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The boards of Lipton India and Brooke Bond India today formally approved the proposal to merge the two companies. Steps will now be taken to complete the legal and procedural formalities, and to obtain the approval of the shareholders both the companies and the high court of Calcutta. If approved, the merger will come into retrospective effect from July 1 last. The boards of the two companies, which met at bangalore separately this morning also approved the exchange ratio of shares of Brooke Bond for every 10 shares of Lipton. The merger of the two companies will lead to the formation of a single, strong and Brooke Bond are group company to be known as Brooke Bond Lipton India both and Brooke Bond are group companies, being subsidiaries of unilever.

The merger will facilitate utilization of synergies in key business areas such as finance, rank D, marketing and distribution, besides the availability of trained manpower for future growth and diversification. The distribution strength of the two companies will ensure that under the merged company their products have maximum distributive reach.

With its emergence as the biggest foods company in India, the Brooke Bond Lipton India is expected to have an equity capital of about Rs 120 Crore. With reserves and surplus of about Rs 160 crore, and a turnover in excess of Rs 1,500 Crore. Is poised to enhance its profitability potential and value to share holders in view of its planned thrust into processed foods in a big way. The plans include development of a range of new products for the domestic as well as international market. The two companies are well established in the packet teas but their combined share of the tea market in the country will be barely chains.

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Sir, under the government of India act, 1935, under section 93, some such situation was in case such a situation arose either at the center or in some of the provinces, as they were called at that time. At this time, it was decided that the governor-general should have both the executive as well as the legislative power in his hands in case such a situation arose either at the center or in the provinces. Now, the framed and have definitely made a distinction between the executive power and the legislative power and they have stated that as far as executive power is concerned, the president can straightway.

Mr. Deputy chairman, Sir, I must admit that I am not very happy regarding this particular bill. The hon. Minister has told the house that whenever the president took the authority under article 356 of the constitution and whenever there was the president's proclamation, every time such a bill was brought forward before parliament and parliament approved this bill. It is true, but at the same time, it is also true that this kind of routine which is now thing being followed from time to time is creating a situation in which parliament, which is given a very important function under article 356 of the constitution, is diversting itself of that function. In order to fully appreciate, Sir, the significance of such a move, it is necessary to go into the history of this sort of powers that were conferred on parliament by the constitution in the past. The committee was to submit its report on the 1 day of the 15 session of the committee has to be granted three extensions and the report was ultimately available on the emergency, priorities had changed and we could not just effect this desired improvement at that time.

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The textile policy can be judged from three or four points of view, and it has proved successful from those angles. There has been an increase in overall cloth production, there is an increase in per capita availability of cloth, there is a great increase in exports, and the rate of increase in the price of cloth has been minimal. Compared to the general rise in the cost of living, it is very little-just 2 percent as against more than eight percent-which means the common man is benefited. He is getting more cloth at a very reasonable price compared to other consumer goods and other things that are available to him.

So, while the difficulties that have been mentioned are real, I would like to say that the policy has by and large succeeded in its aim and has proved quite satisfactory. Therefore, to review it in a manner that would satisfy everybody is just not possible. But, as we go along, we are trying to modulate this policy and implement this policy in a way in which we can give as much satisfaction to a sector which needs attention at a particular time. So, there is no question of this policy having been framed on account of pressures from the mill sector or the capitalists in the mill sector, as has been said, because they have suffered the most.

Broadly, there are three sectors of the industry-the unorganized handloom sector, the unorganized powerloom sector and the organised mill sector. Madam, you would have observed from the speeches made here that there are some inherent contradictions in the policy because of this obvious contradiction, there is a demand all over this the textile policy has failed and therefore it should be reviewed. Madam, the textile policy was meant basically to reconcile the varying.

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The question that now arises is whether we have reached a stage wherein it is possible for the state to step in and to undertake these very activities so that these religious organisations and institutions might not have to perform those functions. Connected there with is also the question of whether the government should give its patronage to these organisations and institutions or whether the government should allow these organisations and institutions to function on their own. The bill only deals with the second part of the question but the determination of the issue depends, to a very great extent, on what we consider to be our answer to the first part also.

It is now well known that we have adopted the principle of the welfare state and that we now look up to the state to go to the help of the needy citizen in some of his needs that are so very urgent and important and the fulfilment of which is considered to be so necessary from the point of view not only of the welfare of the individual but of the stability of the community also, and it is on this principle that we expect the state to undertake and discharge these functions.

Therefore, it is desirable that the religious institutions and organisations are discouraged, as far as possible, from undertaking these obligations because of the fact that the need of the citizen has nothing to do with the caste or the religion to which he belongs. Mr. Chairman, the subject matter of this bill is very interesting in the sense that it deals with certain institutions and institutional arrangements that have got a long history. In this country, there are many institutions, organizations and religious endowments that were created as a result of the caste system certain.

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Sir, this is the tenth report that has come before the hon. House for its comments. We are aware, Sir, that on previous occasions certain matters were discussed and I am happy to find that the U.P.S.C. have acknowledged the full cooperation which the ministries and the departments have given them in carrying out their duties. So, far as the present report is concerned, it has mentioned certain circumstances which have to be looked into very carefully. It has also pointed out certain difficulties in getting the full strength from recruitment. It has also pointed out certain irregularities. Lastly, only in one case out of 15,000 that has been referred to the U.P.S.C. there had been a difference of opinion and the government had to depart from their advice and take action on the lines that have been pointed out in the memorandum. Thus, you will find, Sir, that there has been the fullest measure of cooperation from the government, as they are anxious that the views expressed and the recommendations made by the U.P.S.C. should receive the fullest respect and that as far as possible they should be implemented.

Sir, in the course of the report they have pointed out that in certain cases they find it difficult to make recruitment. They have mentioned three cases. One is with regard to the scheduled cases and tribes. You are aware, Sir, that in respect of the scheduled cases and tribes, whenever there is to be direct recruitment, a certain percentage has been fixed. It is quite different in the case of all-India services. It is still higher in the case of other services that have to be dealt with. In all these cases, whenever there has been such a reservation, they have been requested to follow what are known there.

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Mr. Vice-chairman, I was speaking about the need for developing a strong U.N. delegation. I wish that the hon. Prime Minister would give this attention to this aspect of the matter, particularly in view of the fact that in the next decade or tow, politics all over the world would take on a complex character and it is necessary that men are trained from now on for taking part in international affairs. In the U.K. and the united states, such delegations are built with men who have wide knowledge of international affairs and there should be other qualification for a man to be included in such as in this connection.

I should also like to mention that it is time for government to develop sound conventions regarding the conduct of foreign affairs. In the united states, they have accepted the principle of bipartisan consultation on important affairs of policy. For example, when president kennedy stood for election, president eisenhower, even during the period of the conduct of the campaign of president kennedy, kept him informed about major we are trying to give publicity to ministerial activities and it is new that some such publicity should be given, because minister are in charge of the government, but one abroad does not get a real idea of what is happening in the country. I would like to suggest for the consideration of the external affairs ministry that they should send a fortnightly assessment of that is happening in India written dispassionately, not to please a minister or to highlight something that he has done, but to give an objective assessment of what is going on in the country. In the old days, when the British government was in existence, such fortnightly reports used to be sent by various state matters.

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Now, we have before us this audit report for which was presented to the Lok Sabha on the 6 June and which came to my hands last night, and I have not been able to study it. I find that during the last five years. We have imposed additional taxation, and at the same time our revenue expenditure has gone up by about Rs. 42 Crores. So, on the one hand, we say that we are raising this money, these taxes, for the implementation of the plan, and for the reason every chief minister and ministers go about saying that we want money for the implementation of the plan. But what are the facts? We find that the money that has been raised is being used for administrative purposes. So, it is not correct to say that.

On the other hand, it is not proper because you must know that no plan, however well-balanced and well thought out it may be, can be implemented in a democratic set-up unless you can enthuse the people. We have been depending either on foreign aid or on indirect taxation or deficit financing, and more than once I have pointed out that these measures will not help to enthuse the people, and unless the people are enthused we will not have any successful results so far as planning is concerned. Now, it is necessary, it is time, that we should take stock of the situation, for we have had fifty four years of freedom and 52 years of democratic rule and of planned economy. What are the results? I am not one of those who minimise our achievements. We have had some achievements which are remarkable, of which we can be proud.

On condition was that whatever tax was realised was being properly spent, that there was no wastage or superfluous expenditure being incurred. The commission had pointed out that out of maximum.

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The house will thus see that the bill comes to it not only with the stamp of public approval but also with the seal and sanction of a representative assembly. Admittedly, the bill does not solve cantonment problems. It carries out only certain amendments of a minor character with a view to improving the mechanism of the act the opposition to the bill has come not in regard to the actual provisions but in regard to its scope, and it has been said that the bill does not go far enough to meet the problem of democratisation. The main objection to the bill is that it does not provide for democratisation and that it does not vest full municipal government in the cantonment boards.

On the question of democratisation, the local self-government ministers' conference in 1998 clearly recognised that, for reasons connected with security and the health of the troops, the areas where troops were quartered should be under the general control of the army authorities. The Patil committee too was of the view that cantonments were military stations primarily and not civil towns and that the cantonments should in fact maintain, as far as possible, in the foreseeable future, their original characteristic of military stations.

I have explained the policy of the government regarding democratisation in the council of state in detail and I should not like to weary this house by repeating the same. But I should like to mention just a few things briefly. I shall briefly explain the genesis of this bill. It was in 1998 that the local self government ministers conference passed a resolution recommending that the central government should, in consultation with the state governments concerned appointed a committee to examine the questions.



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In all over discussions you will please recollect that leaving aside the part C. States, the administration, of all affairs including affairs relating to scheduled castes and scheduled tribes rests, in the first instance, with the state governments. So, far as part a states are concerned, their autonomy is fairly large, or rather, in this particular matter we can only give them advice, offer them suggestions, or give them money. So, far as the part B states are concerned, it is true that under the constitution directives may be sent, but they are also carrying on their affairs with fully elected legislative bodies, and I just remind the house that the power of giving directives is not an unlimited power in terms of period of time. It is only for ten years. Four years are expiring, and another six years will remain. Therefore, while we discuss the affairs of scheduled castes and scheduled tribes, we should remember, as far as possible, that the actual administration lies in, what I may call, the provincial sphere.

Of course, so far as the government of India or the central government departments are concerned, many question may be raised. I see whenever the parliament is in session that members are very keen to know whether advantage has been given to the scheduled castes and the tribes in regard to their reserved seats. Hon. Members would have seen in the report as to what actually has been done. I should like, at the outset, to assure every single members of the house that the central government spares no pains, to see to it that the scheduled castes and the scheduled tribes have the fullest opportunity of rendering public service. I do not not propose, Sir, in the beginning to make a very long speech are.

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Mr. Chairman, Sir, I support the president's address and also the motion of thanks moved by Shri Gadgil. The members of the opposition are not present in the house and it appears that some members of our own party are playing their role. It is good for the opposition to play their role and it is also good to point out one's own shortcomings in the interest of the country. At the same time, I differ with some of the points referred to by my friends. With regard to matters concerning women, it is necessary to understand that immediate results cannot be expected measures taken by the government. It is a long drawn process, and we would be able to achieve the results of those programmes, which have been formulated, in due course.

Respect of women varies from one family to the other. But I am sure that my hon. Friend must be giving due respect to the women folk in his family. It is natural that everyone will have to change his attitude towards women in order to give respectable position to change the psyche and morale of the people through launching effective programmes. The programmes being implemented our government would bear results in due course.

On hon. Friend is quite senior and has been active in politics for the last forty years. He is fully aware of what politics used to be in the British period. The hon. President has also mentioned it in his address. The issue of terrorism in Bihar and Andhra Pradesh has been highlighted in it. It is absolutely true that the states of Bihar, Uttar Pradesh, Orissa and West Bengal were badly affected by feudalism. Its main reason was that the British rulers entered the country through West Bengal and the states of Bihar and Uttar Pradesh were badly affected are.

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Keeping in view the demands and requirements, fifteen new trains are being introduced from 1 July, 2002 we are thankful to the hon. Ministers for this. However, these are much less in number, considering the growing demand. The service improvement groups is to be activated so that the local problems of each and every areas could be attended to and resolved to the greater satisfactions of the passengers.

In this connection, I demands that computerised reservations system should be introduced at Surat in Gujarat. As you know, Surat is an industrial center. This is a long standing demand. It is high time computerised reservation system was introduced at Surat.

The railway minister have to think in terms of rehabilitations and renovation of railway track and also conversion of meter gauge into broad gauge lines in tribal areas. My humble suggestion for broad gauge line to be considered in the tenth five year plan is from Bulsar in Gujarat to Nasik in Maharashtra. This will help in the development of the tribal belt in both the states and will provide many opportunities to the people of the area. This is a very long pending demand with the central government. I hope the hon. Minister would think in this direction and satisfy both the states. The performance of the railways is satisfactory when we see the data provided by the minister. The growth of passenger traffic is 5 percent. There is control on the working expenses. By putting in extra efforts, the earnings are increasing at a satisfactory level. We have to initiate a number a number of steps to plug leakage of revenue during transportation, that is, during movement of goods from one place to the other. This will surely help the economy and also that.

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After an exhaustive speech that my hon. Colleague, the finance minister, has made, I have very little to say. The reasons for the modification of the award have also been given in the statement annexed to the order of the ministry of labour dated 24 August, 1998, and placed on the table of the house. Ever since the publication of the appellate tribunal's award, when rumblings of growing discontent on both sides began to be heard, I have been greatly concerned on two accounts. Firstly, I have been most anxious that the state of tension which has existed in the relationship between employers and employees in the banking field during the last five or six years should relax and give place to an enduring relationship, based on goodwill and contentment. Secondly, I have been equally anxious that while the terms of final settlement of the dispute should not be such as to injure the cause of banking in the country, they should be fair to the vast number of what are known as the lowest categories of bank employees and who have put up with much trouble and expense during all these years of costly litigation.

It is true that government has been given the power, under the industrial disputes (appellate tribunal) to accept, reject or modify the award of an industrial tribunal, if and when government is satisfied that is expedient, in the public interest, to do so. It cannot be disputed that the said powers should be exercised by government by government with due care and caution in exceptional circumstances, and for very strong reasons of public interest and that the modification of an award of an industrial tribunal by executive action is prima facie not desirable. I also subscribe to the views expressed by many honourable.

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Now, we have before us this audit report for 2011-12, which was presented to the Lok Sabha on the 6 June and which came to my hands last night, and I have not been able to study it. I find that during the last five years. We have imposed additional taxation, and at the same time our revenue expenditure has gone up by about Rs. 42 Crores. So, on the one hand, we say that we are raising this money, these taxes, for the implementation of the plan, and for that reason every chief minister and ministers go about saying that we want money for the implementation of the plan. But what are the facts? We find that the money that has been raised is being used for administrative purposes. So, it is not correct to say that. On the other hand, it is not proper because you must know that no plan, however well-balanced and well through out it may be, can be implemented in a democratic set-up unless you can enthuse the people.

We have been depending either on foreign aid or on indirect taxation or deficit financing, and more than once I have pointed out that these measures will not help to enthuse the people, and unless the people are enthused we will not have any successful results so far as planning is concerned. Now, it is necessary, it is time, that we should take stock of the situation, for we have had fifty four years of freedom and 52 years of democratic rule and of planned economy.

We have had some achievements which are remarkable, of which we can e proud. One condition was that whatever tax was realised was being properly spent, that there was no wastage or superfluous expenditure being incurred. The commission had pointed out that out of every rupee that was being raised by the government paise were bing spents.

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Mr. Deputy Chairman, Sir, I thought that the explanation that I had given was a comprehensive explanation and that it will not lead to so much of discussion on the points that had already been clarified in my exposition, but hon. Members still raised some doubts about the measure. So, far as imports of goods are concerned. It is not possible for imports to take place in anticipation of getting an import licence. This measure, as the hon. Members sitting there pointed they have been exercising this discretion for years, and because the hon. Member sitting there has got some practical experience of how this discretion is exercised at the ports, he has said that this will mitigate the difficulties that are being undergone by the importers.

And as I pointed out in my speech, Sir, when this discretion was stopped for the time being, all the traders and representatives of the trading sections met and expressed their acute difficulties in this regard that they were not able to move forward in regard to export or import, especially with regard to the export of tea. Perhaps you know, Sir, that for tea the licence can be sold and purchased in the market. If somebody has got an export licence and he has not been able to arrange the goods, he can sell this licence in the market and somebody else can purchase it. The time lag between the purchase and export of tea from here and the auctions abroad is always naturally short and sometimes it became very difficult to export in time because auctions take place abroad, and in that auctioneering period certain commitments are made and then the things have to be supplied in a definite period. Now, in that period if a little licensee has not got the actual possession of the taking.

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That is why, I am now taking this opportunity to share my thoughts with you. Sir, and to benefit by the counsel and criticism of hon'ble Members on both side of the House. I shall listen carefully to what honourable members have to say and I hope, I shall have an opportunity towards the end of the discussion to respond to the suggestions made and sentiments expressed in this August House. A supplement to the Economic Survey has been prepared and is being circulated to honourable Members. Recent trends in the economy have been outlined in the supplement, and I do not intend to take much time of the House in going over the same ground. But I would like to recapitulate, at the outset, some of the salient developments in the Indian economy in recent years.

Sir, when I presented the Budget early this year, I had occasion to say that, in many ways, the year that was then drawing to a close had been a very difficult one. On the latest reckoning, agricultural production declined by nearly 15 percent in increased by only 3 percent and total national income in real terms declined by about 4 percent.

Sir, a number of important developments have taken place after the close of the Budget session of this Parliament. Seven weeks have passed since the Government took the difficult, and even painful, decision to devalue the rupee. I am keenly aware that there are some misgivings in the minds of some honourable members about this decision and about the economic policies of the Government in general. In a sense the difficulties that we have been experiencing of late began to gather momentum towards the middle of the Tenth Plan period. The rate of growth of the economy in the Tenth Plan was a very modest one since began growth.

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I feel gratified that the budget has evoked a great deal of interest, and during the debate on the budget in this house, a number of very constructive suggestions were made by the hon. Members with regard to some of the proposals contained in the bill. I have also received a large number of representations from members of the public, trade unions, voluntary organisations professional bodies and chambers of commerce on the proposals in the bill. I express my sincere gratitude to all of them for giving us these valuable suggestions. I would like to assure the hon. Members that we have given very careful consideration to all points which have been made with reference to my proposals. I had stated in my budget speech that I propose to make structural changes in our tax system.

As the hon. Members are aware, the government have since set up a tax reforms committee to look into the entire tax structure. The committee has been directed to submit an interim report within three months and the final report by february 28, 2001 while I will come before the house with comprehensive proposals after the reports have been received, I seek the indulgence of the hon. Members to put forward proposals for amending some of the provisions in the finance bill, 2001.

Taking up the provisions for direct taxes, in line with our objective of giving a thrust to exports, I propose to increase the tax incentive for exporters under section 80 hhc of the income tax profit on sale of will be treated as exports profit in the proportion of the export turnover to the total turnover of the business. Hon. Members will recall that I had proposed certain modifications in the scheme of tax concession for tourism industry as contained in section the.



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Hon. Members may be aware that under an existing provision in section 197 a of the income tax act, individuals not having any tax liability can obtain payments without deduction of tax at source by furnishing a declaration in writing in duplicate in the prescribed form. I propose to make some modifications to the proposals in the bill relating to deduction of tax at source from certain payments. The requirement to deduct tax from interest on bank deposits will apply only to interest on term deposits other than recurring deposits. Further, cooperative had mortgage banks, cooperative land development banks, primary agricultural credit societies and primary credit will be taken out of the purview of this requirement. We have would thus exclude from the ambit of tax deduction at source most of the depositors from rural areas. Further, I am sure that these modifications will ensure that the small tax payers are not to any harassment as a result of the proposed requirement of deduction of tax at source from bank interest and withdrawals from the national saving scheme.

Hon. Members would recall that I had stated in my budget speech that the credit institutions will have the freedom to pass on the burden of interest tax to the borrowers by adjusting suitably the rate of interest. It has been brought to my notice that in many case where term loans have already been sanctioned, the credit institutions may be able to vary the rate of interest because I propose to move an amendment to the bill to provide overriding legal authority to the institutions to vary the rate of interest, if they so desire, in order to pass on the burden of interest tax to the borrowers. Further, I also propose to exempt from the would out is.

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Pranab Kumar Mukherjee was born 11 December 1935 is the 13th and current President of India in office since July 2012. In a political career spanning six decades, Mukherjee was a senior leader of the Indian National Congress and occupied several ministerial portfolios in the Government of India Prior to his election as President Mukherjee was Union Finance Minister from 2009 to 2012, and the Congress party's top trouble shooter.

Mukherjee got his break in politics in 1969 when Prime Minister Indira Gandhi helped him get elected to the Rajya Sabha, the upper house of Parliament, on a Congress ticket, Following a meteoric rise, he became one of Indira Gandhi's most trusted lieutenants, and a minister in her cabinet by 1973. During the controversial Internal Emergency of 1975-77, he was accused (like several other ministers) of committing gross excesses. Mukerjee's serve in number of ministerial capacities culminated in his first stint as finance minister in 1982 to 1985.

Mukherjee was sidelined from the congress during the premiership of Rajiv Gandhi Indira's son Mukherjee had viewed himself and not the inexperienced Rajiv, as the right successor to Indira following her assassination in 1984. Mukherjee lost out in the ensuing power struggle. He formed his own party, the Rashtiya Samjwadi Congress, which merged with the Congress in 1989 after reaching a compromise with Rajiv Gandhi. Mukherjee's political career revived when Prime Minister P.V. Narshimha Rao appointed him Planning Commission head in 1991 and foreign minister in 1995. Following this, as slender statesman of the Congress Mukherjee was the principal architect of Sonia Ganhi's ascension to the party's presidency in 1998. When the congress led United Progressive Alliance UPA came into power in 2004, Mukherjee, never a mass leader, won a Lok Sabha (the popularly elected lower house of Parliament) seat for the first time.

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Mr. Vice-chairman, I was speaking about the need for developing a strong U.N. delegation. I wish that the hon. Prime Minister would give this attention to this aspect of the matter, particularly in view of the fact that in the next decade or tow, politics all over the world would take on a complex character and it is necessary that men are trained from now on for taking part in international affairs. In the U.K. and the united states, such delegations are built with men who have wide knowledge of international affairs and there should be other qualification for a man to be included in such as in this connection.

I should also like to mention that it is time for government to develop sound conventions regarding the conduct of foreign affairs. In the united states, they have accepted the principle of bipartisan consultation on important affairs of policy. For example, when president kennedy stood for election, president eisenhower, even during the period of the conduct of the campaign of president kennedy, kept him informed about major we are trying to give publicity to ministerial activities and it is new that some such publicity should be given, because minister are in charge of the government, but one abroad does not get a real idea of what is happening in the country. I would like to suggest for the consideration of the external affairs ministry that they should send a fortnightly assessment of that is happening in India written dispassionately, not to please a minister or to highlight something that he has done, but to give an objective assessment of what is going on in the country. In the old days, when the British government was in existence, such fortnightly reports used to be sent by various state matters.

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Delhi is the traditional and present day capital of India. It is the third largest city of the world. It is also the second largest metropolis after Mumbai with a population of over 13 million. Delhi is also one of the oldest continually inhabited cities of India. Delhi stands in a triangle formed by the Yamuna river in the east and spurs from the Aravalli range in the west and south. It is surrounded by Haryana on all sides except east where it borders with Uttar Pradesh, Delhi has a semi-arid climate with high variation between summer and winter temperature.

As evidenced by archaeological relics, human inhabitation was probably present in and around Delhi during the second millennium B.C. This city is believed to be the site of Indraprastha, legendary capital of the Pandavas in the Indian epic, the Mahabharata. It has been ruled by many dynasties Prithvi Raj Chauhan was one of the last Rajput rulers of Delhi.

In the early 13th century the city passed into the hands of five successive Turkish and Afghans dynasties of Delhi. They built a sequence of forts and townships that are parts of the seven cities of Delhi. In 1526, Zahiruddin Babur defeated the last Lodhi Sultan and founded Mughal empire. Delhi came under the British control after the Indian Rebellion of 1857. The British declared Calcutta as official capital. But in 1911 Delhi was again made the capital of India. It was made a Union Territory in 1956.

After Independence on 15th August 1947, Delhi was officially declared as the Capital of republic. The 69th constitutional amendment is a milestone in Delhi's history. In 1991, Delhi was declared as the National Capital Territory. The National Capital Territory comprise nine districts, 158 villages and 62 towns.

Being the Capital of India, Delhi is the centre stage of all political activities. It is in Delhi that political fortunes are made or marred and the nation's destiny is written. Once it was the city of royal power. Later it was seat of colonial power. Then it was a centre of bureaucratic power.

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I should like now to make a few observations on the budget. This budget marks a turning point in the history of our country? It is no use attempting, as some of my friends have done either to deprecate the budget very strongly or to suggest that we are not witnessing a new revolution in our methods of fiscal training and technique. I want it to be quite clearly pointed out to my friends that we are now facing the lean years of Indian finance. Hitherto, we had revenue surpluses which were a form of public saving and which were meant to be utilised for capital development.

Hereafter, this form of revenue surplus would not be available. We have, therefore, to find out ways and means of implementing our great programme of national reconstruction at minimum cost. My point is that the deficit on revenue account would be of the order of about Rs. 19 to 20 Crores. Here, let me point out that I do not agree with those of my friends in the finance department who have attempted to suggested that Rs. 9 or 18 Crores which are obtained.

But that does not seriously alter the trend of my argument. What I am suggesting is that we would have to be prepared for a deficit of a much higher order even on the revenue side. That itself should make us realise that there are very many problems which we have to face and that we have to undertake ways and means of increasing the resources of our country so that it might be possible for us to have a greater amount of surplus or a great amount of public saving for the purpose of financing capital development. The finance minister in the course of his speech, Mr. Deputy minister, pointed out that the deficits during the past two years were of the order humble during the deficit greater.

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There has been some reference to the improvement in our economic situation also. We find that we have made good progress in production. We were faced equally with a difficult situation so far as cloth was concerned. There was a deficit of food and there was also shortage of cloth. I do remember the scenes that we had to witness in several cities where people had to stand in queues have produced much cloth and we are in a position to export cloth. During the British period we were required to import cloth, but now we are in a position to export cloth. After partition, we were faced with the question of raw material, namely, cotton. We had cotton mills, but cotton remained in Pakistan. Even that problem has been solved. We had placed before us a target for more production of cotton and not only has that target been achieved but it has been achieved in shorter period to the satisfaction of all people in the country.

From this survey, Sir, you will find that everybody should be convinced that we are making good progress in the realisation of the objectives of the five year plan. Then there is a reference that in several essential commodities we have got increased production. This cannot be denied. In spite of this increased production, I must admit, we have not been able to solve the question of unemployment, but efforts are being made to ease the situation so far as this question is concerned.

The main thing to which I would like to refer is that the president was pleased to say, and say very plainly, that so far as cottage industries were concerned, we have not been able to make good progress. As a matter of fact, very little progress has been made. If in this country we have to solve the question of the.

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Mr. Vice-chairman, I rise to support the bill to amend the Indian trade unions act of 1926. The act of 1926 was an enabling act which only provided for the registration of trade unions and for their immunity from civil liability. It is well known that before that act came into being, trade unions were held liable for the losses suffered by industry during a strike. We in this country have not forgotten the famous case which preceded the 1926 since then the Indian trade unions act is one of the least amended all that it provided was that you collect a small fee from seven workers, fill in some forms and get unions registered. The result has been that during the last few years there has been tremendous growth in the under the Indian trade unions that figures exceeds by 300 the number of trade unions registered in the whole of the united kingdom which, as we all know, is a highly industrialised country.

I, therefore, welcome this bill which lays down that every trade union will provide that the subscription by members of the unions shall not be less than fifty rupees per month per member. This, as has been said, is a part of the code of conduct agreed to by all the trade unions. We have during the last few months heard a great deal of argument about the implementation of the tripartite agreement in respect of minimum wages.

Trade unions are supposed to provide certain services to their members. Trade unions are independent only when they do not depend on outside help. It is, therefore, absolutely necessary that trade unions should charge from members a minimum of Rs. 50 per year as membership subscription. Unless that is done, trade unions cannot have resources to enable them to provide the minimum of members.

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It has been even told that once a statute is passed by parliament or a legislature and it is placed in the hands of the lawyers who are to interpret it before courts, the intention of the statute, the purpose with which it is passed, is completely forgotten, and in relation to interpretation you find something else interpreted and decided by the courts, other than what has been ought to be passed by parliament, or a legislature. Being a clever lawyer he has given an interpretation in relation to the prerogative of the president or the head of the state and the powers that would exist in relation to the president. Therefore, the concept is divided into prerogatives on the one side and the powers on the other side.

Mr. Vice-Chairman, in connection with this controversy, I may mention that I am one of those persons who feel that the present context of conditions in the country is not suitable for the purpose of discussion a constitution Bill, which should be given necessary thought in a very calm atmosphere, and the democratic norms, which are held very high in our mind, should be the guiding principles. At the present moment, when the very democratic ideals are being attacked and claim atmosphere.

I could have, without the least hesitation, said that probably the amendment was uncalled for. But having listened to these two speeches, irrespective of the merits to be considered, there seems to be some controversy or at least some difference of opinion in interpreting a particular statute. It has been the opinion expressed by various jurists not only in this country but outside also. If I had not listened to the speeches, I have been of the opinion having read some of the commentaries about the British that.



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I am making reference to this letter of the chairman in order to point out that the recommendation of the chairman of the drafting committee to the president of the constituent assembly was based on a previous enactment, namely, the provisions of the India (central government and legislature) act of 1946, which gave life in regard to the power exercised by the central legislature over those matters for a further period when the war legislation came to an end. It is not often that one looks back to what happened during the time when the constituent assembly was discussing. But it did give me a certain pleasure, when I was looking into the proceedings of the constituent assembly to find that a friend of ours, who is a members of this house, had the farsightedness to feel at the time when article 306 of the draft constitution was being considered.

In fact, at that time the hon. Members expressed the opinion that in matters like food-stuffs, minerals the powers of the government of India should be kept intact. Anyway, the constituent assembly did not accept the suggestion made by him.

Even prior to this particular article being taken up for consideration by the constituent assembly, in the several discussions that took place in regard to the distribution of powers between the center and the states, it was felt that parliamentary control should be provided over essential commodities other than those expressly covered by item 52, list and item 33 list iii attached to the constitution of India. I remember the discussions that took place between the drafting committee of the constituent assembly and the chief ministers of the states and the ministers of the central government, and i would like to recall that our states.

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Mr. Deputy chairman, Sir, I wish to speak a few words on this bill. Sir, I feel that there was no necessity for moving this coffee (amendment) bill as the coffee board administration has been carried on efficiently with the cooperation of all the members of the board, both elected and nominated. I do not know what the government are aiming at by moving this amending bill. Government have not pointed out in what way the elected representatives of growers worked against the interest of the government or the board or the planters. Instead of decentralising powers, they seem to concentrate powers in the center. I think, Sir, this is a bad policy. The government should decentralise powers and distribute the same amongs the people.

Sir, I know that the nominations representing several interests such as labour, consumers, trade are being made by the government. Till now, the coffee growers used to elect their representatives to the board. They had the right of franchise and used to elect representatives in whom they had confidence. But this bill contemplates to deprive the planting community even of their elementary right of electing their representatives. What is the object and background of this amendment, I want to minister was pleased to say that this board is on the analogy of the tea board and that.

Sir, the coffee industry is now facing a great crisis. The prices of coffee both in the internal as well as in the external markets are going down from years to year and year the cost of production is on the increase. The cost of manure and estate implements has gone up beyond limit. The increased labour wayges, introduction of provident fund and bonus and several other provisions of the labour are standings.

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Sir, the house would appreciate that would take some time for the comprehensive bill which involves a complete overhaul of the present legislation perhaps and may necessitate a motion for reference to a joint select committee to be passed by parliament. In the meanwhile, it has become necessary for us to make an amendment to section 23 of the act for the purpose of vesting the controller of patents and designs with powers to grant compulsory licences for the manufacture of insecticides considering the vital part that agriculture plays in our economy, it is most important that the manufacture of these insecticides on a large scale should be encouraged and that we should not allow any loophole in our legislation which can be exploited by the interested people.

Sir, clause 2 of the bill is intended to enlarge the scope of the existing section 23 of the Indian patents and designs 2001, so as to include insecticides, germicides along with food and medicines. Clause 2 of the bill is intended to insert a new sub-section, namely, sub-section (4), in the existing section 23 to equip the government with the necessary powers by enabling them to notify the category of articles.

The house will appreciate that it is impossible to draw up an exhaustive list of the articles for which it may be necessary for the controller to grant in future compulsory licences so that articles are produced and made available to the public at lowest prices consistent with the patentee deriving a reasonable advantage from his rights under the patent. Sir, this is a short bill and the background of this legislation is briefly as follows. The house is aware that in the autumn session of parliament last year, an amendment was made to our law grants.

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Mr. Deputy speaker, Sir, this short bill seeking to make certain amendments to the Indian (tariff) act with a view to granting protection to the power and distribution transformers industry and to continue or discontinue protection to certain other industries seems to suggest that it is not very much other than routine business. Sir, it is true that government come forward with amendments to the tariff act now and then and try to claim that they have come here to give protection to certain national industries. Sir, we all urge that the paramount necessity of our country is industrialisation, and therefore, any government action which might seek to improve the process of industrialisation in our country is commendable.

But as some of the speakers have already said, when government have brought forward this bill, they should have given a report as to the action they have taken for the development of these particular industries. You know, Sir, and I want to emphasise it, they by mere continuation of the protective duty for all time to come, it is not possible to industrialise our country. We have to go to duty the basic needs of the industry. Sir, as the hon. Friend who spoke first on this bill said, government promised that they were going to appoint a committee to go into the entire cost structure and see whether there was any possibility of the further development and further utilisation of the productive power of this particular industry. Therefore, I feel when the government have come forward with such an amendment, they should give us a report as to what action they have taken and whether they actually appointed a committee to look into all these problems. Sir, the first point has been already discussed some.

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Sir, the food minister has tried to point out that sufficient attention must be paid to the recommendations of such an important body as the tariff commission. Is the government prepared to implement all the recommendations of the tariff commission even in the case of the sugar industry? Is it not a fact, Sir, that the tariff commission recommended that the incentive money that accrued on account of the reduction in excise duty should be distributed between the cane-growers and the mill owners-30 percent to the factory owners and 70 percent to the growers and our government, instead of accepting that recommendation, is contemplating to reserve 25 percent for rehabilitation of the factory owners and then to distribute the rest between the two. The tariff commission, in one of its reports, doubted the feasibility and the advisability of linking price with recovery.

The central government not only ignored the advice of the tariff commission but they have also ignored the recommendations of the governments of Bihar and Uttar Pradesh in this matter. Our food minister claims to be a friend of the peasant and it is not possible really, Sir, for anyone to be in the government of India-India being mostly composed of peasants-to remain there, unless he claims to be a friend of the peasant, it is not possible, for me, Sir, to say what his real intentions are, but I must submit, Sir, that his policies, at least.

I would only invite attention to a law recently passed by parliament under his guidance wherein an attempt is made to regulate the crushing of sugarcane. So, if the government is really keen about rehabilitation and if the tariff commission is equally solicitous of the interests of the capitalists and the tariff is.

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If we study the accomplishments of the plan and the resources that it has been possible to raise, we cannot deny that our expectations have not been fulfilled and we have therefore to find out the reasons which have led to that situation. Here, incidentally I would like to touch, in a sentence or two, the entire theme of the speech of Mr. Bhupesh Gupta. It is very easy to say, this should be done or this could have been done from the opposition point of view, but I would like to ask him a question and he can reply to it later in some other speech whether in Russia it would be possible for anybody not in the debate in the parliament, but even outside, to utter a single sentence against the government policy.

In our democratic set-up would be conducive to create the enthusiasm that is necessary and the inspiration that is necessary to give their very best to fulfil the targets of the plan. This planned economy is really not a thing that will go successfully hand in hand with a democratic set-up unless some other things are there, and they are the inculcation of a national spirit, giving of proper national.

Unless these things are done as they are in other countries like England, unless that type of spirit is created in the country by all the people of all types of views not being allowed to create differences and doubts in the minds of the people, we cannot, in a democratic set-up, have the success which we want and we cannot fulfill our promises to the people. Without going further into that aspect which really came to my mind as a result of the long speech of Mr. Bhupesh Gupta, I would like to make a few suggestions so that a proper attitude towards giving of one's best to the plan and to raise the national that.

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At the very outset, I would like to mention that the idea of introducing a compulsory savings scheme is not a new one and has been under considerations for the past several years. In fact, as early as in 1998-99, the national development council and expressed a view in its favour, we are also trying to secure the cooperation of trade unions and employers for its introduction. As a result, however, of the situation created by the emergency and the paramount need for finding additional resources to meet the growing cost of development and defence, the government came to the conclusion that it was no longer possible to rely on the proceeds of taxation and voluntary savings alone and that introduction of some element of compulsory savings was unavoidable. The bill before the house is a comprehensive measure and seeks to cover all the major sections of the community who can be expected to have some margin for savings.

The opinion of the attorney-general on the constitutional validity of the bill has already been laid on the table of this house. Hon. Members may have also see reports of the discussions in the other house which have since been circulated to them. I have nothing much to add to these issues except to confirm that, in our view parliament is fully competent to legislate on a measure of this type and that the restrictions which this bill seeks to impose are reasonable restrictions and are, in the interests of the general public, within the meaning of article 19 (5) of the constitution. Government are taking powers to provide for suitable reductions or exemptions, wherever they may be justified, to ensure that the bill does not impose any undue hardship. The schemes to be drawn up will be laid before there.

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Sir, the farmer needs more assistance help from the government. More subsidies should be provided for fertilizers, seeds so that the farmer can become self-sufficient and produce more. Backward and remote villages should be identified and funds should be allocated for their upliftment. There was a proposal for an aluminum project in vishakpatnam. Sir, if started, it could create employment for at least 10,000 people. Through you, Sir, I request the government to consider favourably the setting up of this project.

Sir, I am happy that the price of gold has come down in the market. But then the prices of essential commodities are increasing day by day affecting the common man. We should try to control this price hike. The government has introduced public distribution system in 1700 blocks of our country and has been laying great emphasis on its proper implementation. This is an appreciable step.

Sir, whether it is MGR or NTR, whoever may be in power should see that basic requirements of every individual are met fully. Rice and sugar are not the only needs of the common man; foods, clothing and shelter should be provided to the common man. If more funds are required to fulfil this, the government should make a provision for it. We should improve the condition of those who are living below the poverty line. Our aim is the betterment of the poor. So, more funds should be allocated for this purpose. Rural industries should be developed. The handloom weavers are committing suicide for lack of any source of livelihood. It is really a tragedy. Something should be done about this. Once, there was a great demand for handloom cloth. But now people are crazy for the imported materials the center and the state.



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I shall now come to the food problem. What is the food problem? Sir, the food problem, stated in very simple terms, is this. In India, even after 59 years of freedom, we are not able to supply our people with adequate quantities of food grains at reasonable prices or at prices which are within their reach. That is the food problem. It appears to be a very simple problem, but actually it is a very complicated problem and a very basic problem in the sense that food prices constitute the core of our entire price structure, and in a capitalist society where there is freedom of enterprise the price structure or the price system governs the development of the economy as a whole. Therefore, Sir, this problem becomes the basic problem. I do not want to attempt here any analysis of how the rising food prices affect, the various aspects of our economic life, but one broad fact has to be recognised that it is true due to the failure on the part of the Government to tackle this food problem that so many complications have arisen which we are finding it is very difficult to resolve.

All these have as their basis the failure of the Government to solve the food problem. Now, Sir, there are two aspects of the food situation to be considered. As has been correctly stated by our hon. Minister of Food and Agriculture, one aspect relates to production and the other aspect relates to distribution or regulation of the resources that are at our disposal. Now, Sir, I will take up these two aspects separately and show where the government has failed in its responsibility, where the Government policies have been wrong policies or where the Government has failed to work out any policy at all. First, I will take the distributive there.

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Sir, I beg to move that the bill to give effect to the financial proposals of the central government for the financial year, 2001-02, be taken into consideration. Sir, I had, in my speech in the house on 24 July, 2001 while presenting the budget for 2001-02 explained the main features of the proposals contained in the bill. The explanatory memorandum circulated to the hon. Members also contains the details of the specific provisions in the bill. I do not, therefore, propose to go over the detailed provisions of the bill once again.

I feel gratified that the budget has evoked a great deal of interest, and during the debate on the budget in this house, a number of very constructive suggestions were made by the hon. Members with regard to some of the proposals contained in the bill. I have also received a large number of representations from members of the public, trade unions, voluntary organisations professional bodies and chambers of commerce on the proposals in the bill. I express my sincere gratitude to all of them for giving us these valuable suggestions! I would like to assure the hon. Members that we have given very careful consideration to all points which have been made with reference to my proposals.

Taking up the provisions for direct taxes, in line with our objective of giving a thrust to exports? I propose to increase the tax incentive for exporters under section 80 hhc of the income tax profit on sale of scrips will be treated as exports profit in the proportion of the export turnover to the total turnover of the business! Hon. Members will recall that I had proposed certain modifications in the scheme of tax concession for tourism industry as contained in section 80 hhd of the income-tax scheme.

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Mr. Chairman, Sir, as the other hon. Members have pointed out, this bill has had a very chequered history. I do not think in the history of parliament, after this country became independent, any bill has suffered the duress of circumstances so badly as this bill has suffered. But all the same, it does indicate the confused thinking of the government of India. Really, how to explain the situation? This bill has been introduced again in the fourth Lok Sabha. As the hon. Member, prof. D.C. Sharma, pointed out, this bill has assumed really a very peculiar character because, somehow or other, neither the government nor the persons have been able to explain fully as to what exactly they want to do with the patents.

This bill was also introduced in the third Lok Sabha but it could not be passed? It was always said that it was due to lack of time which prohibited this bill to be passed! The life of one Lok Sabha is five years. I am surprised & that in the life of the second Lok Sabha. It was not passed; in the life of the third Lok Sabha, it was not passed and it has now in the fourth Lok Sabha. Let us really expect that this bill see a better fate now.

The government has not come forward with its mind made up and it is really a great tragedy that this bill is one of the many instances of how much confusion there is in the thinking of the government vis-a-vis modern requirements of economic development, This is only one instance? The whole world has always been talking about our patents. In the last twelve years, we have not been able to do anything. That was introduced in December, 2003 but it lapsed I do not think that the government can convince this find time for an important law when we require this law the.

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This ticketless travelling has assumed a very large proportion. In answer to a question in this hon. House, it was suggested that the detected cases ran into some lakhs and undetected cases were bound to be perhaps much larger than those that have detected. This has assumed such a large proportion that there must be a concerted effort to eradicate this evil. The hon. Minister has appealed to the public to help in the eradication of this evil. I would make two or three suggestions in this regard. One is the progressive use of inter-communicating coaches, what are known as vestibule coaches, in the train so that even during the running of trains, checks could be carried.

There is also another aspect that if we examine from this point of view, we will find that the increase of 50 percent in the net earnings is not after all a very bad performance. Here, we might remember that the net earning could be much more but for the two factors about which the hon. Minister has complained and about which many times questions were asked in the house. I am referring to the ticketless travelling.

Mr. Chairman, first of all, I would like to congratulate the hon. Railway Minister for proposing no increase in the passenger fares and also for proposing no increase in the freight rates. Of course, the freight rate increase has come into operation only very recently, namely, on the 1 October, 2008 I would like to congratulate the hon. Minister for this that in the current year, there had been no major accidents. I would like to appreciate in this regard the due care and caution taken by the railway administration in so far as there have been no major accidents this year. I would also suggest that but for the connivance takes is.

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Sir, I know that the cinematograph (amendment) bill, 2008 is only a further elaboration of the act of 2002 and what has already been laid down in the rules regarding the composition of the board of film censors and the constitution of advisory panels is sought to be brought into the principal therefore, Sir, there is not much to be said on this amending bill, which is the result, as has been pointed out, of the experience gained in the working of the act for the past six years. Nevertheless, I would like the hon. Minister to consider the following two points for being suitably included in the amending bill, and I hope that this can be done.

The first point is that there should be some carefully thought out criteria for the selection of the chairman and members of the censor board as well as of the advisory panels. The minister may kindly say if any set of rules has already been laid down for fixing qualifications for such membership? I feel, Sir, that this is a very vital point to be considered, especially when we are considering the question of children's films! I am interested in children's films as an educationist, and therefore, I am very anxious that nothing.

Hence, in all countries it has been realised that children's films should be different from films for adults and that countries it has been realised that children's films should be different from films for adults and that the themes, background and projection of ideas and ideals should be chosen with extreme care and the for all this, expert educationists, persons with insight into the child mind and experts in child psychology are necessary. Artistes also should be of the right kind, for directing the form and content of films for children the films.

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The congress working committee some time last year passed a resolution requesting the government of India to appoint a national planning commission. Its objectives are a just order of society, progressive increase in the standard of living, best utilization of the resources of the country and regional and national self sufficiency. The government and the country were good enough to respond and today we have a national planning commission which is striving hard to give us a short-term plan and a long-term plan. My hon. Friend, Dr. Mookerjee, was bitterly complaining that there is no short-term programme for the government. Anybody who has seen the budgets of the state governments as well as that of the central government will find that they are not devoid of such plans. Really, there are a number of schemes which have begun to fructify or which are going to fructify in the very near future and therefore the complaint that everything has been left to starvation is not correct.

Then, there is no gainsaying the fact that the country is really in a bad economic situation. Everybody knows it. We know that there is poverty and that poverty is increasing on account of a number of circumstances, including the pressure of population, which is peculiar not only to our country but to a number of other Asian countries.

I very much welcome the budget that has been presented by the hon. Finance minister. In doing so, I would like to address myself to one important of aspect of budget making. The budget goes a thousand ways to the root of the prosperity of individuals, to the relation between classes and to the strength of the government themselves. The present budget, apart from the arithmetic of it, must also solve them.

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Sir, the NRI funds are utilized only for industrial sector. If they can be invested in some irrigation projects also, it will prove to be a boon to the farmer and it will help him produce more foodgrains, making the country self-sufficient in this area. It will also promote employment opportunities for many. Sir, in Andhra Pradesh for the last 15 years, not a single irrigation project has seen the light of the day? In this context, I would like to specially mention the proposed! Project which was conceived as a multi-purpose project to provide irrigation, drinking water, navigation and power? The estimated cost of this project in 1992 was Rs. 1,675 Crores which has now gone up to Rs. 3,000 Crores. This project should be taken up as a national project.

Sir, we all know that 80 percent of our population lives in villages! Social and economic conditions of these villages should be improved. The farmer whom we consider the backbone of our country should be helped to come up economically and socially. This country should become self sufficient as far as production of foodgrains is concerned. I am sorry to say that the allocation of funds to promote better agricultural production is not sufficient.

Sir, I whole heartedly welcome the union for 2002-03 introduced by our finance minister. This budget is not just a riddle of figures. This budget is framed keeping in view the economic crisis which is threatening the country. It has covered a wide range and all the problems were kept in mind while framing it. We should all realise and remember one thing that when this government came to power, the economic condition of the country was very bad. Taking into consideration the resources at our disposal, rurals are.