprint is produced. The S.T.C. is increasing the price of the newsprint every 3 months. Now, another 15 per cent of duty has been added. I think this is too heavy. Some hon. Members have stated that smaller and medium-sized newspapers should be given exemption. I am not for it even though I belong to a smaller newspaper category. I think it will lead to a lot of malpractices. Secondly, this new import won't affect the bigger newspapers at all. Well, the bigger newspapers will increase the advertisement tariff by 15 or 20 per cent. In fact, they will get more profit and more money from the Central Government by way of Government advertisements and DAV advertisements. So, the affected persons are the language newspapers, those whose advertisement revenue is very small. That is why I would plead with the hon. Minister that although as we do not have sufficient newsprint production in India, till then, he should treat the newspaper industry for some more time as a sacred cow and should not levy any import duty at all. That is why, Sir, this partial reduction will not deliver the goods. That is my opinion.

Sir, another important factor which I would like to highlight is that we

[Shri Murasoli Maran]

- are not giving as much importance to family planning as we did before because of the had propaganda it in-
- curred and because of some stigma attached to it earlier. We are not giving a boost-up to the family planning. Since independence, that is over the last 33 years, by population We have created one more India, And in 19 years from now<sup>^</sup> one more India will be created, and at such a rate, our population is growing. So, to destroy India we do not require neutron bombs. More population explosion alone will do the job. Now, Sir, there are certain notable changes among the religious leaders also regarding family planning. The Catholic bishops, though they differ on the method of family planning, are not
- against it. They have come forward
- and stated that they are not against family planning in toto but they are against certain kinds of method of family planning. Moreover, even in Islamic countries, family planning is being adopted vigorously. For example, family planning is practised in Indonesia very successfully. Sir, perhaps, Bangladesh is one of the poorest countries in the world and they are practising this family planning. They have no other go except to resort to family planning. They have brought out some literature saying that even the Prophet's teachings do not come in the way of family planning, Sir<sup>^</sup> I understand that only Rs. 15 crore have been allotted in this Budget for family planning. This is a paltry sum. This would not solve the problem. So, what I would suggest is that a big boost-up should be given to family planning; otherwise our achievements in agriculture, industry and in every other field will be nullified. Sir, our achievement in agriculture is tremendous during the last 20 years. From 15 million tonnes, we are now producing 135 million tonnes of food-grains. It is a fantastic achievement. But population increase has neutralised the beneficial aspects of food-
- grains production. So, we may claim

that our godowns are full. But our per capita foodgrain availability remains the same as that of 1950s and 1960s. We have not improved because the increase in the production of foodgrain has been neutralised by the increase in population. So, I would urge upon the hon. Minister and the Government to launch an effective family planning programme. And the most recent and dramatic example is of Thailand which is also an agricultural country like India. They have reduced the population growth from 3.2 per cent to 2.5 per cent. And for 1981, they are aiming at 2.1 per cent. And I am told that 80 per cent of the cost on family planning in Thailand comes from foreign donors. So, we should take a leaf from out of that country and practise it.

iSir, I once again congratulate the hon. Finance Minister for breaking up the giant LIC into five units. It is a very commendable feat. Even the author, Mr. Era Sezhiyan, would not have thought that even his Janata Government would have done this so soon. But, Sir, he is quite uncharitable in saying that it is an accountant's Budget. But this accountant has done that miracle. He has split the giant into five parts. But at the same time, I would request him to consider the splitting up of the giant financial institutions like the IDBI because. Sir, I do remember that once when Mr Chavan was the Finance Minister, some hon. Member asked him a question why all the financial institutions should be situated in Bombay alone, and to which Mr. Chavan replied, "It is the financial capital of India," Sir, who made it so? There is no statute. But probably because of some historical accident and certain other factors, Bombay has become the financial capital of India and Delhi the political capital of India. That is why we see all the State Governments and all the business houses having one liaison officer and guest house in Delhi to deal with the Central Government

and one liaison officer and guest house in Bombay to deal with those financial institutions. And, recently, Sir, in the National Integration Council meeting the Prime Minister has said that regional imbalances and disparities are one of the main reasons working against national integration. This is one of the main reasons. So, the IDBI, according to me, should be split into four or five units and for each zone a certain amount should be earmarked so that a balanced development can take place all over the country.

Sir, an ambitious programme has been launched by the ONGC. This is very laudable. They are going to engage foreign parties on contract on a producing-sharing basis to hasten the pace of exploration and development of potential oil fields. This is a very good idea because most of our import bill goes to the import of petroleum and petroleum products. Should we go in for production-sharing with these foreign collaborators? I have no idea what the result will be. But I hope the hon. Minister will explain it. As I see it, production-sharing means that part of our wealth will go out of the country. It reminds me about our colonial past. So, if it is inevitable, I would request the hon. Minister to see that the raw material is processed in India, for, in principle I am not against foreign capital, because *per se* there is nothing against it. As you know, the United States became a powerful country because of British financing and then West Germany became powerful because of American financing and so also Argentina became powerful because of West German financing. Even now we are hearing condemnation of multinationals here and there. But what is happening in the USSR? Sir, the Fiat company is building cars for them. Even the Coca-Cola has entered the Soviet Union. That is why the Chinese ridicule the USSR and say that they are practising Coca-Cola Communism. But in China also the situation is the same. Our Birlas are

going to build industries in China. I am not against that. But, at the same time, let us be pragmatic about it. We know America is the bulwark of capitalism but when they went to reach the moon and hoist their flag on the moon, it was done by a public sector company and not by private capital. Anyway, I would like to be enlightened whether production-sharing is essential in this case. But I would suggest that at least the raw material should be processed here alone.

Then, Sir, we are spending large sums of money on subsidising fertilisers. The only remedy is that we should produce fertilisers. According to the Explanatory Memorandum about Rs. 44.85 crores have not been spent for building fertilizer industries because of various reasons, because of some delay. We should endeavour to produce the fertiliser that we need. I would request the Government to take up these matters and see that the required fertiliser factories are built on a war footing.

Then, Sir, so far in all our Plans and in all our projects the one missing thing is the rural India. Now there are two different Indias, the rural India and the urban India. We are turning our eyes to the urban India because of organised sectors and other interests. But now there is an awakening among the rural people. If the recently held farmers' rally had any message the message is this: The hon. Prime Minister is aware of the awakening. The Government is aware of the awakening. Sir, in fact, you can compare it to a volcano. (Time berries) It may erupt any movement. What the farmers want is more equitable distribution of economic resources of the nation. Sir, the urban areas have been accustomed to take 20 per cent of inflation every year. If you take the agricultural produce, the prices have not risen substantially in 30 years. They have risen 30 per cent in 30 years. Sir, at the prevailing



[Shri Murasoli Maran]

prices in a normal good year a farmer hopes to earn Rs. 1500 per acre of wheat, about Rs. 2000 per acre of paddy and Rs. 4000 for sugarcane or cotton. But every year would not be a normal good year. At the same time to earn the income of a Government servant working in a State capital or Delhi that means if he gets Rs. 15,000 per annum to earn the same money, a farmer has to own 10 to 12 acres of wheat, 3 to 4 acres of sugarcane or cotton. Sir, the National Council of Applied Economic Research points out that 95.8 per cent of the lowest income households earning less than Rs. 1200 per annum, live in rural areas. So, 95.8 per cent of the people, whose annual earning is less than Rs. 1200 live in rural India. According to 1975-76 figures, the average income of the top 1 per cent—we are talking of the kulaks also—of the rural households is only Rs. 28,200 per annum. Therefore, if we compare the total taxable wealth in the city of Delhi alone, it is nearly twice that of rural India as such. Such is the disparity.

Look at our plans. In all our plans, from the first to the present one, rural sector gets only 26.9 per cent of plan outlay. Seventy per cent of population live in rural areas but there is only 26.9 per cent of the plan outlay. Sir, the rural people are suffering because—I would say—they are not getting remunerative prices. If we take up the price structure, their inputs like fertilisers, chemicals, machinery are the highest in the world in spite of the subsidy. If you take the cost of their inputs, you would find And a 10 horse power tiller costs Rs. 25,000; a 35 horse power tractor costs more than Rs. 80,000. Nowhere else in the world these prices are so high. But at the same time agricultural produce prices are heavily controlled and remunerative prices are denied. But a borewell of about 300 ft. costs about Rs. 35,000. Under these circumstances, our effort should be to raise the level of rural

people. Unless we do it, we will get into more trouble. That is why, I would appeal to the hon. Finance Minister to let him turn his eyes towards the rural India also. Once again, I congratulate our hon. Finance Minister.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): Mr. Handique. I hope you will finish in 15 minutes. I do not know how much time you expected but I hope you finish in 15 minutes.

SHRI BIJOY KRISHNA HANDIQUE (Assam): I will try. Sir, the Budget needs to be considered in the context of—in the words of the hon. Finance Minister—an economic situation that continues to be difficult. So, quite naturally, the basic fact that the Government inherited an economy in extremely poor shape, dominates the Budget. It has twin-objective which is to stem further deterioration and direct our efforts to attain growth and stability. Added to that near collapse of the national economy during the period 1978-79, the severe drought of 1979 massively told on agriculture and hydel power generation. This, in a nutshell, is the backdrop of severe constraints under which the Budget had to be formulated.

Sir, in the face of it, We have had : the Sixth Five-Year Plan, the biggest ever plan with the proposed allocation of Rs. 97,500 crores. Again, the bulk of outlay is earmarked for costly development of energy, transport system comprising of such critical sectors as power, oil, coal, ports and railways, in a determined bid to remove the nagging constraints on economic growth.

Sir, these are the circumstances that tend to compel heavy doses of taxation. It is, however, Finance Minister's realistic assessment of the difficult situation and his bold and pragmatic approaches that reject the course of taxation. Instead, it is a Budget designed to promote savings and investment, to boost production, and to give relief to one of the most

hard-pressed sections of the society, the middle-income group.

Evidently, the Finance Minister's concern this time has been to guide the economy on the path of non-inflationary growth. To that end, he has sought to mobilise the community's savings in a big way for the public sector by making interest rates on bank deposits and maturities attractive by substantial increase. In private enterprise, relaxation of the requirements under the Stock Exchange guidelines will attract investment in industry.

Added to the proposed increase in the exemption limit of personal Income-tax for 2.5 million tax-payers and the enhanced rate of standard deduction in the case of salaried tax-payers, the Budget makes a bold experiment in the form of a series of concessions to the corporate sector. This progressive recognition of the private sector assigned to play a crucial role in the national economy, and the progressive realisation of the truth that efficient tax administration rather than higher and higher rates that raise resources and reduce economic disparity, make the Budget realistic. Undoubtedly, our tax system is sufficiently deep and wide to ensure a socialistic approach for the removal of economic disparity. But the trouble here is, We believe in more and more taxes rather than efficient tax collection with the result that the burden on the honest taxpayers is very severe.

The Direct Taxes Enquiry Committee rightly recommended reduction in the Income-tax rates as a means to fight evasion on the ground that—I quote:

"higher rates of taxation create psychological barrier to greater effort and undermine the capacity and the will to save and invest." The Wanchoo Committee, too has opposed a rigid attitude in the administration of fiscal laws on the ground—I quote again:

"a rigid attitude would not only inhibit a one-time tax evader or an

intending defaulter from making a clean breast of his affairs, but would also unnecessarily strain the investigational resources of the department in case of doubtful benefit to revenue, while needlessly proliferating litigation and holding up of collections."

It has even favoured a provision in the law for a settlement with the tax-payer at any stage of the proceedings. That, however, does not mean that we should be soft on tax evasion. As a matter of fact, concrete steps are mentioned in this Budget, against tax dodging. The proposed reduction of surcharge by 5 per cent on Income-tax payable by all classes of companies, that is from 7.5 to 2.5 per cent, in order to improve the climate for investment in industry is not only a material benefit but a good gesture to private sector and this shows Government's trust in being responsive to the demands of the private sector to play its role in the national economy. Concessions such as five years tax holiday to the export-oriented industries in the free trade zone and concessions to some other industries are indeed prompted by a sense of trust of the Government in the private sector. But there is a complaint from the private sector that it is denied the opportunity to give a much better account of itself than has been the case. It is true that much will depend on its conduct and responsiveness to the Government's call for greater investment in the productive and purposeful channel. So it is imperative that the private sector be told by the Government in clear directives of its social objective and justice and national obligation to put money in circulation. So, Sir, the concessions that have been given to the private sector must be hedged with effective safeguards. Mere granting of concessions without demanding the fulfilment of its social obligations will give the private sector a long handle to venture into profiteering in a cavalier manner or deliberate under-production to create artificial scarcities.

[Shri Bejoy Krishna Handique]

There must be a constant Government check on its free hand.

While discussing the Budget, I would like to draw the attention of the hon. Finance Minister to the regional imbalance inherent in the Divisible Pool. An hon. Member just a few minutes ago referred to this. As I understand, the federal financial transfers have necessarily to be uneven because of difference in State's economy, population, natural resource endowments and density. Broadly speaking, the stresses and strains in the Centre-State financial relations have developed mainly because the States have had to shoulder the responsibility of development themselves while the bulk of the elastic financial resources remains with the Centre. Granting that this is a Constitutional obligation, yet the point at issue deserves a fresh examination. At least it may be possible within the framework of the Constitution to evolve a suitable formula for devolution of resources. It has to be admitted that the base of the Central Divisible Pool should progressively widen. This is the inherent logic of the situation. It is, however, heartening to note that the hon. Finance Minister refers to the recommendation made by the Chief Ministers in the National Development Council to put the revenue yield from the Central Excise Duties and Additional Excise Duties to be in the ratio of 2:1 as far as possible. There is an assurance in the Budget to achieve this ratio gradually from the yields from the Basic and Special Excise Duties on the one hand.

(Interruptions)

SHRI VICE-CHAIRMAN (SHRI DINESH GOSWAMI): Mr. Chakraborty, you have changed your seat and you are disturbing the proceedings. Don't disturb the proceedings. Please go back to your seat.

SHRI BIJOY KRISHNA HANDIQU: ... and Additional Excise and other, taking the three items of sugar, tobacco and textiles together.

Mr. Vice-Chairman, Sir, apparently, it looks sound that bigger States need more finances than the smaller States. But judging merely on this basis without looking into the problems of the areas is not definitely sound because the problems are not the same for all the State areas. The State areas differ in their natural resource endowments and they need differential treatments. So the size of the area of a State without reference to their specific problems, which vary from State to State, cannot be considered as the only criterion that can be applied equally to all the States. They call for special indices of need. All the Finance Commissions, however, have given utmost importance to the population as an index of need. On this basis, the State with a larger population will get a bigger share. Devolution on the basis of population gives the per capita income of different States. But per capita income is not the same and need not be equal for all the States. Richer States will have a greater per capita income than the poorer States. Though the State income may be considered as a criterion for devolution purposes, Equity 5 P.M. needs that the State income should be inversely related to its share from the Divisible Pool. Sir, the States have been advised to raise their resources and to minimise their dependence on the Central assistance. It is true that the resources allocated to the States by the various Finance Commissions and the Planning Commission, have been increasing from Plan to Plan, and this escalation is no doubt a mark of "generous responsiveness" of the Centre to the "expanding needs" of the State and also the genuine desire to ensure optimal utilisation of the national resources in a decentralised fashion. But here two legitimate questions remain to be answered: First, has the inadequacy of the States' own resources been due to certain mal-distribution of the revenue resources between the Centre and the States? And, secondly, how can the poor and backward States

and Union Territories of the North-Eastern region mobilise resources without adequate finance because of their mobilisation itself needs adequate finance. Sir, Assam's annual loss due to the flood ravages, on an average, is Rs. 7 crores to Rs. 8 crores. How much resources can it raise in such circumstances? How can the small States like Mizoram and Nagaland raise the resources? What resources have they got? Even if they have, how can they raise them without adequate finance?

The Centre must also appreciate the small States' contribution to the national economy. Assam has a sizeable contribution to the economy of the whole country by her oil and tea. Yet Assam is in proverbial poverty in the midst of plenty. Assam produces 42,96,000 tonnes of crude oil. That is about 60 per cent of the pre-sei total production of the country. But the royalty earned is at the rate of Rs. 42 per tonne, and the total royalty received by Assam is Rs. 22 crores per year. It is high time that the Government raised the royalty on a national basis in accordance to the aspirations of the people of this region. Let us take another example. Assam produces 305 million kg. of tea per year, that is, 55 per cent of total Indian tea, worth Rs. 400 crores. But the Central excise on tea is high; it is around Rs. 32 crores. I hope the Government will give some thought to these suggestions.

Before I conclude, I again congratulate the Finance Minister. Considering all the constraints under which the Budget had to be framed, the doubling of the oil prices in 13 months, the inflationary pressure still rampant in the economy, the stagnant exports and the mounting wage bill of the Government employees, it is creditable on the part of the Finance Minister that he has managed to keep the Budgetary deficit to a relatively low figure. On the whole, it is a savings-cum-investment Oriented budget directed to attain growth and stability in the economy which was

in utter shambles during the period 1978-79.

Thank you, Sir.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): Thank you. Mr. Imti. Will you kindly conclude in ten minutes?

SHRI T. ALIBA IMTI (Nagaland): I will try.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): There are more than one speaker. Please try to conclude in ten minutes so that others also get a chance.

SHRI T. ALIBA IMTI: Mr. Vice-Chairman, Sir, I find that this House is run by the majority, for the majority and of the majority. We people from the frontier area, get a little time and with a great difficulty, once in a blue moon. And when we get our time, the House is almost deserted.

I do not know how democracy, in the real sense, is run in India. However, that is a different issue. I am a very, very ordinary person, and my analysis of the Budget shall be from that account. I have no brain, and also I do not have the time to study the Budget, like a doctor who examines his patient. Also, Sir, I do not have much faith in the figures shown in the demand for grants and in the memoranda because I myself, in the earlier days, had the opportunity of helping some budget preparations, plan preparations and so on. The figures are many times misleading and they are really not to be accepted as gospel truth. For example, when the consolidated expenditure of a particular State, for instance, of my State of Nagaland is being shown, it is very presentable, very encouraging and very good and people feel happy. But when the budget is being divided and sub-divided into different headings, heads and departments, then most of the expenditure

[Shri T. Aliba Imti] is shown against the security forces and alike subjects, and only a very small percentage of the budget goes to the people who actually require the money. So this is how it is. So, personally I do not give much emphasis on the actual financial figures.

Now, our learned Finance Minister

has delivered his speech in 132 paragraphs. Out of these 132 paragraphs, Sir, I selected seven paragraphs. But as the time given is so short, I will try to cover only three or four. The first para I will take up is para 28. In para 28 our Finance Minister has dealt with black money and black economy. Sir, with due respect to the Finance Minister, I hold this para a black para. It deals with black money and I call it a black para. I am not claiming any financial credibility for myself. But we have such a mighty Government. It is such a great country; it is one of the biggest democratic countries in the world. Of course, we have our economic difficulties. We have many economic hurdles to cross. But this para 28 which speaks about the Special Bearer Bonds, I personally feel, is a disgrace for the country. It means we are collaborating with black-marketeers; we are trying to extend our hand of welcome to those people who have directly or indirectly robbed the money of the tax-payers, of the common people. By issuing these Special Bearer Bonds, I personally feel that we are going down morally to a very low stage. If the Government feels that it has to do it only for the sake of money, that is a different issue. But I thought, and I strongly believe, that the Government of India has got a certain moral dignity, a moral decorum to follow. Sometimes we may be economically very low. But from the time of 1947 under the great leadership of the late Jawaharlal Nehru, we have been trying to demonstrate to the world a moral sense, a moral strength. Even yesterday we discussed about this issue. I personally feel. Sir, that if we are thinking only about money. We should call Tatas and Birlas and

ask them to run the Government of India and we should close down the door of the Parliament and go home. The Finance Minister is expecting Rs. 200 crores out of this. But what is Rs. 200 crores for such a big country? Assam has lost Rs. 2000 crores last year in foreign exchange. And now for the sake of Rs. 200 crores and Rs. 300 crores we are extending our hand to blackmarketeers, smugglers, and so on. So personally I am very unhappy with this para 28. I repeat I would call it a black para and I strongly put my objection on record.

Now, para 39, Defence. Yesterday we discussed Defence through a Calling-Attention Motion to matter of its public importance. You will admit that India must be strong; we must be strong. As we discussed it yesterday, militarily we have to make our country strong. We are tired of living in fear psychosis, especially we the frontier people. We do not know what will happen tomorrow. We have already faced wars. We have waged war with Pakistan and China. The immediate impact of a war is felt on the frontiers. Therefore, we want that we should make our country very strong. We are seeing how Russia and America are planning their world, global, schemes, and India appears to be isolated. The Government of India should take a serious note of this situation and make our country militarily very strong. The increase of Defence expenditure by Rs. 200 crores is too meagre. This increase of Rs. 200 crores for Defence is not very satisfactory. Our non-alignment policy is good. According to my observation, as also stated by one of the Members, we cannot fight with sticks, i.e. Of course, we are not going to be the aggressors. But we have to defend our country. We are afraid of Burma, we are afraid of Pakistan, etc. How do we live like that? This country of 600 million people! So this Defence Budget increase by only Rs. 200 crores is too meagre, according to my observation. Para 56 deals with allotment for

Scheduled Castes and Scheduled Tribes and Hilly areas and so on. We are very much aware that the Government of India, according to the Constitution also, decided to keep a special provision for Scheduled Castes and Scheduled Tribes. And for the last thirty-two years this has been going on. Up till now the condition of the Scheduled Castes and Scheduled Tribes people except in some places, is far, far, below the expectations. Here I have got some figures. One Mr. R. N. Chantulia is the Senior Research Officer in Planning Commission. He says in the month of October on the basis of information obtained, "It is calculated that it will take thirty-two years for Scheduled Castes and Scheduled Tribes to come on a par with the rest of the population in pre-primary schools." So far thirty-two years have gone. And according to this Research Officer of the Planning Commission another thirty-two years are required even to come up to the pre-primary stage for the Scheduled Castes and Scheduled Tribes. This is very discouraging. This is not at all a good figure. Educationally and otherwise the Scheduled Castes and Scheduled Tribes, and Harijan communities, hill tribes, are still very much neglected. Here is the Statesman of December

23, 1980. The Commissioner for Scheduled Castes and Scheduled Tribes, Mr. Shishir Kumar, has in a report presented to Parliament today suggested to have a separate Ministry under the Prime Minister herself. I think the Government should take into account all these various studies and reports for the welfare of the people.

Out of 600 million population of this country the Scheduled Castes people are about 200 millions and if their welfare has not come to the required standard, naturally the progress of the country will be affected. I do not know, but I am told that some of the Scheduled Castes people are ashamed of themselves to be called Scheduled Castes. Only at the time of getting scholarships or appointments they come forward with this label of Sched-

uled Castes. I am one of them; I am a hill man. I declare that such people should be out of the Scheduled Castes, if they are ashamed of themselves. I feel if such people in the present generation do not come forward into the national stream, the Scheduled Castes themselves are also to be held responsible. If there is no progress in that community in spite of all the money spent for them and the goodwill and services rendered for them by the general community, by the highest society, then they have to blame themselves. Then there is also a story of a Brahmin family where the elder brother is a Brahmin teacher and the younger brother is a Scheduled Caste clerk. How far it is true. I do not know. If it is for emotional integration, it is all right. If it is only for the sake of getting job that does not help any body.

Now, Paragraph 62. (Time ball rolls). I am concluding, Sir, it says that the Government is deeply concerned about the lack of adequate Communication facilities in the North-East. you have, therefore, decided to take up six National Highways. The names are given. Since I have no time, I would not read the whole thing. But in the mean time I want to bring to the notice of the Government that the problem there is not merely an economic problem. It is a political problem. It has to be dealt with in a proper way. We know what is going on in Assam. Probably people think that it is all solved. No, I tell you sir, that the Assam problem is not solved but it may come up again next month. It is just lying low. It will come up. We have lost thousands of crores of rupees in terms of foreign exchange and developmental works. The trouble started one and half years ago. It starts in the month of August, 1979, people may be thinking that it is solved. I tell you that Assam problem is far far from solution. I shall urge the Government to take appropriate action timely to avoid more tragic incidents.

In Tripura from today they have started the Assembly. Any time any-

[Shri T. Aliba Imti] 'thing can happen. The tribal people are very angry there. They have been -cheated by the leftist Government. When the election was there, the leftist party published in their manifesto that they shall get District autonomy. So, all the tribal people supported them. But when they came to power in 1978 they forget the question of autonomy. Then, when the Seventh Schedule was about to be implemented, in June last year there were troubles and clashes in Teliamura.

So, Tripura also is another one and there are very serious problems which are coming up there. In Nagaland, we are now having a good Government. But I want to tell you how the authority is encouraging malpractice. I want to mention a news item here. "Mr. X., an M.L.A. refused the Congress (I) offer of two lakhs of rupees" I have warned some of the senior Congress Ministers here: "Please do not play with money, do not play with our life". This is how money flows from them.

THE VICE-CHAIRMAN (SHRI DINESH GOSWAMI): I have given you more than 15 minutes.

SHRI T. ALIBA IMTI: Yes Sir, this is very wrong and this should be stopped. Only two minutes more. Sir. The time is so short. What to do?

[Mr. Deputy Chairman in the Chair]

SHRI T. ALIBA IMTI: The time is so short.

MR. DEPUTY CHAIRMAN: You have to conclude now.

SHRI T. ALIBA IMTI: Sir, I represent 60 MLAs, because I am the only one here from Nagaland. Therefore, you must have some consideration for me. As far as the Centre is concerned, we have no parties and we deal all equal as one. So, Sir, the financial allotment might be quite good and I am very grateful to the Finance Minister. This is, on the

whole a very good Budget, I agree. But our main concern is law and order and our main concern is administration. We are situated neglected, Tripura, Mizoram, etc. Even in Mizoram, you are housing two tigers together, that is, Brig. Sailo and Mr. Laldenga, and we do not know how it will end, where it will end. We do not know at all. This is also not very wise. About Manipur, we all know and it is under President's Rule now and we think that a popular Ministry will come there soon.

Sir, my last point; You have been very kind to give us a Third Level Air Service and this is very beneficial for us. But this Third Level Air Service you have not given to Nagaland. Dimapur is there. But in the foothills and in the hills we do not have any air link. It will be in the interest of the public there and the public will appreciate very much if a Third Level Air Service is given in the hills.

In regard to postal and telephone communication our Minister Shri Stephen has assured as during the Question Hour on the 11th that the North East region will be the best in the country in near future. I trust him.

MR. DEPUTY CHAIRMAN: Now please conclude.

SHRI T. ALIBA IMTI: Thank you very much, Sir

SHRI JAGANNATH SITARAM AKARTE (Maharashtra): Sir, I rise to support the Budget. Sir, it is found that very sincere and intensive efforts have been made to augment the income of the poor people. It is an excellent Budget. But certain drawbacks and infirmities deserve attention. The first glaring defect in the Budget is that it has not considered any measures to prevent the people from wasting their money and their life's earnings for drinks. The day before yesterday we got news from

the All India Radio that the excise income, that is income from drinks, in Maharashtra, the earnings or revenue, will be Rs. 61 crores this year. Last year it was Rs. 40 crores. Now it will be Rs. 61 crores. Who will pay this revenue? It is the poorest people who will pay. We are trying to remove poverty and increase the income of the poor people. We are pouring some money into their pockets and at the same time cutting their pocket right at the bottom. We want to pump air into a tube and we want to puncture the tube at the same time. This is what is happening to the poor people in India, particularly in Maharashtra.

AN. HON. MEMBER: Everywhere.

SHRI JAGANNATH SITARAM AKARTE: What does it mean? Sir, I will quote from the Tek Chand Committee as to what it means. The Tek Chand Committee was appointed by the Planning Commission to study the liquor menace in India. Justice Tek Chand was the Chairman. He toured the whole world. He toured India. He studied official and unofficial documents, all publications, and this is what he says:

"Whereas the State is richer by one rupee the taxpayer is poorer by four as he has to pay four times the tax he pays. The Government as a tax gatherer is only a junior partner, entitled to 25 per cent of the sweepings, the balance of 75 per cent is retained by senior partners, namely, middlemen—the contractors the distillers, vendors, etc. For the sake of getting one rupee as a revenue, the State makes the drinker to pay four times the tax."

- Today, it is the most shocking news. If the population of Maharashtra pays Rs. 244 crores for drinking only, it is horrible to think what may be left for their maintenance.

Again, Sir, Mahatma Gandhi has said, who pays the tax? Mahatma Gandhi observes:

"... the Government it seems, instead of stopping, are abetting and aiding the spread of alcohol. The poor there, as everywhere, are the greatest sufferers. It is they who spend what little they earn in buying alcohol instead of buying good food and other necessities. It is that wretched poor man who has to starve his family, who has to break the sacred trust of looking after his children, if any, in order to drink himself into misery and premature death.

Ninety per cent of the alcohol drink tax, that is excise duty, comes from the pockets of the poor man. Now, I want to ask, when this happens, when we ignore prohibition and nobody talks of prohibition, how are we going to help the poor man?

Mahatma Gandhi further said:

"Having identified myself with labour, I know what ruin drink has brought to the homes of labourers given to drink —"

This is most important:

"... I know that they will not touch liquor if it was not within reach. We have contemporaneous evidence that drinkers themselves are in many cases asking for prohibition."

My question to the Government is this. Thousands of people have applied to the Municipalities. Gram Panchayats and other local bodies and have passed resolutions to remove the liquor shops from near the temple, near their houses, near the houses of the poor people. When the Government says that public opinion is against prohibition, I have to ask the Government whether there has been even one application from any man in Maharashtra asking for a liquor shop near his house, near the temple or asking for a liquor shop in his *mohalla*. There was not a single application like this coming from any citizen, in Maharashtra. On the



[Shri Jagannath Sitaram Akarte]

other hand, there were hundreds and thousands of applications against liquor shops. People have fought. They have gone to jail. Everything was done. What for? Not for getting a liquor shop but for removing a liquor shop. When there is strong public opinion against liquor, why does the Government not stop it? On the other hand, they spread the liquor. What is the reason? I know the reason. The reason is that the Government is afraid of the tremendous power that the liquor magnates command today in Maharashtra. They can change the Government. They can create trouble and whatever is purchaseable in election matters, they will immediately purchase it. Therefore, every Minister or Chief Minister is afraid of these liquor magnates. Secondly, the most horrible thing is that these liquor magnates have created a very strong lobby amongst MLAs., MPs and Ministers. They have always tried to get licences for opening liquor shops for their relations, brotliers, daughters and sons. I know of a Prohibition Minister whose half a dozen relations have got liquor shops. *(Interruptions)* I know that half a dozen MLAs have liquor shops in the name of their sons or brothers.

SHRIMATI HAMIDA HABIBULLAH (Uttar Pradesh); This is very unfair, Sir.

MR. DEPUTY CHAIRMAN: Madam, Please have patience.

SHRI HAREKRUSHNA MALLICK (Orissa): She cannot do so.

SHRI JAGANNATH SITARAM AKARTE: This is the real picture in Maharashtra. I challenge anybody to deny it. Now, Sir we can understand why prohibition is not successful.

MR. DEPUTY CHAIRMAN: Mr. Akaste, is this only for MaSTtaraslitra?

SHRI JAGANNATH SITARAM AKARTE: I do not know the situation in other States. Ministers in Maharashtra have taken licences for their

sons or daughters. I have a list of all of them. Anybody can get it verified. I would like to ask one question. Has prohibition failed anywhere in the world, particularly in Maharashtra? Even the greatest enemies of prohibition must admit that when prohibition was in progress or in force, public drinking or social drinking had been completely stopped and drinking used to carry a stigma. I know of cases where when it was mentioned in a newspaper that a particular person drank liquor, he filed a suit for damages. It was considered bad to say that a man drank liquor. Nobody dared to drink. There could never be a marriage in which drinks were served. At least, social drinking and public drinking had been completely stopped, if a man wanted to drink, he had to do two things. First he had to break the law and then drink. If 100 people drink today, only five would have dared to break the law and drink. And this was the success of prohibition in those days. I know, Sir, students in the colleges did not know what liquor was. I know of a case in Amaravati "College when the Principal suspected that a student drank, he sacked the student and sent him out of the college. Now, Sir, the Minister himself has said that if you go to any hotel, you find girls and young people drinking heavily. If this position continues, the removal of drinking becomes impossible. And so long as we do not close the liquor shops and we do not enforce total prohibition, no amount of allocation either through Budgets Or otherwise will ever succeed in putting any pie in the pockets of the poor people.

MR. DEPUTY CHAIRMAN: That will do.

SHRI JAGANNATH SITARAM AKARTE: I thank you Sir, for giving me this opportunity.

MR. DEPUTY CHAIRMAN: You have put up a very brave fight for prohibition. Now, Shri Shawl

SHRI HAREKRUSHNA MALLICK: Sir, how are they being denied a chance to speak?

MR. DEPUTY CHAIRMAN: Let  
aiim speak.

(Interruptions)

SHRI) GULAM MOHI-UD-DIN  
SHAWL (Jammu and Kashmir): :Sir,  
out of four Members from my State, I am  
the only person speaking uon the Budget; and i  
thank you, Sir.

Mr. Deputy Chairman, Sir, as far as the  
Budget is concerned, the hon. Minister himself  
said that it is formu-Jated in an economic  
situation which •continues to be difficult. As  
regards the other part of the sentence is con-  
cerned, I am not concerned with it because our  
submission is that as far Bs the common man  
is concerned, he is more concerned with his  
necessities and getting them at cheaper rates  
rather than tFe jugglery of facts and figures  
and statistics. That is why, Sir, I am not going  
into those details. And I am concerned with  
only one part of it and that is with regard to  
the State of Jammu and Kashmir. As "far as  
that State is concerned we got only a trickle  
out of that huge amount which the Minister  
presented in his Budget. When there is a  
toren-tial rain, we get a trickle there because,  
Sir\_ I should say, in a very parsimonious  
manner he has dealt with our State cf Jtimmu  
and Kashmir. As far as the State itself is con-  
cerned, it is well-known that it is a hilly State,  
very "backward economi-cally and surrounded  
by inimical countries, to, say the least, China,  
Russia and Pakistan. (Interruptions) I am  
coming to Russia and rest assured for that  
Russia is at our doors and we cannot hide the  
fact. You may hide it. The question now is  
that we have faced three wars in the State of  
Jammu and Kashmir with Pakistan and China  
has had an aggresiiofr and annexed vast  
territories of our State. The brunt of those  
wars or those conflicts fell on the people of  
Kashmir, and of course, we had the Indian  
Military at that time which supported us even  
at the time of the first raid when it csme'from  
Pakistan, and we fought the tribesmen.  
But

the question is that whenever there  
is any conflict in any territory between  
two armies, only those who have had  
that bad experience can understand  
and see for themselves what havoc it  
causes. And we in Kashmir had to  
face that. So far as this hilly area is  
concerned, if \*^ has three regions;  
Jammu, Kashmir and Ladakh. In  
spite of the fact that this  
State is having such large hilly  
regions and such heavy snowfalls,  
it has only one road link with  
the rest of the country and that  
is the National Highway, which also  
gets at times during winter blocked  
for days at end because of snow,  
avalanches and landslides and there  
is no way out. So, in that context,  
our first submission is that as far as  
the means of communication are  
concerned, the construction of roads  
should be given priority b.y the  
Centre. Sir, we had undertaken the  
construction of two link roads. One  
from Rajouri to Shopian and the  
other from Poonch to Shopian.  
We are grateful to the Central Gov  
ernment that it has declared the  
Batote-Doija-Kishtwar road as  
National Highway and work is going on on  
that project. But we do appeal that these two  
roads also, which the State Government had  
undertaken to construct, the cost being  
estimated at Rs. 30 crores, be declared  
National Highways and work on them started  
because our poor State cannot afford! that  
much of amount.

Now, Sir, the Budget also refeis to power  
generation. We are grateful to the Centre, to  
the hon. Mi;ister, that he has talien The  
Dalhousie project under lhe Central control.  
There is enough scope for hydro-electric  
power generation in Kashmir and when the oil  
crisis is there we would expect as far as this  
hydro-electric power is concerned, it can be  
generated in the State of Jammu and Kashmir,  
which would incidentally provide  
employment and other facilities to its people.  
When the Centre examines the feasibility of  
new project, these products in our State can  
also be examined.

(Shri Gulam Mohi-Ud-Din Shawl) As far as the Railways are concerned, Sir, I missed the opportunity to speak on the Railway Budget because I was not here.

MR. DEPUTY CHAIRMAN: You can speak on the Railway Appropriation Bill.

SHRI GULAM MOHI-UD-DIN SHAWL: As far as railways are concerned, we have only 100 kilometres but we want the extension of railways up to Udhampur in Jammu and then to Srinagar valley also.

SIR. DEPUTY CHAIRMAN: You can speak about it when the Railway Appropriation Bill is taken up.

SHRI GULAM MOHI-UD-DIN SHAWL: I am submitting it now but at that time I shall elaborate.

As far as road construction is concerned, it should be given top priority.

Now, there is another aspect to which I want to refer. There are so many branches of nationalised banks in the State. But, somehow or the other, without going into the political aspect of the matter, I want to say that advisory boards were appointed for these nationalised banks and wrong persons were appointed on these advisory boards. Although we do not expect that some minor problems will not be there, but we are facing so many difficulties for getting loans for poor sections of the society who want to set up their own industries or run their own business. They are facing tremendous difficulties in getting loans from these nationalised banks. So I would suggest that so far as this State is concerned, the Centre may effect some modifications and the State Government be given some weight as an advisory role or in connection with the recruitment to its services or disbursement of loans by banks. If the State Government is given such a power in any way that the Centre thinks fit, that will very much enhance its prestige there and at the same time, facilitate our people to get loans on easier

terms. The Budget says that with regard to hilly States, some roads are to be taken up in the north-east India. That is correct. But as far as our State is concerned, when we see we are earning foreign exchange in crores of rupees by exporting fruit by exporting other commodities like carpets etc., and when we have the biggest tourist industry in the country, it is essential that the means of communication should be such that these commodities or the tourists are never handicapped in any way. We have demanded it previously also. On the 14th of June, 1980, the ministerial meeting was held in Srinagar under the Presidentship of our hon. Minister, Mr. Makwana and it was conceded there that as far as the taking up of the roads was concerned and construction of new roads was concerned and as far as industrialisation was concerned, the Centre will be more magnanimous henceforth. I express my regret that so far it has not been done. As far as industrialisation is concerned, there is one ITI—Indian Telephone Industry, only in name, a few people, and they too from outside the State, have been brought there. As far as electronics is concerned, there is only one person working there. It is only a window-dressing and nothing substantial is there. I would, therefore, submit that this aspect should be looked into.

Either due to laxity, or due to absence of public sector there, we have often appealed to the private sector to start industries in the State of Jammu and Kashmir. But as our policy is based on the socialistic pattern of society, we would welcome if public sector undertakings are taken to that State rather than the industry being given to private individuals.

"With regard to defence, the allocation has been raised. We welcome it. We want strong India no doubt. As far as technology and other things are concerned, we want advancement to be able to stand on our own legs. But here I would humbly submit, our Prime Minister last year said that it

appears that north and south have collaborated in a way that they should not have another war in Europe and they want that war either in the Middle East or in the eastern sector of the world. Having regard to this aspect of the case, even Russia and America are talking round the table for a detente and are exploring ways and means how to avoid the war. As far as this region of the world is concerned, I submit, we should explore ways and means whereby we have more friendly relations. Let us have more friendly relations with Bangladesh, with Burma, with Sri Lanka and with Pakistan so that we are immune from any threat or apprehension. And, we can develop our country in a better way. As far as bearer bonds are concerned...

MR. DEPUTY CHAIRMAN: Leave that point. You will have occasion to discuss this when we take up the Bill. When the Bill comes, you can speak on that.

SHRI GULAM MOHI-UD-DIN SHAWL: Thank you, Sir.

SHRIMATI HAMIDA HABIBULLAH: Mr. Deputy Chairman, Sir, I would like to congratulate the hon. Finance Minister on giving us a really socialist Budget; in other words, a people's Budget. Even the Opposition concedes that it is a popular Budget, but according to them, only superficially so. However, all the arguments brought forth by the Opposition lack conviction, as if opposition for the sake of opposition. Before the Budget was presented, it was stated that only a magician could have saved the present situation. Now that the magic has taken place, they refuse to accept it. I am reminded of an Urdu couplet:

“अचानक हिन्द के मुलमान से कुछ  
ऐसी बहार आई,  
कि गुल तो फिर ये गुल, आ ही गई  
कांटों को अंगड़ाई ।”  
ऐसा बजट हमारे सामने आया है ।

As you know, the Plan outlay of the Centre has been stepped up from Rs. 7,340 crores this year to Rs. 8,019 crores in 1981-82. Since 70 per cent of our people live in the villages, agriculture has to be given the highest priority. Sir, I call it a people's Budget. In this connection, I would like to remind the House about the very important scheme, namely, the national rural employment scheme. There is a proposal to spend Rs. 1,000 crores this year and an equal amount would be spent by the States on this scheme. This is a revolutionary scheme and this is a direct attack on poverty. Another equally important programme is the integrated rural programme. Sir, my only fear is that these rural programmes sometimes suffer terrible setbacks because in the rural areas, there is very little arrangement for carrying out these programmes. Lack of roads, lack of accommodation and lack of educational and medical facilities make it impossible for those who are working in these projects to live there permanently and organise them. Hence, better arrangements should be made for the organisers to live there.

In spite of all the prophecies of the Opposition that this year inflation would be at least 20 per cent, it is not so. Sir, I would like to remind the House that inflation is only 13 per cent today and it is well under control. We are to raise Rs. 250 crores from auxiliary import duties. These duties protected us from competition of developed countries and this is definitely justified under the present conditions.

Sir, another point which I would like to bring to your notice is that this deficit Budget was a necessity because of circumstances which are beyond our control. The oil Bill which used to be Rs. 800 crores has now exceeded Rs. 5,000 crores. There has been a continuous drought for the last two years and our exports have fallen because of the fact that the developed countries have been putting impediments on our exports-

[Shrimati Hamida Habibullah] Under these circumstances, we have to do something about carrying out our development programmes. Where is the money? The money has to be provided in the Budget. Our Finance Minister has used all possible methods to keep the deficit as low as possible and at the same time plan for progress and development.

As far as the tax concessions go, the Income-tax exemption limit has been raised to Rs. 15,000. In this way, fifteen lakhs of people are out of the Income-tax net. This is a big specially for the middle income and fixed income groups, who have been suffering all these years. This is probably the first time that this section of our society has been taken care of and they certainly deserve it. The income group of Rs. 2,000 per month will not have to pay any income-tax. Similarly, the surcharge of 5 per cent on the corporate sector has been reduced. This will help in industrial growth. The reduction of income-tax on corporate sector to the extent of 2.5 per cent will also help in increased production in agriculture.

No excise duties have been levied. This is a very welcome step for the housewife. Therefore, the womenfolk of the country are very thankful to the Finance Minister for his special consideration.

The bold step which has been taken in connection with the small-scale industry will go a long way in helping all those companies in the small-scale sector who are engaged in producing ancillary goods or are working for the large groups and producing goods for them. The 8 per cent cut in the levy has also been very helpful and encouraging. Most of the large industries will now go out of their way to help the small industries because of this measure.

The exemption limit for the wealth tax has been raised from Rs. 50,000 to Rs. 1.5 lakhs, which is a very good step in helping the people.

For increasing the production of coal, energy, cement, etc., very active

committees have been formed. By doing this, we are seeing a rapid increase in the production of all these items. There has been an increase in coal production and the Railways have been able to have more haulage; apart from the fact that the production of coal as an essential commodity is important, arrangements are also being made to move it faster and more efficiently. Through this, 6 per cent more electricity is already being produced with increase in coal and, therefore, in electricity, I am sure, we will go ahead very fast.

Nature has also been kind to us and it is because of the rains we will need less power for our agriculture and use power for industry. Our crop is good. This year we can provide more for our people.

At this stage, I would like to point out to the hon. Minister that when our production of coal, cement, foodgrains, oil, electricity and other commodities is improving, our distribution system must also keep pace with it. The State Governments must make special arrangements for stocking the fair price shops. I am sure that this is a sector where we have corruption and inefficiency. This must be removed somehow. Black-marketing which destroys all our efforts must be stopped with an iron hand. It seems that the scheme of the Bearer Bonds is not being too successful. Yesterday, the hon. Finance Minister said that he had some other plans too. I would appeal to the Minister that he must use all the means at his disposal to circulate the black money that is being kept by a few in their lockers. This money must be made use of by the nation and it must be done as soon as possible.

Sir, while the production of food, power, cement, coal and all other commodities is growing fast, we will never be able to solve one problem unless we tackle the problem of population explosion. This must be dealt with; otherwise, we cannot keep the balance.

Sir, after the last rally, we feel ^ quite convinced that every man, woman and child in India is prepared to help our Government to carry out its policies and make them a real success. Every Indian seems determined to help in solving the problems of their motherland their families.

Under these circumstances, the Government must bring out its dynamic programmes and go straight ahead. To achieve them, the people must be told what is being done for them; and their co-operation must be taken. I am sure the Opposition will not be able to hinder our progress because the people of our country are with VS. Therefore, I end by saying:

“मद्दद से जो सोचा करते थे, अब वो भी जमाना आयेगा,

हर मुश्किल अब आसां होगी, हर नब्बे-कोहन मिट जाएगा,

अब कोई नया कितना हरगिज तत्सनीक न होने पाएगा।”

Doesn't matter what the Opposition does-. Our people are with us. We will go ahead, and go straight, and we will succeed.

\* MR. DEPUTY CHAIRMAN: Dr. Siddhu. Are you speaking?

DR. M. M. S. SIDDHU (Uttar Pradesh): Yes, Sir, I want to speak, if you allow me.

MR. DEPUTY CHAIRMAN: Yes. I am calling You. (Interruptions) Let him conclude today. That is all.

डा० मदन मोहन सिंह सिद्धू : मैं कोशिश करूंगा कि खत्म हो सकूँ।

श्री हुसैन देव नारायण यादव : (बिहार):

६ वजने में दो मिनट है, उनको कल बोलने दीजिए है।

श्री उपसभापति : कल फिर रह जाएगा  
अभी समाप्त करने دیجिए।

DR. M. M. S. SIDDHU: Mr. Deputy Chairman, Sir, with a few minutes at my disposal, I will confine myself only to a few points. One is about the situation of law and order. The Government is there to look after the safety of the life and the property of the people. Unfortunately, crime has become the order of the day. Only the day before yesterday or two days back the driver of an ex-Member of the other House was murdered. About a year back, Baba Nirankari was murdered, but the culprits are yet to be apprehended. It is not that crime does not take place. I am not concerned with it. But why are they not being investigated and the culprits not brought to book? Recently in the State of Uttar Pradesh from which I come, a dear comrade of mine Chheda Singh, a colleague of our ex-MLA, was murdered. The FIR names a Congress (I) MLA in it, but he is not apprehended. Leaving aside the Congress (I) members, all the other political parties met together and requested the Government of the State to investigate and apprehend the person who had been named in the FIR. Here is the photostat copy of the FIR in which Raja Vijay Kumar, the Congress (I) MLA, Raja Sisandi, as he is called, and his brothers have been named. Why should they not be apprehended? Why is it that such cases have to be brought before the public? Again and again either in the Assembly or in the House we have to ventilate about it. Does it do good to any system of Government?

Look at the under-trials. What treatment have they met at the hands of the police? Their eyes have been gouged, out their legs have been broken, they have lost their lives. Hundreds of under-trials were rotting in

[Dr. M. S. S. Siadhu] the jails. Had they been produced before the magistrate, most probably, they would have been freed because the number of years they have been in the jails were more than sufficient for the crime for which they were apprehended. This, the administration of the State as well as that of the Central Government, should be alive to. It is not enough that you say that the police is being modernised, that it is being reorganised. What is the purpose of that if it does not produce any fruit?

Then, Sir, I take another point, and that is regarding the medical education. On the medical education there has been a lot of hue and cry. A question of the medical colleges coming up, charging the capitation fee came up. The answer given to the Starred Question No. 470, dated 19-12-80, was:

"The Government of Karnataka ' has issued an order dated 6-6-80 permitting the private colleges in the State, *in alia*, to charge special tuition fee of US \$20,000 payable in foreign exchange or equivalent amount in rupees."

Here is a Government which allows the capitation fee. The answer of the Union Government, I call, funny. It says;

"Sustained efforts are being made by the Government (that is the Government of India) to impress upon the State Government to do away with the unhealthy practice of charging capitation fee."

How is it possible that the regulations made by the Government of India, cannot be enforced in a State, and especially those in the field of medical education? And it is all the more regrettable that the Union Health Minister should go and preside over a function held by one of the capitation-fee medical colleges. He presided over that function. Why on earth do they want to associate themselves with it? And the Chief Minister of

Karnataka has by an Ordinance changed the law of the university affiliating the medical colleges and the engineering colleges. Why? Because he wants the capitation-fee medical colleges to come in. Tell me what is going to be its effect. The answer given by the Chief Minister of Karnataka was that they would go to the villages and rural areas. Tell me, will the persons who are going to pay Rs. 5 lakhs as capitation fee, go to the rural areas to serve the rural people? Is it not something shameful for any Government to have such colleges? The Medical Council of India, as early as 1973, had brought it to the notice of the Government and it had said:

"In view of the above, there are only two alternatives. The capitation fee in the medical colleges should be stopped and the colleges taken over by the Government. Secondly, if it was not feasible for the Government to take over the colleges, then such money which is necessary to run the medical colleges should be paid by the State Government."

Instead of stopping them, they are encouraging them. This is the state of affairs of medical education in that State. I am glad to say that as far as Bihar is concerned, the Government of Bihar has taken over all the capitation-fee medical colleges. They are now administered by the Government of Bihar and no capitation fee is being charged. But the State of Karnataka still goes on allowing such colleges to be opened. One more medical college has been opened in Andhra Pradesh. Three such medical colleges have come up in Karnataka and a fourth one has come up in Andhra Pradesh. And many more applications are pending. Nearly 15 to 20 medical colleges may spring up if this system is not changed.

Sir, the state of affairs in the university medical college in Delhi is all the more deplorable. In the last meeting of the Medical Council, this is what they had to say:

"No admission be made to MBBS course in the university medical college from the year 1981 onwards.

That the authorities must take immediate steps to provide necessary building facilities, and that the necessary teachers with appropriate teaching designation should be appointed.

Further they should have at least one full-time unit in each of the clinical departments."

I do not want to read it in full. But what is the state of affairs? For six years now, year after year, recognition has been given. And the teachers have not been appointed. This is the state of affairs in the university medical college.

As far as reservation in postgraduate medical study is concerned, the Medical Council of India is quite clear on this subject. Its recommendation, as it stands today, says:

"Students for postgraduate training should be selected strictly on merit, judged on the basis of academic record in the undergraduate studies. Any selection for postgraduate studies should be conducted by the university."

As early as 13-9-1979 the Secretary of the Medical Council of India made a reference to the Union Ministry of Health to find out whether it is obligatory, compulsory, on the part of the medical colleges to reserve seats for the Scheduled Castes and Scheduled Tribes. Till yesterday no reply has been received on this vital question. Why? If the Government wants reservation, why does it not reply to this and come forward with a proper regulation so that it can be done?

As far as capitation fee is concerned, I have got this photostat copy of a letter which is asking the students to come for interview—in case the

student is not able to come, then he can send his parent for the interview. I have yet to understand what relevance a parent has for the interview. Is it the son to be admitted or the parent who is going to receive medical education?

As far as junior doctors are concerned, I have only to make one appeal. Whatever promises and whatever arrangements were made, whatever agreements were entered into by the Government with the junior doctors, please, for God's sake, implement them. Give them 25 per cent house rent allowance instead of 15 per cent. Give them the necessary facilities for 8 hours a day working which you agreed. Employ more doctors if you need to. If there is any difference of opinion, appoint a committee and see whether the doctors are right or the authorities are right.

On matters of university education I have to make one appeal. And that is for the Vice-Chancellors' body or the University Grants Commission or the Inter-University Board or whatever may be the forum, there should be a code of conduct for the teaching faculty members. I am one of those who feel that a teacher in any medical college, a teacher in any university, or elsewhere, is free to ventilate his point of view as long as it does not contravene the law of the land. But I am sorry to say that one of the professors of history in the Aligarh Muslim University...

DR. HAREKRUSHNA MALLICK: Dr. Irfan Habib.

DR. M. M. S. SIDDHU: I am not going to name him; everybody knows it. He is being hounded out for political reasons or for reasons too obvious to anybody. I am strongly against such an attitude. There should be a clear code of conduct and whosoever breaches it, should be taken to task.



[Dr. M. M. S. Siddhu]

Sir, one or two points more and I have done. I am not going to take more time.

Now there is the question of Vitamin A. On this matter I will not go into details, I will only bring out this- much. I will show you how the whole thing was broug'ht about. The food inspectors of Western U.P. launched a particular campaign to expose the misadventure of a multimillionaire manufacturer of vanas-pati and conducted sample tests. And the results showed that Vitamin A was found deficient. And after that the whole thing started. That is the genesis of tSiat. And the worse part of it is that now by a secret circular it has been stated that "No analysis for Vitamin A should be done; all the tests should be passed." This is against Food Adulteration Act and Rules. I am quoting it from the Financial *Express* of the 11th March, 1981. As far as Vitamin A is concerned, you will be surprised that people who want refined taste, go in for MARKFED groundnut. Groundnut oil has Vitamin A added to it. You will be surprised t'nat as far as medical literature is concerned, it has been proved that Vitamin 'A', Retinol and Carotene from which it coimes, have something to do with prevention of cancer. Therefore, it is high time that the Government should not yield to the pressui'e of Vanaspati manufacturers. If such instructions have been given confidentially, they should be withdrawn. ( *Time bell rings* ).

One more point. And that is about the development plan for medical and social welfare. The percentage of medical sector to outlay from the year 1972-73 ig something like this: 2.30, 2.360; 2.60 and so on. And the latest percentage for 1980-81 is 2.230 of the total outlay of t'ne develap-ment plan. With this meagre outlay, how can we improve the health of the people? I see there has been a sharp fall from 1972-73 when it was 2.3 per cent. ( *Time bell rings* ). I am sorry I have taken more time.

MR. DEPUTY CHAIRMAN: The-discussion on the Budget is now over. The Finance Minister will reply to the debate an Monday. There wUl be only his reply on Monday.

Now, we will take up t'he half-an-hour discussion. Shri Joshi.

**HALF-AN-HOUR DISCUSSION ON POINTS ARISING OUT OF THE' ANSWER GIVEN IN THE RAJYA SABHA ON THE 25TH FEBRUARY, 1981 TO STARRED QUESTION 121 REGARDING MEMORANDUM SUBMITTED BY THE DELHI ADHYAPAK PARISHAD.**

**श्री जगन्नाथराव जोशी (दिल्ली) :**  
उपसभापति महोदय, शिक्षा के बारे में विचार करने के लिए समय था 6 बजे का, किन्तु जैसे होता है शिक्षकों की मांगों के बारे में ...

**श्री उपसभापति :** समाप्त करना था, नहीं तो रह जाता ।

**श्री जगन्नाथराव जोशी :** वैसे ही शिक्षा के बारे में जब चर्चा होती है तो वह सत्र में रह जाती है ।

**श्री उपसभापति :** नहीं, नहीं । आप प्रश्न पूछिए ।

**श्री जगन्नाथराव जोशी :** दिल्ली 25 फरवरी को इस बारे में समाप्त हुआ था । अभी हमारे शिक्षा मंत्री महोदय स्थिति स्पष्ट कर देते तो फिर आज यह साधेघटे की चर्चा उठाने की जरूरत न होती । उस समय उन्होंने मांगों के सम्बन्ध में जवाब नहीं कहा कि मांगे विचारार्थ हैं । अब ये मांगे क्या तक विचारार्थ रहेंगे इस के लिए भी उन्होंने कुछ समय बताने की कोशिश नहीं की । हम समझते हैं कि आजादी