

[MR. DEPUTY-SPEAKER *in the Chair*]

[*English*]

[*Translation*]

SHRI SANTOSH MOHAN DEB: What do you mean? Don't judge people by your standard. (*Interruptions*)

SHRI GEORGE FERNANDES (Muzaffarpur): Mr. Deputy Speaker, Sir, before speaking on the Budget, I would like to submit something. Just now, I have received a message from the Chief Minister of Nagaland that Minister of State in the Ministry of External Affairs is Camping there since yesterday ... (*Interruptions*)

14.55 hrs.

GENERAL BUDGET, 1992-93- GENERAL DISCUSSION DEMANDS FOR GRANTS ON ACCOUNT (GENERAL), 1992-93 AND SUPPLEMENTARY DEMANDS FOR GRANTS (GENERAL), 1991-92

[*English*]

[*English*]

MR. DEPUTY SPEAKER: Shri George Fernandes, now we take up the discussion on the General Budget.

MR. DEPUTY-SPEAKER: Now we shall take up discussion on Item Numbers 19 to 21 together. The time allotted for the discussion on General Budget is 12 hours.

(*Interruptions*)

Motions moved:

[*Translation*]

SHRI GEORGE FERNANDES: Since the Rajya Sabha elections are to be held there... \*\*

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the third Column of the Order Paper be granted to the President out of the Consolidated Fund of India, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1992 in respect of heads of demands entered in the second column thereof against Demands 1 to 27, 29, 30, 32 to 89, 91, 93 to 98."

[*English*]

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (Shri Santosh Mohan Deb): Sir, this should not go on record.

"That the respective supplementary sums not exceeding the amount on Revenue Accounts and Capital Account shown in the fifth column of the Order Paper be granted to the President out of Consolidated Fund of India to defray the charges that will come in course of payment during the year ending 31st day of March, 1992 in respect of the following demands entered in the second column thereof.

[*Translation*]

SHRI GEORGE FERNANDES: Why should it not go on record. Why not ... (*Interruptions*)

[*English*]

MR. DEPUTY-SPEAKER: This is not the proper time.

Demand Nos. 1, 2, 4, 5, 6, 7, 9, 11, 15, 16, 17, 18, 19, 20, 24, 25, 26, 27, 30, 34, 36, 38, 40, 41, 43, 44, 47, 49, 51, 52, 54, 58, 60, 62, 65, 67, 70, 76, 78, 79, 81, 83, 84, 85, 87, 89, 93, 94, 96 and 97."

[*Translation*]

SHRIGEOGE FERNANDES. Foreign Minister was there. Chairman, Delegation was here. They were to be invite for lunch... (*Interruptions*)

\*\* Expunged as ordered by the chair.

## LOK SABHA

Demands for Grants on Account (General) for 1992-93 submitted to the vote of Lok Sabha

| No. of Demand                                 | Name of Demand                                    | Amount of Demand for Grant on Account submitted to the vote of the House |              |
|-----------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------|--------------|
|                                               |                                                   | Revenue Rs.                                                              | Capital Rs.  |
| <b>Ministry of Agriculture</b>                |                                                   |                                                                          |              |
| 1                                             | Agriculture                                       | 358,41,00,000                                                            | 1,41,00,000  |
| 2                                             | Other Services of Dept of Agri. & Cooperation     | 25,27,00,000                                                             | 93,43,00,000 |
| 3                                             | Department of Agricultural Research and Education | 62,60,00,000                                                             | ..           |
| 4                                             | Department of Animal Husbandry and Dairying       | 41,69,00,000                                                             | 10,76,00,000 |
| <b>Ministry of Chemicals and Fertilizers</b>  |                                                   |                                                                          |              |
| 5                                             | Department of Chemicals and Petrochemicals        | 3,41,00,000                                                              | 4,02,00,000  |
| 6                                             | Department of Fertilizers                         | 1598,70,00,000                                                           | 21,44,00,000 |
| <b>Ministry of Civil Aviation and Tourism</b> |                                                   |                                                                          |              |
| 7                                             | Department of Civil Aviation                      | 9,57,00,000                                                              | 4,70,00,000  |
| 8                                             | Department of Tourism                             | 12,98,00,000                                                             | 2,76,00,000  |

| No. of Demand                                             | Name of Demand                                     | Amount of Demand for Grant on Account submitted to the vote of the House |               |
|-----------------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------|---------------|
|                                                           |                                                    | Revenue Rs.                                                              | Capital Rs.   |
| <b>Ministry of Civil Supplies and Public Distribution</b> |                                                    |                                                                          |               |
| 9.                                                        | Ministry of Civil Supplies and Public Distribution | 1,75,00,000                                                              | 26,00,000     |
| <b>Ministry of Coal</b>                                   |                                                    |                                                                          |               |
| 10.                                                       | Ministry of Coal                                   | 28,33,00,000                                                             | 120,00,00,000 |
| <b>Ministry of Commerce</b>                               |                                                    |                                                                          |               |
| 11.                                                       | Department of Commerce                             | 501,93,00,000                                                            | 45,32,00,000  |
| 12.                                                       | Department of Supply                               | 4,63,00,000                                                              | ..            |
| <b>Ministry of Communications</b>                         |                                                    |                                                                          |               |
| 13.                                                       | Ministry of Communications                         | 1,56,00,000                                                              | ..            |
| 14.                                                       | Postal Services                                    | 259,78,00,000                                                            | 11,46,00,000  |
| 15.                                                       | Telecommunication Services                         | 880,75,00,000                                                            | 669,83,00,000 |
| <b>Ministry of Defence</b>                                |                                                    |                                                                          |               |
| 16.                                                       | Ministry of Defence                                | 250,46,00,000                                                            | 18,96,00,000  |

| No. of Demand                              | Name of Demand                      | Amount of Demand for Grant on Account submitted to the vote of the House |                |
|--------------------------------------------|-------------------------------------|--------------------------------------------------------------------------|----------------|
|                                            |                                     | Revenue Rs.                                                              | Capital Rs.    |
| 17.                                        | Defence Pensions                    | 353,28,00,000                                                            | ..             |
| 18.                                        | Defence Services Army               | 1489,54,00,000                                                           | ..             |
| 19.                                        | Defence Services Navy               | 170,01,00,000                                                            | ..             |
| 20.                                        | Defence Services Air Force          | 421,08,00,000                                                            | ..             |
| 21.                                        | Defence Ordnance Factories          | 352,81,00,000                                                            | ..             |
| 22.                                        | Capital Outlay on Defence Services  | 1926,14,00,000                                                           | ..             |
| <b>Ministry of Environment and Forests</b> |                                     |                                                                          |                |
| 23.                                        | Ministry of Environment and Forests | 51,96,00,000                                                             | 95,00,000      |
| <b>Ministry of External Affairs</b>        |                                     |                                                                          |                |
| 24.                                        | Ministry of External Affairs        | 99,52,00,000                                                             | 11,50,00,000   |
| <b>Ministry of Finance</b>                 |                                     |                                                                          |                |
| 25.                                        | Department of Economic Affairs      | 73,66,00,000                                                             | 23,32,00,000   |
| 26.                                        | Currency, Coinage and Stamps        | 66,51,00,000                                                             | 30,06,00,000   |
| 27.                                        | Payments to Financial Institutions  | 102,08,00,000                                                            | 5435,81,00,000 |

| No. of Demand                                 | Name of Demand                         | Amount of Demand for Grant on Account submitted to the vote of the House |              |
|-----------------------------------------------|----------------------------------------|--------------------------------------------------------------------------|--------------|
|                                               |                                        | Revenue Rs.                                                              | Capital Rs.  |
| 29.                                           | Transfers to State Governments         | 945,89,00,000                                                            | 24,16,00,000 |
| 30.                                           | Loans to Government Servants etc.      | ...                                                                      | 38,76,00,000 |
| 32.                                           | Department of Expenditure              | 76,30,00,000                                                             | 55,00,000    |
| 33.                                           | Pensions                               | 100,02,00,000                                                            | ...          |
| 34.                                           | Audit                                  | 48,60,00,000                                                             | ...          |
| 35.                                           | Department of Revenue                  | 24,26,00,000                                                             | 25,00,000    |
| 36.                                           | Direct Taxes                           | 45,75,00,000                                                             | 15,00,00,000 |
| 37.                                           | Indirect Taxes                         | 73,00,00,000                                                             | 23,31,00,000 |
| <b>Ministry of Food</b>                       |                                        |                                                                          |              |
| 38.                                           | Ministry of Food                       | 441,58,00,000                                                            | 23,10,00,000 |
| <b>Ministry of Food Processing Industries</b> |                                        |                                                                          |              |
| 39.                                           | Ministry of Food Processing Industries | 5,52,00,000                                                              | 1,11,00,000  |
| <b>Ministry of Health and Family Welfare</b>  |                                        |                                                                          |              |
| 40                                            | Department of Health                   | 95,37,00,000                                                             |              |
|                                               |                                        |                                                                          | 28,88,00,000 |

| No. of<br>Demand                              | Name of Demand                                    | Amount of Demand for Grant on Account submitted to<br>the vote of the House |              |
|-----------------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------------|--------------|
|                                               |                                                   | Revenue Rs.                                                                 | Capital Rs.  |
| 41.                                           | Department of Family Welfare                      | 183,29,00,000                                                               | 3,00,000     |
| <b>Ministry of Home Affairs</b>               |                                                   |                                                                             |              |
| 42.                                           | Ministry of Home Affairs                          | 52,77,00,000                                                                | 2,16,00,000  |
| 43.                                           | Cabinet                                           | 2,04,00,000                                                                 | ..           |
| 44.                                           | Police                                            | 337,68,00,000                                                               | 45,73,00,000 |
| 45.                                           | Other Expenditure of the Ministry of Home Affairs | 52,19,00,000                                                                | 20,71,00,000 |
| 46.                                           | Transfers to Union Territory Governments          | 16,54,00,000                                                                | 9,71,00,000  |
| <b>Ministry of Human Resource Development</b> |                                                   |                                                                             |              |
| 47.                                           | Department of Education                           | 285,63,00,000                                                               | 9,00,000     |
| 48.                                           | Department of Youth Affairs and Sports            | 18,44,00,000                                                                | 33,00,000    |
| 49.                                           | Art and Culture                                   | 21,02,00,000                                                                | ..           |
| 50.                                           | Department of Women and Child Development         | 81,44,00,000                                                                | 17,00,000    |
| <b>Ministry of Industry</b>                   |                                                   |                                                                             |              |

| No. of Demand                                       | Name of Demand                                             | Amount of Demand for Grant on Account submitted to the vote of the House |              |
|-----------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------|--------------|
|                                                     |                                                            | Revenue Rs.                                                              | Capital Rs.  |
| 51.                                                 | Department of Industrial Development                       | 52,72,00,000                                                             | 32,00,000    |
| 52.                                                 | Department of heavy Industry                               | 6,22,00,000                                                              | 48,31,00,000 |
| 53.                                                 | Department of Public enterprises                           | 24,00,000                                                                | ...          |
| 54.                                                 | Department of Small Scale Ind. & Agro and Rural Industries | 53,65,00,000                                                             | 32,26,00,000 |
| <b>Ministry of Information and Broadcasting</b>     |                                                            |                                                                          |              |
| 55.                                                 | Ministry of Information and Broadcasting                   | 17,20,00,000                                                             | 4,45,00,000  |
| 56.                                                 | Broadcasting Services                                      | 158,71,00,000                                                            | 59,50,00,000 |
| <b>Ministry of Labour</b>                           |                                                            |                                                                          |              |
| 57.                                                 | Ministry of Labour                                         | 69,91,00,000                                                             | 12,00,000    |
| <b>Ministry of Law, Justice and Company Affairs</b> |                                                            |                                                                          |              |
| 58.                                                 | Law and Justice                                            | 23,83,00,000                                                             | ...          |
| 59.                                                 | Department of Company Affairs                              | 1,83,00,000                                                              | 1,00,000     |
| <b>Ministry of Mines</b>                            |                                                            |                                                                          |              |

| No. of Demand                                                  | Name of Demand                                        | Amount of Demand for Grant on Account submitted to the vote of the House |               |
|----------------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------|---------------|
|                                                                |                                                       | Revenue Rs.                                                              | Capital Rs.   |
| 60.                                                            | Ministry of Mines                                     | 21,84,00,000                                                             | 7,13,00,000   |
| <b>Ministry of Parliamentary Affairs</b>                       |                                                       |                                                                          |               |
| 61.                                                            | Ministry of Parliamentary Affairs                     | 20,00,000                                                                | ...           |
| <b>Ministry of Personnel, Public Grievances and Pension</b>    |                                                       |                                                                          |               |
| 62.                                                            | Ministry of Personnel, Public Grievances and Pensions | 8,86,00,000                                                              | 38,63,000     |
| <b>Ministry of Petroleum and Natural Gas</b>                   |                                                       |                                                                          |               |
| 63.                                                            | Ministry of Petroleum and Natural Gas                 | 8,70,00,000                                                              | 50,00,00,000  |
| <b>Ministry of Planning &amp; Programme Implementation</b>     |                                                       |                                                                          |               |
| 64.                                                            | Planning                                              | 14,57,00,00                                                              | 1,67,00,000   |
| 65.                                                            | Department of Statistics                              | 8,54,00,000                                                              | 15,00,000     |
| 66.                                                            | Department of Programme Implementation                |                                                                          | 14,00,00      |
| <b>Ministry of Power &amp; non-Conventional Energy Sources</b> |                                                       |                                                                          |               |
| 67.                                                            | Department of Power                                   | 79,62,00,000                                                             | 327,66,00,000 |
| 68.                                                            | Department of non-Conventional Energy Sources         | 20,74,00,000                                                             | 76,00,000     |



| No. of Demand                             | Name of Demand                                   | Amount of Demand for Grant on Account submitted to the vote of the House |               |
|-------------------------------------------|--------------------------------------------------|--------------------------------------------------------------------------|---------------|
|                                           |                                                  | Revenue Rs.                                                              | Capital Rs.   |
| <b>Ministry of Rural Development</b>      |                                                  |                                                                          |               |
| 69.                                       | Ministry of Rural Development                    | 1216,57,00,000                                                           | 8,00,000      |
| <b>Ministry of Science and Technology</b> |                                                  |                                                                          |               |
| 70.                                       | Department of Science and Technology             | 42,45,00,000                                                             | 5,08,00,000   |
| 71.                                       | Department of Scientific and Industrial Research | 45,53,00,000                                                             | 68,00,000     |
| 72.                                       | Department of Biotechnology                      | 12,80,00,000                                                             | ...           |
| <b>Ministry of Steel</b>                  |                                                  |                                                                          |               |
| 73.                                       | Ministry of Steel                                | 69,00,000                                                                | 214,68,00,000 |
| <b>Ministry of Surface Transport</b>      |                                                  |                                                                          |               |
| 74.                                       | Surface Transport                                | 5,31,00,000                                                              | 9,50,00,000   |
| 75.                                       | roads                                            | 69,12,00,000                                                             | 88,09,00,000  |
| 76.                                       | Ports, Lighthouses and Shipping                  | 21,82,00,000                                                             | 39,73,00,000  |
| <b>Ministry of Textiles</b>               |                                                  |                                                                          |               |
| 77.                                       | Ministry of Textiles                             | 122,11,00,000                                                            | 27,64,00,000  |

| No. of Demand                        | Name of Demand                | Amount of Demand for Grant on Account submitted to the vote of the House |              |
|--------------------------------------|-------------------------------|--------------------------------------------------------------------------|--------------|
|                                      |                               | Revenue Rs.                                                              | Capital Rs.  |
| <b>Ministry of Urban Development</b> |                               |                                                                          |              |
| 78.                                  | Urban Development and Housing | 37,35,00,000                                                             | 36,11,00,000 |
| 79.                                  | Public Works                  | 44,61,00,000                                                             | 16,52,00,000 |
| 80.                                  | Stationery and Printing       | 19,90,00,000                                                             | 35,00,000    |
| <b>Ministry of Water Resources</b>   |                               |                                                                          |              |
| 81.                                  | Ministry of Water Resources   | 50,56,00,000                                                             | 3,02,00,000  |
| <b>Ministry of Welfare</b>           |                               |                                                                          |              |
| 82.                                  | Ministry of Welfare           | 77,50,00,000                                                             | 7,15,00,000  |
| <b>Department of Atomic Energy</b>   |                               |                                                                          |              |
| 83.                                  | Atomic Energy                 | 85,66,00,000                                                             | 82,34,00,000 |
| 84.                                  | Nuclear Power Schemes         | 65,92,00,000                                                             | 25,67,00,000 |
| <b>Department of Electronics</b>     |                               |                                                                          |              |
| 85.                                  | Department of Electronics     | 13,14,00,000                                                             | 1,28,00,000  |

| No. of Demand                                                                                    | Name of Demand                    | Amount of Demand for Grant on Account submitted to the vote of the House |               |
|--------------------------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------------------------------------|---------------|
|                                                                                                  |                                   | Revenue Rs.                                                              | Capital Rs.   |
| <b>Department of Ocean Development</b>                                                           |                                   |                                                                          |               |
| 86.                                                                                              | Department of Ocean Development   | 6,77,00,000                                                              | 1,26,00,000   |
| <b>Department of Space</b>                                                                       |                                   |                                                                          |               |
| 87.                                                                                              | Department of Space               | 71,86,00,000                                                             | 13,14,00,000  |
| <b>Parliament, Secretariats of President and Vice-President, Union Public Service Commission</b> |                                   |                                                                          |               |
| 88.                                                                                              | Lok Sabha                         | 4,54,00,000                                                              | ...           |
| 89.                                                                                              | Rajya Sabha                       | 1,61,00,000                                                              | ...           |
| 91.                                                                                              | Secretariat of the Vice-President | 5,00,000                                                                 | ...           |
| <b>Union Territories without Legislature</b>                                                     |                                   |                                                                          |               |
| 93.                                                                                              | Delhi                             | 188,33,00,000                                                            | 140,40,00,000 |
| 94.                                                                                              | Andaman and Nicobar Islands       | 30,58,00,000                                                             | 25,83,00,000  |
| 95.                                                                                              | Dadra and Nagar haveli            | 6,07,00,000                                                              | 2,35,00,000   |
| 96.                                                                                              | Lakshadweep                       | 8,38,00,000                                                              | 2,15,00,000   |

| No. of Demand         | Name of Demand | Amount of Demand for Grant on Account submitted to the vote of House |                |
|-----------------------|----------------|----------------------------------------------------------------------|----------------|
|                       |                | Revenue Rs.                                                          | Capital Rs.    |
| 97.                   | Chandigarh     | 36,10,00,000                                                         | 9,04,00,000    |
| 98.                   | Daman and Diu  | 4,37,00,000                                                          | 2,06,00,000    |
| TOTAL REVENUE/CAPITAL |                | 1297,17,00,000                                                       | 9953,05,00,000 |

## Supplementary Demands for Grants (General) for 1991-92 submitted to the vote of Lok Sabha

| No. of Demand                                | Name of Demand                                              | Amount of Demand for Grant submitted to the vote of House |              |
|----------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------|--------------|
|                                              |                                                             | Revenue Rs.                                               | Capital Rs.  |
| 1                                            |                                                             | 3                                                         | 3            |
| <b>Ministry of Agriculture</b>               |                                                             |                                                           |              |
| 1.                                           | Agriculture                                                 | 280,35,00,000                                             | ...          |
| 2.                                           | Other Services of Department of Agriculture and Cooperation | 1,00,000                                                  | 75,22,00,000 |
| 4.                                           | Department of Animal Husbandry and Dairying                 | 2,00,000                                                  | 21,50,00,000 |
| <b>Ministry of Chemicals and Fertilizers</b> |                                                             |                                                           |              |
| 5.                                           | Department of Chemicals and Petrochemicals                  | ...                                                       | 11,67,00,000 |

| No. of Demand                                             | Name of Demand                                     | Amount of Demand for Grant submitted to the vote of the House |               |
|-----------------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------|---------------|
|                                                           |                                                    | Revenue Rs.                                                   | Capital Rs.   |
| 6.                                                        | Department of Fertilizers                          | 956,13,00,000                                                 | 2,80,00,000   |
| <b>Ministry of Civil Aviation and Tourism</b>             |                                                    |                                                               |               |
| 7.                                                        | Department of Civil Aviation                       | 10,13,00,000                                                  | ...           |
| <b>Ministry of Civil Supplies and Public Distribution</b> |                                                    |                                                               |               |
| 9.                                                        | Ministry of Civil Supplies and Public Distribution | ...                                                           | 1,00,00,000   |
| <b>Ministry of Commerce</b>                               |                                                    |                                                               |               |
| 11.                                                       | Department of Commerce                             | 535,98,00,000                                                 | ...           |
| <b>Ministry of Communications</b>                         |                                                    |                                                               |               |
| 15.                                                       | Telecommunication Services                         | 36,68,00,000                                                  | 221,99,00,000 |
| <b>Ministry of Defence</b>                                |                                                    |                                                               |               |
| 16.                                                       | Ministry of Defence                                | 139,64,00,000                                                 | ...           |
| 17.                                                       | Defence Pensions                                   | 90,00,00,000                                                  | ...           |
| 18.                                                       | Defence Services Army                              | 134,77,00,000                                                 | ...           |
| 19.                                                       | Defence Services Navy                              | 49,98,00,000                                                  | ...           |

| No. of Demand                                | Name of Demand                     | Amount of Demand for Grant submitted to the vote of the House |             |
|----------------------------------------------|------------------------------------|---------------------------------------------------------------|-------------|
|                                              |                                    | Revenue Rs.                                                   | Capital Rs. |
| 20.                                          | Defence Service Air Force          | 288,23,00,000                                                 | ..          |
| <b>Ministry of External Affairs</b>          |                                    |                                                               |             |
| 24.                                          | Ministry of External Affairs       | 48,09,00,000                                                  | ..          |
| <b>Ministry of Finance</b>                   |                                    |                                                               |             |
| 25.                                          | Department of Economic Affairs     | 2,20,00,000                                                   | ..          |
| 26.                                          | Currency, Coinage and Stamps       | ..                                                            | 1,00,000    |
| 27.                                          | Payments to Financial Institutions | 104,18,00,000                                                 | 4,00,000    |
| 30.                                          | Transfers to State Governments     | 1153,03,00,000                                                | ..          |
| 34.                                          | Audit                              | 7,34,00,000                                                   | ..          |
| 36.                                          | Direct Taxes                       | 15,50,00,000                                                  | ..          |
| <b>Ministry of Food</b>                      |                                    |                                                               |             |
| 38.                                          | Ministry of Food                   | 246,88,00,000                                                 | ..          |
| <b>Ministry of Health and Family Welfare</b> |                                    |                                                               |             |
| 40.                                          | Department of health               | ..                                                            | 6,82,00,000 |

| No. of Demand                                       | Name of Demand                                          | Amount of Demand for Grant submitted to the vote of the House | Revenue Rs. | Capital Rs.  |
|-----------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------------|-------------|--------------|
| 41.                                                 | Department of Family Welfare                            | 122,42,00,000                                                 | ...         | ...          |
| <b>Ministry of Home Affairs</b>                     |                                                         |                                                               |             |              |
| 43.                                                 | Cabinet                                                 | 3,14,00,000                                                   | ...         | ...          |
| 44.                                                 | Police                                                  | 135,16,00,000                                                 | ...         | 1,00,000     |
| 46.                                                 | Transfers to Union Territory Governments                | ...                                                           | ...         | 10,00,000    |
| <b>Ministry of Human Resource Development</b>       |                                                         |                                                               |             |              |
| 47.                                                 | Department of Education                                 | 3,00,000                                                      | ...         | ...          |
| 49.                                                 | Art and Culture                                         | 2,00,000                                                      | ...         | 25,00,000    |
| <b>Ministry of Industry</b>                         |                                                         |                                                               |             |              |
| 51.                                                 | Department of Industrial Development                    | 1,00,000                                                      | ...         | ...          |
| 52.                                                 | Department of Heavy Industry                            | 2,00,000                                                      | ...         | 51,77,00,000 |
| 54.                                                 | Department of Small Scale and Agro and Rural Industries | 1,00,000                                                      | ...         | ...          |
| <b>Ministry of Law, Justice and Company Affairs</b> |                                                         |                                                               |             |              |
| 58.                                                 | Law and Justice                                         | 2,00,000                                                      | ...         | ...          |



| No. of Demand                                                | Name of Demand                                        | Amount of Demand for Grant submitted to the vote of the House | Revenue Rs. | Capital Rs.  |
|--------------------------------------------------------------|-------------------------------------------------------|---------------------------------------------------------------|-------------|--------------|
| <b>Ministry of Mines</b>                                     |                                                       |                                                               |             |              |
| 60.                                                          | Ministry of Mines                                     |                                                               | 5,98,00,000 | ...          |
| <b>Ministry of Personnel, Public Grievances and Pensions</b> |                                                       |                                                               |             |              |
| 62.                                                          | Ministry of Personnel, Public Grievances and Pensions |                                                               | ...         | 2,15,00,000  |
| <b>Ministry of Planning &amp; Programme Implementation</b>   |                                                       |                                                               |             |              |
| 65.                                                          | Department of Statistics                              |                                                               | ...         | 2,45,00,000  |
| <b>Ministry of Power and NonConventional Energy Sources</b>  |                                                       |                                                               |             |              |
| 67.                                                          | Department of Power                                   |                                                               | 1,00,000    | 2,00,000     |
| <b>Ministry of Science and Technology</b>                    |                                                       |                                                               |             |              |
| 70.                                                          | Department of Science and Technology                  |                                                               | 7,88,00,000 | ...          |
| <b>Ministry of Surface Transport</b>                         |                                                       |                                                               |             |              |
| 76.                                                          | Ports, Lighthouses and Shipping                       |                                                               | 1,00,000    | 28,69,00,000 |
| <b>Ministry of Urban Development</b>                         |                                                       |                                                               |             |              |
| 78.                                                          | Urban Development and Housing                         |                                                               | ...         | 1,98,00,000  |

| No. of Demand                                                                                       | Name of Demand              | Amount of Demand for Grant submitted to the vote of the House |             |
|-----------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------------------------|-------------|
|                                                                                                     |                             | Revenue Rs.                                                   | Capital Rs. |
| 79.                                                                                                 | Public works                | 16,36,00,000                                                  | 1,00,000    |
| <b>Ministry of Water Resources</b>                                                                  |                             |                                                               |             |
| 81.                                                                                                 | Ministry of Water Resources | ...                                                           | 4,88,00,000 |
| <b>Department of Atomic Energy</b>                                                                  |                             |                                                               |             |
| 83.                                                                                                 | Atomic Energy               | ...                                                           | 1,00,000    |
| 84.                                                                                                 | Nuclear Power Schemes       | ...                                                           | 1,50,00,000 |
| <b>Department of Electronics</b>                                                                    |                             |                                                               |             |
| 85.                                                                                                 | Department of Electronics   | 1,00,000                                                      | ...         |
| <b>Department of Space</b>                                                                          |                             |                                                               |             |
| 87.                                                                                                 | Department of Space         | 25,98,00,000                                                  | ...         |
| <b>Parliament, Secretariats of President and Vice-President and Union Public Service Commission</b> |                             |                                                               |             |
| 89.                                                                                                 | Rajya Sabha                 | 84,00,000                                                     | ...         |
| <b>Ministry of Home Affairs Union Territories</b>                                                   |                             |                                                               |             |
| 93.                                                                                                 | Delhi                       | 11,19,00,000                                                  | 8,00,000    |

| No. of Demand | Name of Demand              | Amount of Demand for Grant submitted to the vote of the House |               |
|---------------|-----------------------------|---------------------------------------------------------------|---------------|
|               |                             | Revenue Rs.                                                   | Capital Rs.   |
| 94.           | Andaman and Nicobar Islands | 29,91,00,000                                                  | 1,48,00,000   |
| 96.           | Lakshadweep                 | 2,91,00,000                                                   | 39,00,000     |
| 97.           | Chandigarh                  | 27,32,00,000                                                  | 90,00,000     |
|               | Total                       | 4488,37,00,000                                                | 437,72,00,000 |

999 *Gen. Budget, 1992-93-  
Gen. Discussion; Demands for  
Grants on Account (Gen.), 1992-93;*  
MR. DEPUTY SPEAKER: Now Shri  
Atal Bihari Vajpayee to speak.

MARCH 23, 1992

and Suppl. Demands 1000  
for Grants (Gen.), 1991-92

[Translation]

SHRI ATAL BIHARI VAJPAYEE (Lucknow): Mr. Deputy Speaker Sir, I am initiating a debate on Budget proposals. This is the second Budget presented by hon. Finance Minister. I do not hesitate to admit that he has worked hard to prepare this Budget and very cleverly prepared these Budget proposals. On that day when he presented the Budget people were very much fascinated. People who watched Budget discussions on T.V. were also quite impressed. But no attraction is ever lasting. People very soon realised the reality.

When people come out of the false impressions created by his Budget speech, they found that the facts were not only different but even worrisome.

All Budgets and specially the Budget presented in such circumstances must meet the demands of two challenging problems - inflation and increasing unemployment. There is no denying the fact that inflation graph which had lowered a little is again on an upward trend. During the last twenty five days the inflation rate has again increased by 1% but it seems that it would further increase.

The Hon. Finance Minister is silent about solving the rising unemployment problem. Only exit policy has been mentioned but there is no mention of entry policy. Apprehensions are that even the employed will become jobless. New labour force will come into the market in search of jobs. We want to compete with the World-market and for that we want to produce good quality products with the help of new technology. The total effect of following this policy would be that the number of people employed in organised sector would decrease. Sick industrial units

are being closed and some units are such that there is no other alternative and these are also on the verge of closure, but I would discuss it afterwards. However, it is clear that people would be rendered jobless.

The Finance Minister has announced renewal fund. It is a

15.00 hrs.

Right step. But the problems of which we were apprehensive and even the Finance Minister has admitted to it and has said that though temporarily India has managed to come out of the economic crisis, but it has not yet completely tackled this difficult problem. He has asked for a time period of three years to achieve this. Who can wait for three years. Are those unemployed Youths who are on the roads in search of jobs can give him the time. People like jobless labourer, landless labourer, the down-trodden and people belonging to scheduled castes and scheduled tribes, which have been deprived of jobs and are in search of livelihood for many years, see any ray of hope in this Budget. They have to wait for three years? I could not understand that why the Finance Minister has referred to a period of three years. This is a democratic country and price rise and unemployment will give rise to the social unrest and discontentment and people would come out on the roads to fight for their rights. Then how they would be asked to keep patience and wait for this long period?

Mr. Deputy Speaker, Sir, it is good that now we are openly discussing the economic policies. These are now being viewed as economic policies not as a part of political process. Till now these policies were influenced by politics for sometime. The Finance Minister himself was inveigled when in the other house he stated that V.P. Singh Government and Chandra Shekhar Government alone were responsible for the present economic crisis in the country. In his previ-

ous speech he had said that we all are responsible for the present crisis and I agreed to it but those who remained in power for such a long time are more responsible for it. Those who have never been in power should not be blamed at all.

Today even the Finance Minister can be asked to give explanation. During Janata Rule he had been the finance secretary and so during the years that followed 1970, the country progressed. All these problems started during the 80's. The present Finance Minister was the Governor of Reserve Bank at that time. Afterwards he had become Chief Economic Advisor. He used to advise our friend Shri Chandra Shekhar on economic matters. I do not know what advice he used to give.

SHRI CHANDRA SHEKHAR (Ballia):  
He will tell himself.

SHRI ATAL BIHARI VAJPAYEE: No, you may also tell something in this regard. Now Shri Manmohan Shingh is our Finance Minister. What was his role till now? The Government of Vishwanath Pratap Singh and Chandra Shekhar alone can not be blamed for this. We can not accept it. This situation has come due to reckless spending and loans.

I have got a letter written by the then Finance Minister and who is the President of India at present. I do not want to read it. He has stated in that letter that till the year 1970 the pace of our economic progress was very high. He has quoted the figures regarding production of foodgrains, industrial progress and growth of the industrial production. The crisis came afterwards. Don't blame anyone for that, the policy of taking large loans has disrupted our economic policies. I am using politics in a narrow sense. Economics is a part of politics in real sense but the situation has grown worse due to using this economic policy to fulfil one's party's motives for earning cheap popularity. Keeping in view the elections. This has worsened the situations. I feel very astonished that how can we spend more than we earn. But this decision was

taken. State Bank had been given the responsibility of taking the loans for which there was no need at all. What is the state of our banking system. I do not want to discuss whether the decision of nationalisation of Banks was right or wrong but as a result of doing it in hasty manner our banking system has become a workhouse of inefficiency. Even withdrawing money from bank has become a tedious job. To get payment of the money which has been sanctioned by the Government as loan is a difficult job indeed.

SHRI BHOGENDRA JHA (Madhubani):  
You are not among the people who collect large amounts of money. How can this problem of withdrawing of money from bank had arisen?

SHRI ATAL BIHARI VAJPAYEE: But some of my supporters do this work. They come to me complaining about this very commonly. If the people working in the nationalised banks do not realise that Government had nationalised the banks to fulfil some social objectives then the policy of nationalisation cannot succeed and some thing has happened. This policy has affected our decisions so badly that it has bankrupted this nation almost totally. Our Finance Minister now claims the situation has slightly improved. Since he has gained enthusiasm as his shoulders are high and it seems he is ready to face the crisis. But there is no logic in fighting verbally in this House. The serious problems which should be seriously tackled and solved are before us. His speech and Budget proposals do not provide answers to these serious problems. How would we solve the problem of increasing unemployment? Small scale industries can play a vital role in this direction and they are doing so. If we compare the large scale industry and small scale industry in terms of capital investment then small scale industries provide six times more employment than its counterpart. They also make contribution in earning foreign currency by providing forty per cent of its finished material for export purposes. But after the commencement of this new economic policies of ending the systems of quota licence and permit which has been

welcomed what would be the future of this small scale industry? Now new foreign companies are coming to participate and they demand that there should not be any reservation of articles for production by the small scale industries.

Our country has been following this policy of reserving some articles for small scale sector for many years, though this policy has not been followed sincerely. For example, take the case of soaps. These things can also be produced in small scale industry? Does the decision had been taken that soap should only be produced by small-scale industry but than large scale industry had not been stopped from manufacturing soaps which should have been done in a phased manner. They should have been told that they should not produce such small things they should take initiative in sphere of power generation or setting up steel plant or manufacturing of machinery and leave the sphere of soap production for small scale sector. This should have been done in a phased manner. But it did not happen. Now we have even to think for reservation.

SHRI MANI SHANKAR AIYAR  
(Mayiladuturai): Sir, may I ask a question?

SHRI ATAL BIHARI VAJPAYEE: Certainly.

SHRI MANI SHANKAR AIYAR: Shri Karsan Bhai Patel is also a soap manufacturer in the area of small scale. He manufactures Nirma.....

They competed with the Lever Company and brought the market of products like surf and soaps down. So much so that the 2/3 of the market of these products is in the hands of Shri Karsan Bhai Patel who defeated much millionaire. What is the need of reservation then? You should help each and everyone, it will enable the people at lower level to rise automatically.

SHRI ATAL BIHARI VAJPAYEE: Mr.

Deputy Speaker, Sir, if a big Indian industry in place of a big foreign industry poses a threat to the small industries, will the Government propose to follow this policy? That day I had submitted that we neither want the monopoly of the Government nor the monopoly of the private companies... (*Interruptions*)...

SHRI MANI SHANKAR AIYAR: It is not an attempt to establish monopoly, there are small industries as well ... (*Interruptions*)...

SHRI ATAL BIHARI VAJPAYEE: Mr. Deputy Speaker, Sir, Shri Aiyar has a broad outlook. So, he cannot understand such a simple matter. I do agree that the small industries should always be prepared for competition, but first they should be made competent enough to compete and should also be provided adequate resources. 95 per cent of the total small industries are tiny industries. It appears that medium industries have swallowed the small scale industries. Now you would say that it is good if medium industry is developing. An amount of about Rs. 65 lakhs is invested in it; but where will one go who has invested Rs. 5 lakhs? What will happen to self employment? Will the idea of laying a network of small scale industries remain just an imagination? Even small industries are becoming sick. A large number of small industries are closed. There is none to think about them. Money is blocked in those industries. They also have land in their possession. The workers who were employed in them have not been able to get employment in any other industry. Because the methods being adopted by other industries for production proposes are the same with which they want to compare. How will the small scale industries prosper? Does the Government mean by liberalization that the small industries should be left on the mercy of God. What will be then its consequences on social life? If a weaver commits suicide, it will send down a wave of discontent throughout the country. But this is happening today. Therefore, a change is necessary, but with this change continuity must be there. Change always has a rhythm. It should not suffer jerks. It

should be smooth. I do know that the hon. Minister of Finance likes 'Jhatka' and 'Halali', but the rhythm of development should not break and this breaking. The harsh voice of the hon. Minister of Finance and even more his harsh policies are breaking the rhythm of the music. I am surprised to see that our country is in utter economic crisis after all who is responsible for that? After all who decides the economic policies? Undoubtedly, the political leaders are at fault. Are our economic advisers, who are permanent advisers not guilty? There are 5-6 persons who are generally shifted from one office to another. Sometimes one of them is shifted from North Block to Prime Minister's Secretariat and the other from there to North Block and some other shifted to Planning Commission.

SHRI SOMNATH CHATTERJEE  
(Bolpur): Some one goes to IMF.

SHRI ATAL BIHARI VAJPAYEE: Yes,  
Some one goes to IMF.

[English]  
SHRI NIRMAL KANTI CHATTERJEE:  
Why did you forget that?

[Translation]

SHRI ATAL BIHARI VAJPAYEE: I did  
not mention deliberately so that you may  
remind me.

[English]

SHRI NIRMAL KANTI CHATTERJEE: I  
will not say away from that.

[Translation]

SHRI ATAL BIHARI VAJPAYEE: I would  
like to take you with me.

SHRI SOMNATH CHATTERJEE: Every-  
body wants company they as well as you.

SHRI ATAL BIHARI VAJPAYEE: Mr.  
Deputy Speaker, Sir Government has been  
holding negotiations with GATT. Govern-  
ment has also been trying to convince World

Bank and IMF. about its stand. Who are the  
persons holding negotiations and what is  
this negotiating strategy? We are not among  
those persons who suggest not to hold talks  
or we are not among those who reject Dun-  
kel proposal without going into its merits or  
demerits. As I had submitted on that day,  
there are certain things in the proposal to  
which we cannot agree. Just as America can  
not agree to open its doors for our textiles  
and if they have right to close their doors we  
also have right to take measures for our  
development. However, I am talking of our  
negotiating strategy, our strategy is not good.  
We should offence-defence strategy we must  
pressurise them where we can and we must  
agree where we are required to do so. But  
this is not happening. Are the same officers  
involved in negotiations who look for a suit-  
able job in IMF in future. I am not levelling  
any allegation against anybody. But I regret  
to say that though there are very talented  
and wise people in the administration of the  
country... (Interruptions) yet they have not  
done justice to the country. Now every Fi-  
nance Minister cannot be an economist like  
Shri Manmohan Singh, he is just the repre-  
sentative of the masses.

[English]

THE MINISTER OF FINANCE (SHRI  
MANMOHAN SINGH): I think it is most un-  
fortunate if you are implying that officers who  
have served Government of India had loyal-  
ties to any institution outside this country. I  
can say with full confidence that I know most  
of the officers who have served this country.  
I think this is a most unfair charges (Interrup-  
tions)

SHRI BHOGENDRA JHA: Not all of  
them. Only most of them.

[Translation]

SHRI ATAL BIHARI VAJPAYEE: Mr.  
Deputy Speaker, Sir, I am not levelling any  
charges against anybody but I am making  
general remark which cannot be neglected.  
Hon. Minister of Finance, not only the politi-  
cal leaders but whether the officers who

[Sh Atal Bihari Vajpayee]

support them at every step are also responsible for the present economic crisis. I have been observing how private sector is being run. I referred to this thing one day also. We have been observing the same thing in Uttar Pradesh, Rajasthan and Madhya Pradesh I am not raising my finger on the patriotism of our officers. But there is a convention of appeasement, in this country. We must warn them against their wrong acts. I do not say that the officers would not safeguard our interests but sometimes the difference of opinion is such that we lose the sight of the vital interests.

Mr. Deputy Speaker, Sir, now the policy of liberalisation and new taxation policy have been introduced. Proposals to bring about structural changes are being talked about. The policies of the Government are being changed. But whether the people have been mentally prepared to accept these modified policies and the new tax system. Is the hon. Minister of Finance confident that the industrialists capitalists and other wealthy people who used to play tricks and used of to support these tricks on the plea that the rate tax was too high to pay by anybody honestly.

Would not say the same thing now and would they pay tax honestly? Will the administration make the procedure of recovering taxes more stringent? Our is a large country and it is not that we have not make any economic development during all these years. But in such a large country there are only five thousand people who come under the category of those who earn more than Rs. five lakhs per annum from tax point of view. Once a capitalist said that he has paid about Rs. 95,000 as tax in one year. Similar was the situation in Mexico and in Brazil. But the situation changed in Mexico as there came a President who acted strongly. Money of Mexico used to be taken and deposited in American banks. The figures given by the American banks in this regard are astonishing. Ten big industrialists were put behind the bars. I do not want any pveson here to be put behind the bar. Does the hon. Minister

of Finance not understand as to what will happen if the industrialists do not react to the liberalisation of 40% reduction in tax limit? How will the procedure of recovering tax be made strict? Now no exemption should be given. Setting up an industry in the country is not an obligation on anyone. Making contribution on the economic development of the country is only performing one's duty. I had read somewhere that the hon. Minister of Finance discussed discussed the matter with Swiss Bank authorities and when the matter of foreign exchange came up, the Swiss authorities said that the problem was not that of the shortage of foreign exchange but that of the money being deposited in the foreign banks. Now the policy has been liberalised. Will the industrialists, traders, capitalists give a wrong response to this liberalisation? Now the tiger has been freed, it is now unchained tiger and if the animal jumps in right direction then it is alright but I am concerned that it may not become man-eater. Keeping this aspect s in view the Government should remain cautions.

Mr. Deputy Speaker, Sir, I was submitting to you that rich people are not ready to pay tax. What is the total number of taxpayers? During the year 1990-91 about 5000 people had shown their yearly income more than rupees five lakhs. But the Tata Company has manufactured a car of new model. The cost of this car has been fixed at Rs. 5 lakhs. About 6000 people have already registered their names as perspective buyers and have paid Rs. 25000/- in advance to purchase it. I am unable to understand this situation. (*Interruptions*)

Mr. Deputy Speaker, Sir in the speech I delivered on August 5, 1991 I had said three things. I had submitted that over-invoicing of imports under- invoicing of exports and smuggling of gold are responsible for the present economic crisis. So far as over invoicing of import and under invoicing of export is concerned, the Government have not acted upon the suggestions I had given. The Government would say that it was liberalised everything . However we will have to maintain a strict balance as to how much we



import and how much we export we should make and no bungling should take place. We must take some steps to ensure that the export-import trade is carried out honestly. However I am glad that the hon. Minister of Finance has accepted our suggestion of issuing gold bonds. We tried to make him understand this point but he did not accept the proposal last year. But it was very essential to stop the smuggling of gold. Those NRIs who want to come here should be allowed to bring with them with a reasonable customs duty. This suggestion was made last year but in has been accepted now. Better late than never. But I am afraid that he may not go astray again. Mr. Deputy Speaker, Sir, gold is in large quantity in the country. Now gold bonds are being issued. People have been allowed to bring gold and it has created problem in the Hawala market.

There is furore in those countries from where gold was smuggled. In foreign countries the price of gold has decreased and it will fall further. We have calculated that now an Indian will have to pay Rs. 800 less for the purchase of every 10 gms of gold. This has happened within twenty five days. If we calculate the total saving in purchasing one tonne of gold it will accrue to Rs. 800 crore. 150 tonnes of gold is used in the country. If we calculate the saving on this amount of gold, it will be about Rs. 1200 crore. Though there are different opinion about the total availability of gold in the country, yet, as per prevailing opinion, there is 7500 tonnes of gold in the country. But as per my opinion there is 10,000 tonnes of gold in the country. I have a firm opinion that out of this amount of gold two thousand tonnes of gold will be converted into bonds. The facilities given by the hon. Minister of Finance re sufficient. If we manage to collect two thousand tonnes of gold, our economic crisis can be overcome to a great extent. But it will need an intensive campaign.

I have already suggested that it is very essential to involve the society and all the social organisations in this adventure. This should not be restricted to the official level only. It may be given the form of a mass

movement. At present, our main target is that India may not be a defaulter. Our national objective should be to make India a loanfree country and we should achieve our objective as early as possible. We want loan free India. Today we are paying Rs. 32,000 crore as interest. It comprises of both the internal as well as foreign interest. India can be made a loan-free country. This is not an impossible task. There is no dearth of capital in the country. It has strength too to stand on her own foot at the event of crisis. If needs only to be imbued with life. In order to imbue this country with life, the Government should adopt. The right policies. I have talked of small industries. Big industries are also sick. I do not want to go into the details of its reasons. But, all those sick industries are being left to the B.I.R.F. Is it not sick itself? Is it able properly to shoulder its own liabilities? Does it have its full members. Has it an office for their sitting? Does it have its staff? Will it not be proper to appoint more members on it? Those 56 big industries which have become sick, have been left for this institution. How will do it justice? It is the matter of public sector and not that of Private Sector. It has very few Members. It appears to me that first of all this very institution will have to be streamlined and organised. I want one thing more. While fixing the price of agricultural products, we take into account their cost of production and we ought to do so. But, while the price of industrial goods is considered, should it not have any relation with its cost of production? Is it considered so? Perhaps not. Should there be liberty to earn undue profits? I am not talking of control, but what should be the basis of fixing the prices of an industrial goods in the market? I have been raising questions in the Parliament, but the Government has been stating that the conclusion of the investigations made in this regard and figures collected will not be revealed. Why is it so? Even the accounts of agricultural Co-operative Societies are kept and audited. The findings of the audit are made public. Why this system cannot be applied to in case of factories? Manufacturers of cosmetics are earning 1400 per cent profits. I know that the hon. Minister of Finance is concerned about it. He has men-

tioned it in his speech also. He has stated that we should not adopt the policy of total consumerism should not copy the luxurious style of life of the western affluent countries. Ostentatious consumption should be discouraged in an effective manner. The merits of economical should be emphasised. His ideas and sentiments are very fine. It cannot be said as to where will this unlimited consumerism lead to this poor country. But what is the device check it? The Government television and newspapers agencies are propagating unlimited consumerism of big companies through advertisements. At present, the television is under the Government control. In spite of that the situation has reached to such an extent. In coming days cable and Star T.V. are making their advent rather they have already reached. Can we imagine what will be the position at that time? They will encourage the sale of all luxurious goods. People living in huts and having no milk for their children, will go to purchase shampoo, and the shampoo which was displayed in attractive manner through a colour television, will reach the houses of the poor too;

[English]

SHRI NIRMAL KANTI CHATTERJEE: You should distinguish between the shampoo and champagne.

[Translation]

SHRI MANORANJAN BHAKTA (Andaman and Nicobar Islands): You said champagne.

SHRI ATAL BIHARI VAJPAYEE: I do not say champagne. But for those who are fond of champagne, they can understand it as champagne.

"Jaki rahi bhavna jaisi, prabhū murat dekhi tin taisi."

SHRI BHOGENDRA JHA: It is the concern of those people who do not have attractive faces.

SHRI ATAL BIHARI VAJPAYEE: For this no effective strategy has been prepared. I think that it is not the concern of the Government only. The number of middle class people has reached the figure of several crores. They have their own aspirations, demands and expectations. If we do not observe austerity on the top level, if we do not have control on us; if we do not have strong determination to reduce the Government expenditure, our objective will not be achieved.

Mr. Deputy Speaker, Sir, it has to be accepted that the hon. Minister of Finance got greater applause that day than this performance. But he has displayed a parsimony in providing income tax exemption. If he intended to extend the limit of income tax exemption from 22 thousand to 28 thousand and intended to withdraw other facilities like 80 C.C.A., 80 C.C.B. 80L, it would have been better had he not extended this limit.

This act the Hon. Finance Minister has per force reminded me of the act of Man Mohan (Lord Krishna). When "gopies" were to Him to seek favour from him, Manmohan threw such a spell of charm that they lost even their clothes. This is the modern version of depriving the people of their clothes. An ass went to ask for his horns, he lost his ears too. The common man is ruined. What is its justification? You must be knowing that earlier the limit of tax-exemption was Rs. 15,000 later it changed to Rs. 18,000. It went on changing in course of time. Now prices are rising. What a high peak the price index has reached? Now our demand to extend the tax-exemption limit upto Rs. 48,000, is correct. But the hon. Minister says that he is very difficult for him to do so. He says that is honest is speaking that has a lot of difficulties. He says that even if he extends the tax-exemption limit, What will happen to the States? We do not want to reduce the financial sources of the States. Therefore, the hon. Minister should sit together with us and find its way-out. It is very essential to explore a middle path so that this income-tax exemption limit way be increased and the share of States also should not be lessened.

Mr. Deputy Speaker, Sir, there is one

thing more. The Finance Bill presented by the hon. Minister of Finance contains 115 amendments to direct tax laws. Just a few months back an amendment has been made which contained 163 amendments in direct tax laws. In fact, this should not be a part of the Finance Bill, rather it should be presented as a separate Bill. If necessary, it may be sent to the Select Committee. There are so many issues in the money bill which need to be discussed very deeply. For example, is it proper to add the income of a minor child to his parents' income? Not a single such example has been found where the income of a minor is added to that of his parents. Secondly, is the amendment regarding the partnership correct? The hon. members have given their suggestions about capital gains tax and wealth tax also. I would like to submit if these issues are discussed in the Finance Bill, it will create a lot of difficulties. This process cannot do justice with such a large number of amendments as are bound to be.

Mr. Deputy Speaker Sir, the hon. Minister of Finance has mentioned so many measures in his speech to reduce the losses. One of the measures is disinvestment in Public Undertakings. I know that there are a lot of differences on this issue. But all will accept that if disinvestment is to take place, it should be done on the highest price and in a proper way. It is correct that whatever disinvestment has been done in U.T.I. now, it has been done through mutual fund but the price on which it has been done is not appropriate. There are much long queues in share markets. Even a layman wants to purchase shares. It is good. But if the Government does not give shares of its Public Undertakings, on handsome prices and if it gives for earning money then it cannot be accepted. I do not know on whose advice all this has been done. Somewhere or the other negligence has shown. It should not happen again in future.

Mr. Deputy Speaker, Sir, we are talking of restricting but I would like to submit that restructuring of only economy is not enough restructuring of society is also the need of the hour. However, are the hai polloi pre-

pared for the change? Does the consensus which is necessary for bringing about change still exist, as the hon. Prime Minister has been making tall claims, since the very day of assuming office that he had called a meeting of all parties to evolve consensus? Should not an effort be made to arrive at some consensus again? We have taken a big step which may entail us to all kinds of dangers. One of the aspects in how the World powers behave and secondly, how do we in India behave and which course do we take. However, will politicking allow arriving at any consensus? I would like to draw the attention of the hon. Finance Minister towards his speech: "Our long term objective is to develop a system of labour based production, so as to generate maximum highly productive employment opportunities and to bridge the gap between income and assets in rural and urban areas." This is highly praiseworthy. We also favour labour based industrialisation, removal of inequalities and generation of employment opportunities. But, why this 3 years time? Will the present economic reforms result in ruing the labour base industries and it cannot be the intention of the Government that as soon as the restructuring is over, it will be the endeavour to again promote labour based highly viable (Productive) industries. However I would like to again raise the question of 3 years time. I had raised it earlier also. The hon. Minister, finance has further emphasised that "we will have to strive hard atleast for 3 years." I asked how can the period of 3 years be allowed? People can be asked to wait if there is an atmosphere of austerity in the country and people realise that nation is facing crisis is and leadership sets an example before the public because only demagoguery will not suffice. The hon. Minister of Finance has emphasised in his speech that the industrialists should be the trustees of the society and they should think themselves as trustees of the wealth in their hands. These views of Gandhiji are very good. Really it can be an Indian ideology of ownership that these persons should think themselves as trustees. In some countries some experiments have been made in regard to this ideology but in the land of Gandhiji nothing has been

done in this regard. I am sceptical of any attempt being made in this regard after the speech of the hon. Minister of Finance. Before becoming trustee one will have to give up greed and tendency to exploit and say good bye to the art of evading taxes. All those who have stacked money abroad cannot be definitely forgiven. Now an opportunity has been provided to them to bring back their money. How much money is deposited abroad? However, I would like to submit one thing. If it is expected on the capitalists to think themselves as trustees of the society for the wealth they possess should not, the politicians and rulers not also think themselves as the trustees of power? How has the country got entangled into the present crisis? I do not want to arise other issues. None of us ever thought that India will one day come to depend on the mercy of the IMF and the World Bank. The hon. Minister of Finance has stressed upon the need of having import duty. However, for it is necessary to create a sense of indigenisation and self sufficiency. It is correct that we can not live isolated like an island. If at all we have to seek assistance from the World Bank then why should we seek for education and water not for bigger projects? Both education and health have long been neglected. We have provided Rs. 1700 crore, Rs. 1500 crore for education and health, which includes family planning. I would like to submit one more thing. The hon. Minister of Human Resource Development is not present in the House. No doubt, dissemination of adult Education is highly praise worthy but it should in no way affect the programme of universalisation of primary education. I am afraid that more propoganda is being made about education and adults are learning to write their names, but what about educating the children. If they do not take up education during childhood, then will they be getting it during adulthood? Is the foreign assistance required for this? As per my knowledge all the State Governments, irrespective of the party affiliations, even the Government of West Bengal, want to take up projects with the World Bank assistance. What Bank assis-

tance. What are these projects? I can understand if assistance is being sought for heavy industries, power generation, transport communications and raising infrastructure facilities in the country.

We are at cross Roads. It is essential for the Finance Minister to create an atmosphere of optimism but at the same time he should not himself become a victim of the optimism. We should keep the interest of even the smallest person of the country in mind. Gadhiji also suggested the same criteria. He advised to assess the impact of all the policies and steps on the common man before proceeding further. What will be the impact of our policies on the persons at the lowest strata to whom we want to uplift through the Auyodhya Programme. Mr. hon. Finance Minister, concluded his with reciting a couplet. I would also conclude with reciting a couplet. The hon. Minister of Finance is talking of a 3 years period:-

"Kaun Jeeta Hai Teri Julf Ke Sar  
Hone Tak."

Khak Ho Jayenge Hum Tujhko  
Khabar Hone Tak."

SHRI MURLIDEORA (Bombay South):  
Mr. Deputy Speaker, Sir first of all I would like to acknowledge the fact that I suffer a big handicap of being allowed to speak just after a great orator and leader, Shri Atal Bihari Vajpayee.

The biggest problems affecting the great country of ours are unemployment and under employment. India is rich in natural resources and man power. A large quantity of natural gas, running into millions of cubic metres is being wasted in Bombay High and other oil fields.

[English]

15.49 hrs.

[SHRIMATI MALINI BHATTACHARAYA in  
the Chair]

It is being flared up. Today many many

billion tonnes of ironou reserves are lying in our country. We have huge reserves of coal in our country. But the problem is that we do not have enough money the utilise these resources.

We have to take a policy decision today whether we want these natural resources to be harnessed for the good and betterment of our economy and our country, or we are going to allow them to be wasted. The last 45 years have proved that we do not have enougust money and enough technology to use this. Today we are importing 21 million tonnes of crude oil, spending Rs. 11,000 crores of foreign exchange. But if we had allowed other multi-nationals and the large houses in India to explore our oil fields, to explore our gas fields in Bombay High and other areas, we would not have been importing oil today. We are importing oil..... (*Interruptions*)

[*Translation*]

SHRI RAM NAIK (Bombay North): You started your speech in Hindi, then why did you switch over to English. You were speaking good Hindi.

SHRI MURLI DEORA: He suggested that I should speak in Hindi and not in English.

[*English*]

SHRI SOMNATH CHATTERJEE (Bolpur): For the benefit of IMF friends.. (*Interruptions*)

[*Translation*]

SHRI MURLI DEORA: I am trying as I am not well versed in Hindi. At present large quantities of edible oils are being imported from abroad. Long time back when Shri Chandra Jeet Yadav was in the Cabinet he used to talk of socialist pattern. I am not balmig any other Government in this august House. At that time Lever Brothers of U.K. had come to India with the desire to do farming in Palmolein in Andaman and other

places. I do not hold any other person responsible for it because the then Government had stated that if outsiders come to India then the country will come to totally depend on them. It will tantamount to total sell out. But what is the position today? The same Lever Brothers are now cultivating Palmolein in Malaysia and India is now importing 5-6 or 8 lakh tonnes edible oils from there. Had the permission to cultivate edible oilseeds been granted to them 20 years ago, then the country would not have comer to such a pass. Even in the matter of coal situation is not different. We have large deposits of coal in Bihar and in other places in the country even then we are importing it. (*Interruptions*) I am saying. (*Interruptions*)

SHRI GEORGE FERNANDES (Muzafarpur): Had the Englishmen stayed on in India then no problem would have cropped up. (*Interruptions*)

SHRI MURLI DEORA: All this speaks of your thinking. I do not agree with you that Britishers will come and take away the country with them. India is quite strong.

[*English*]

We are not such a fragile country and we are not such weak, banana republic, that anybody can come to ourcountry and take away or we can be sold out to them. Those who are making such wild allegations against the Government, against the Congress policies and against Shri Manmohan Singh's policies, they are weak; they do not have enough confidence in themselves and they do not have enough confidence in the people of India.

Mr. Somnath Chatterjee has talked several times about the World Bank. Shri Chandra Shekharji has conveniently gone away just now. I do not want to go on the first tranche and the second tranche negotiated by Shri V.P. Singh and Shri Chandra Shekhar. Are we so weak that if we get the World Bank loan, the World Bank will take us over? Is it fair for the Opposition to make allegation and a charge against the Government that we

are a sold out nation? Is it correct to say that the Budget has been leaked?... (*Interruptions*)

SHRI SOMNATH CHATTERJEE: Because of conditionalities... (*Interruptions*)

SHRI MURLI DEORA: I would tell you about conditionalities, Mr. Chatterjee. There are conditionalities, of the World Bank. Any one who gives a loan such a massive amount, will certainly expect some norms to be followed. There is nothing wrong in that... (*Interruptions*) I know the conditionalities. I will come to them. But the majority of the conditionalities are there in the very framework of the economic policies of our country. If the World Bank is saying that we should reduce our deficit; if the World Bank is saying that we should streamline our distribution system; if the World Bank is saying that our banks should be more productive what is wrong in accepting them.

The World Bank has said that we should do away with the fertilizer subsidies. The World Bank says that we should not give more subsidies to the weaker sections of the sections of the society.

We do not have to accept them. I agree with you. What is good for us what is good for our country, we should accept them. And what is not good for us and what does not suit us there is nothing wrong in our rejecting them. I would like to tell the hon. Members it is high time that we get out of the phobia of the World Bank. I do not know why people are worried about the World Bank. Our country is the largest recipient of the World Bank loan in the world today. We are one of the promoter nations of the World Bank. We are the founding member of the World Bank. We are the equity shareholder of the World Bank. What is wrong if we get the World Bank loan? I remember that during early 1980s, five billion SDRs loan was earmarked when Mrs. Gandhi was there. We did not utilise it. We utilised only 2.75 billion SDRs... (*Interruptions*)

[*Translation*]

SHRI RAM VILAS PASWAN (Roserā): At that time with the nationalisation of Banks, Shrimati Indira Gandhi came to be known as the Goddess Durga. So why did you support her then. (*Interruptions*)

SHRI MURLI DEORA: I am not saying anything about the nationalisation of banks. Paswanji, the World Bank has suggested to privatise them. But the Government have not done so.

At the initiative of which party bank were nationalised? They were nationalised at the initiative of Congress party. I would like to reiterate that it is not essential that what was correct 20 years or 10 years ago must also be correct at present.

[*English*]

SHRI AMAL DATTA (Diamond Harbour): Then you say that he is not contemplating at least privatisation of banks... (*Interruptions*)

SHRI MURLI DEORA: Nobody has said that. He has said categorically that he is not going to privatise them. The Finance Minister has himself said that... (*Interruptions*)

SHRI NIRMAL KANTI CHATTERJEE: If he says that, he will lose his job.

SHRI MURLI DEORA: Fortunately, he is not working for the West Bengal Government... (*Interruptions*)

[*Translation*]

SHRI SYED MASUDAL HOSSAIN (Murshidabad): If textile mills were to be privatised, why was N.T.C. set up?

[*English*]

SHRI MURLI DEORA: Well, I have not disturbed others, so, please allow me to

speak. Otherwise I will also not allow you to speak.

**SHRI SOMNATH CHATTERJEE:** We must hear Nariman Point, Jolly Maker Chambers.

**SHRI MURLI DEORA:** I do not know where Jolly Maker Chamber is. I am saying that the time has come when we should get away from this phobia of the World Bank. When the World Bank loan is needed for West Bengal, it is O.K. When the World Bank loan is needed for Orissa, they are welcoming it. Only last week there was a news item that Shri Laloo Parasad Yadav while inaugurating a Tata plant, has welcomed the American and the World Bank investment in Bihar. So, when you need the investment - it is right; I am not blaming it - you are ready to welcome the World Bank loan, but when the Government of India is trying to canalise and import the World Bank loan and the technology you are against it. I would very humbly request that it is which time that you please change this attitude.

One other measure the hon. Finance Minister has announced just now is liberalising the foreign investment. The total foreign investment in our country today is not more than one and a half billion dollars, while the total foreign debt as Vajpayeeji has said just now 'Rinmukt' is nearly seventy billion dollars.

[Translation]

You are suggesting to make it tax free or 'Rinmukt'. How it will be made 'Rinmukt'? The Government will have to pay back the colossal amount of 70 billion dollars taken as loan from foreign countries. How this amount will be repaid? In order to repay it we must increase our reserves of foreign exchange. Now, how these reserves will be increased? These will increase only with the increase in our export. How will export be increased? Our export will increase when we will have new technology, new industry and new For-

eign and local investment. I would like to thank the Government because with the introduction of new industry foreign investment policy equity investment of about 135, 140 million dollars has been received just in two months of January and February. In these two months we have received foreign equity investment equal to the equity investment which was used to be received in the whole year as a result of the new policy adopted by the Government.

**SHRI SRIKANT JENA:** What is the component of export commitment in it?

**SHRI MURLI DEORA:** It includes both the export commitment as well as non-export commitment. Investment without export commitment is not a sin. Therefore, if in the real sense we have to improve the inflation and balance of payment position, we will have to allow foreign investment. Therefore, I think it is better to invite foreign investment in our country than to take foreign loans.

[English]

If we are going to borrow the money, we have to pay the interest, we have to pay the debt charges and service charges. If there is investment in the country, the foreigner who is investing the money will be paying, first the local tax, corporate tax, and then he will be transferring the money, remittances in the dividends.

[Translation]

Shri Atal Bihari Vajpayee has said a very significant thing in regard to income tax. Tax limit was increased from Rs. 22,000/- to Rs. 28,000/- interest earned on the investments made during the last year in National Savings Under 80L and 80 CC was tax free but now it has been made taxable. I would like to request the hon. Minister to evolve some method to restore the facilities available earlier under Section 80 L. Even Shri Vajpayee has not suggested any way out. He has simply stated that the State Government will be in difficulty if they lose this money. He has said nothing more than this.

16.00 hrs.

I would like to urge the hon. Minister of Finance that if not 80 CCB, at least 80 L must be restored so that the low salaried people who invested their money in NSC last year may not suffer. The Government must fulfil its commitment in regard to tax interest upto Rs. 13000/-

[English]

I am requesting that Section 80 L should be restored.

[Translation]

Sri Vajpayee also pointed out that we have sold the shares of public sector undertakings worth Rs. 2500 crores. He is right in saying it. The rate of the share of big companies such as Steel Authority of India, MTNL etc. which were sold at Rs. 18/- or Rs. 25/- per share are now at Rs. 100/- per share. That day rate was not Rs. 100/- . Share market witnessed the boom afterwards. I would like to submit to the hon. Minister of Finance that there has never been such a good time in the history of Indian share market. I am unable to understand as to.

[English]

Why is Government waiting to disinvest more and more money? Why only Rs. 2,500 crores worth of dis-investment is allowed? It should be allowed more. My advice is that instead of selling them to U.T.I., Mutual Funds etc. at a low price, they should be further disinvested. The shares of S.A.I.L., M.T.N.L., O.N.G.C. etc - which have sold, worth Rs. 2,500 crores - are today worth more than Rs. 11,000 crores. They have made such a huge profit. They are public bodies. I am not saying that any private man has made it. The real thing would be to disinvest more of these shares directly to the public at the market price. This will give more and more money. This will reduce your Budget deficit and help other public sector

undertakings even if they are losing money.

The new policies which were announced in July last year have helped so much that the entrepreneurs - who were spending their time in the corridors of Udyog Bhavan and north Block - are now able to spend their time in their factories and in their offices, thanks to the de-regulation and de-bureaucratisation of our policies. But I would request for one thing. There are still institutions like M.M.T.C., S.T.C. etc. Some month back there was an argument in the House about the newsprint. How high is the price paid by M.M.T.C. and S.T.C. for the newsprint? The real solution came later on which is that the Government has rightly done - to decanalise the newsprint. Today the newspaper owners are thanking the Government. They are getting newsprint 15 to 20 per cent cheaper than what were paying earlier to M.M.T.C. and S.T.C. Any commodity, which is canalised today will certainly be at a higher price in the market and the consumer to pay more if they are allowed to be imported directly. I would request the Government to decanalise more and more of these items S.T.C. and M.M.T.C. should put their emphasis more on exports rather than importing and doing the canalising work.

In the indirect taxes, a massive streamlining of indirect taxes has been done for which the Government deserves the congratulations. But there are items in the indirect taxes where the duty on raw material is still higher than the duty on the finished product. The very same finished product is then allowed in the liberal import policy which attracts less duty than the duty on the raw materials. This protection must be given to the indigenous industry. This time has come when our indigenous industries must face the competition. They are all for it But they must not face an unhealthy competition because there are several countries in the World like South Korea and Taiwan which are dumping their products cheaply in our Indian market and the Indian industry must be protected from them.

The exchange reserves which were to



the tune of Rs. 2,400 crores only a few months back - thanks to the new policy and the confidence which the people like N.R. Is. and gone to Rs. 12,000 crores and here I will come to the word 'inflation'. Shri vajpayee has rightly said that if the prices are very high the inflation rate is affected. The inflation rate has gone down from 16 per cent to 12.4 or 12.5 per cent. I know that now it has gone by 0.1 or 0.2 per cent more. I agree with you. The real problem is that the effect of the inflation on cereals, edible oils etc. will be not only 12 per cent but will be upto 20 to 24 per cent. And this is where the Government use these foreign exchange reserves which we have got now.

About the new reserves of Rs. 12000 crores, the Government must see that enough of edible oil and the cereals is imported and kept in buffer stock so that market forces do not allow the prices to be raised which will hit the common man.

One point was the high rate of interest which the Government had allowed earlier in order to curtail the money supply and now the Government has reduced one per cent interest on commercial lending and also SLR from 38.5 per cent to 30 per cent. I would submit to the hon. Finance Minister that this rate of interest is still high. there was a time, and i want to draw the attention of honourable Vajpayee - - you were talking about Tata Star, I am telling about the Bajaj scooter. There was a 12- year delivery period for buying the Bajaj scooter. Today 20 per cent of their production is lying in their godowns. People cannot afford because purceing power has diminished, It was right order to curtail inflation at that time, to pure up such a high rate of interest. As someone has rightly said, the rate of interest should be high enough to encourage savings, but it should not be so high as to discourage investment. Otherwise the people go on putting their money in shares and all these things, nobody will put the money in the industry or for productive purpose. So, the time has now come when you have curtailed in the money supply and see that there is further reduction in the rate of interest.

Another new bold step the Government has taken is the partial conversion of Indian Rupee. This is the first time such a thing has happened in our country and thanks to this measure that more and more money is coming to India now. I do not want to go into the figures. But there was time when ten years back the American Dollar was sold for rs. 11 or rs. 12; today the American Dollar's price is Rs. 27 or Rs. 28 or Rs. 29. This is what has happened to the Indian Rupee in the foreign exchange international market and the result was smuggling and havala racketing. So, by allowing the partial convertibility of the Indian Rupee, this will help a lot. The gold import which you praised rightly will further stop the gold smuggling. The price of gold which was nearly 5000 or Rs. 4900, has gone down to Rs. 4000 Rs. 4050 today. And if the schemes is successful, it will further go down. So, I would request the Government should work for a full conversion of the Indian Rupee in the free market in the coming years, not necessarily immediately.

In Bombay and other big markets, on the one side while items like edible oil are not available in the market, on the other side, illegal mixing of groundnut oil has been done with other oils adulteration. I am told that NDDDB (National Dairy Development Board) has started a new lok dhara they had earlier a dhara. now they started a new lok dhara with one -third groundnut oil an twothirds pamoline. Such products should be officially allowed to be used by them so that the price of the edible oil will go down tremendously and good edible oil will be in the market and kept in the buffer stock.

Shri Vajapayee rightly said about employment. We all say that there is so much unemployment in the rural areas. Yes, but if you see it, thousands of people are migrating every day to the urban areas. In Bombay, as you see it, thousands of people are searching for jobs and the Government must do something in respect of the unemployment. The Government has started a new programme, Nehru Rozgar Yojana for urban areas. This needs reas streamlining. One

Kaun jeeta hai, teri zulf ke sar  
hone tak."

sector where lot of employment can be generated is the housing sector. So, if this liberalisation programme is only restricted to the fiscal and the monetary policies and the tax system, it will not do; it must go to the other areas of our national economy and the one sector for that is the housing sector. As we know, thousands of acres of land are lying unutilised in big cities like Bombay, Calcutta, Delhi and Madras because to the Urban Land Ceiling Act and not even half per cent of the land which is earmarked, has been utilised. The time has come when the Government must get away totally with this Urban Land Ceiling Act. If you spend one thousand crores, you generate 700 jobs in a fertiliser plant, but if you spend one crore only in the housing sector, you generate 700 jobs there. So the real boost to employment both in urban and rural areas will be in the housing sector, because housing sector is giving maximum employment in the organised sector. I hope the hon. Minister will look into this and see that the urban land ceiling is totally scrapped.

I am very hopeful that the Budget which is presented by Shri Manmohan Singh will attract more foreign investment, will give a boost to industrial production, will allow more and more industries to come and hence it will serve for the betterment of our people.

**SHRI ATAL BIHARI VAJPAYEE:**  
Madam Chairman, before you call the next speaker, I would like to correct the Urdu couplet which I recited at the end of my speech. My knowledge of Urdu is very limited.

**SHRI NIRMAL KANTI CHATTERJEE:**  
(Dumdum): Our knowledge is much more limited. So, kindly recite that once again.

[Translation]

**SHRI ATAL BIHARI VAJPAYEE:**

"Aah ko chahiye, ek umra asar  
hone tak

It means that it will take a whole life to make you realise my sorrows and grief. By the time the lock of your hair grows to full length to spread all over your head- Sardarji already has full growth of hair- I do not know as to what be our condition.

**SHRI CHANDRA JEET YADAV**  
(Azamgarh): Mr. Chairman, Sir, I feel that the present Budget which has been presented by the hon. Minister of Finance Shri Manmohan Singh Signifies the new economic policy of the Government.

The new economy policy presented by the Government before the country a few months ago, has created an atmosphere of serious concern all over the country. It is a matter of great concern that the policies which we formulated during the last 40 years to meet requirements of the country, for the welfare of the people and future of the country and which were aimed at achieving self-reliance are now being related to the capitalism in the World. We wanted to avoid it. We were not in favour of the policy supporting the theory of survival of the fittest according to which those who are stronger will lead better lives or he will earn more while the poor will become more poor. We are afraid that the economic policy that we are going to adopt and the Budget which has been presented this year approve the principle of an open competition in the society, in the country. The persons who is stronger will get all the benefits and the weaker will become more weak. Now, no one will care for the basic necessities of clothing, food, education, health and employment which we wanted to provide to the poor. Now the poor will be forced to compete in the market where he may survive or die; I think that by doing so we are heading towards a dangerous situation.

Shri Atal Bihari Vajpayee said that Shri Manmohan has lured the commonman in his budget. He projected a golden deer before the people in the form of this Budget and

lured them who are as innocent as Sita. Sita was tempted towards the golden deer shown by demon King, Ravan. The World Bank and the I.M.F. are the demons who are waiting to abduct Sita. This Budget has created such a situation in the country. I believe that we have learnt a lesson from this historic reality.

The result of this Budget which has emerged before us very clearly is that the rich will become richer. They will develop their contacts with foreign capitalists and utilise their capital here in this country. They will collaborate with them in trade and development of industry, and make imports and exports arbitrarily. We had made a pledge at the of framing the constitution that the capital of this country will not be allowed to centralise, instead whatever capital will be generated in the country and whatever development takes place will be linked with social justice. It was not the objective of this country that only 10 or 20 per cent people will become rich and the remaining 80 per cent people will remain poor who will always clamour for bread and butter. Even after 45 years of independence we see that wheat flour sells at Rs. 6 to Rs. 6.40 per Kg. and dal sells at Rs. 11 to 15 per kilogram in the market. People in the country cannot afford to eat eggs, milk, butter and other things. The price of bread and dal have gone up by 25-30 per cent and no end to it is in sight. Atal ji has rightly said that inflation which had gone down by 21 per cent in last three weeks has again shot up. Experts are of the opinion that inflation would remain confined to two digits the Finance Minister says that the Government should be given a three years time. Nobody is bothered about the present. If bread is costlier and if people are unemployed and becoming poorer day by day, it hardly matters. Nobody believes that his aspirations would be fulfilled in next three years. What the Government could do during these three years.

SHRI RAM VILAS PASWAN (Roser):  
 Till then these people won't be there in office.

SHRI CHANDRA JEET YADAV: No matter, whether these people stay in office or not, but the country will remain there. the question is about the problem of the country. Besides, there is another dangerous situation developing in the country. We had developed a socio-economic system in the country after a serious consideration. Today 66 per cent people in the villages are living below the poverty line. 72 per cent of people belonging to the weaker sections of the society, viz. Scheduled Castes and Scheduled Tribes, backward and weaker sections live below the poverty line. May I know as to what provisions have been made for such people in this Budget? Will the hon. Finance Minister be pleased to state the reasons why only 15 per cent of the funds was allocated to Jawar Rozgar Yojana last year and why the funds have been reduced by 15 per cent this year. This scheme had been launched with a view to providing employment and some support to the rural poor. This time funds for the scheme has been reduced. Even today, 70 per cent of our country's population depends on agriculture. Even today we say that India is primarily an agricultural country. In the 1991-92 Budget there was a provision of Rs. 2,702 crore for rural development and employment but in the 1992-93 Budget this amount has been reduced to Rs. 2,610. Why is it so? Rupee has been devastated by 20 per cent. Besides, actual the allocation has also been reduced. You are familiar with the problem of irrigation and situation created by floods. How people are badly affected by floods? In 1991-92 Budget an amount of Rs. 267 crore was allocated for this head and in 1992-93 it has been reduced to Rs. 231 crore. There is an additional factor that rupee has been devastated by 20%. Why the villages are being neglected?

What about the position of social fields? The budgetary allocation for the development of women and children has been reduced from Rs. 440 crores to 400 crore which accounts for a 2 per cent reduction. Similarly allocation for welfare schemes has been reduced by 3 per cent because last year it was Rs. 559 crore and this year it is

Rs. 508 crores. Allocation for health services has gone down by 10 per cent as the 1st year's amount was Rs. 560 crore and this year it is Rs. 548 crore. For education it is 13 per cent less because the amount was Rs. 750 crore last year it is Rs. 725 crore this year. The allocation for rural development was Rs. 3521 last year and Rs. 3113 this year which shows that it has gone down by 22 per cent. Allocation for small and agro based industries goes down by 24 per cent, its amount having been Rs. 598 crore and Rs. 513 crore respectively in these two years. For welfare activities, the allocation has been reduced from Rs. 391 last year to Rs. 384 crore this year, thus registering a reduction of 10 per cent. In all, the budgetary provisions for these heads have gone down by 16 per cent. In this way, cuts have been effected in public welfare works.

With all humility, I would like to say that every body wishes this country to become self-reliant and every body is keen to see the country coming out of this critical situation. Everybody wants that the country should not lag behind any country of the world, will all burdens be put on the poor weak, agriculturists, labours to achieve the above goal? On 7th February some renowned economists and the hon. Finance Minister met in a symposium at New Delhi. The experts pointed out two-three things. I am sure the hon. Finance Minister will clear those points while he gives reply. They said that an exit policy is being formulated for the next three years. The Government is all set to implement this policy in the shape of renewal fund and other funds and hold talks with trade union leaders. This will result in retrenchment of 40 lakh labourers in next three years.

[English]

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): I can say right away that there is no basis for this calculation. I do not know what economics you are talking about... (Interruptions)

SHRICHANDRAJEET YADAV: All right. I am not saying this. That is why I wanted that you should take it into consideration and give your reply.

[Translation]

It is not the question of 3-4 lakh, but 40 labourers. Secondly, Atal ji, you know, there is a proposal to retrench 4 lakh workers from Railways itself. At the same time 3 lakh small industries would face closure, under the new economic policy of this country. The hon. Minister has admitted in the House that there are 4 crores weavers associated with handloom and powerloom. There are 38 lakh handlooms and 32 lakh powerlooms in the country. On an average 5-6 people depend on each loom and their total number comes to 1.5 to 2 crores nearly. Today the people are on the path of destruction. There is no future for them and it appears that in this competition the people are going to be ruined completely. All concessions all helps all efforts to find a market for their goods and provide them help on time have proved futile. It would be difficult to find a market for the goods that are lying in their godowns. Hon. Finance Minister may not be aware of all these facts, because the State Government directly purchase and sell these items and help them. The State Government now say that they don't have enough funds to purchase their goods and extend any concession to them. Just as the big swallows the small fish this policy is going to prove to be very dangerous. The fear has been created in the minds of people that the big fish shall swallow the small fish.

The second issue pertains to employment. What is being done regarding that? It will create an explosive situation in the country. The entire political system and the social system will be destroyed if we do not care for the interests of the young generation. 3 crore educated young men and women are unemployed and about 9 crore people are unemployed in villages. In this way total 12 crore people are unemployed. At such a time when inflation is increasing very rapidly, an explosive situation is likely to be crashed. I

regret to say that in this budget no serious effort has been made in this direction. There is no provision in the budget. If the railway fare and the railway freight and inflation is combined, then we cannot view it separately. The impact of the hike in railway fares is felt by citizens and the increase in the freight charges has also its impact upon the citizens. Coal, cement electricity and steel prices have been increased. The Minister of Finance has himself emphasised on the need of constructing more houses. As per the step taken by the Government nobody will make any enquiry even if black money is deposited in the Housing Bank. The plea was that it will atleast encourage house building activities. You have increased the prices of cement and steel by Rs. 250 to 290 per tonne. It will bring the house building activities to a halt. The prices of cement have increased by Rs. 8-10 per bag. Who is going to be affected thereby? A poor man things about constructing a room. But the prices of bricks, coals, cement and iron have increased. How can that poor man then construct a house? For whom is this budget? I can say that this budget is meant for the rich and upper middle class people. During the last ten-twelve years our economy was weak, we spending more than our income. There is a saying that one should not live beyond one's means. We were spending more than our means. Our expenditure exceeded our revenue (*Interruptions*)

If any steps are taken with this view in mind then it is all right, but while taking steps it should be kept in mind, that those who are poor and those whose income is very meagre are not affected. For the last forty years it has been our policy that the living standard of the poor is to be elevated. But that has not been discussed in this budget. We had fixed the target to eradicate the poverty from this country by 2000 A.D. and we shall have to raise the living standards of the common man now that target cannot be achieved. In your opinion, the public sector stands as a hindrance and constraint in this country. The public sector has robbed this country and it has ruined this country. You are extending an open invitation to multinational compa-

nies to come to India and they want us to surrender to them. I shall make you recall that in the beginning they were not willing to open a drug factory when the industry was set up in Rishikesh at that time no foreigner was willing to invest in drug factory nor they were willing to invest in steel factory in this country. Have we forgotten that when Pandit Nehru talked about Bokaro, at that time Kennedy had said that he was willing to give to Bokaro on this condition that it should be given to a capitalist in India. At that time Pandit Nehru had said that they had taken help from Britain, Germany and Russia but they never accepted the condition that they should give it to the Private Sector. You may give us or not, we shall not. we shall not accept this condition, it was a question of India's self respect. Today this feeling is emerging in our nation that our national has been hurt.

[*English*]

Our National pride has been hurt; the way the things have been done - as if we are surrendering before the dictations of the international agencies and international agencies and international capitalist system.

[*Translation*]

You had done a very good work in South - South Summit. You might recall that in Belgrade, the non-aligned nations meet had discussed as to how this danger should be faced. The way in which the international capitalism is having its influence, the way in which the G-7 was dictating, why the non aligned countries had formed the G-15 to counter influence. They had said that even they would have a dialogue with each other. At that time, chairman was President Neasere who had used words of great praise for you. In his speech at Belgrade he had pointed to this danger. After his speech, the entire atmosphere had undergone a change. He had said that if we do not unite to face this international capitalism and if we do not find any way and if we do not mobilize our resources to meet our needs we will have to

surrender ourselves to them and our political freedom will also be at stake. This was a warning. The non-aligned countries had taken a decision after very serious deliberations. I regret to say that they had pinned their hopes on India, because ten years back when India was carrying on an international campaign regarding building a new international economic order, then America was saying that it would not render any help in this regard. What is this new international economic order? When ever discussions to bring about equality and social justice have been held America had never participated. At that time, America used to say that India did not a developing country, it has now become developed country. Therefore, U.S.A. felt that India did not need any such help. I regret to point out that the way we have shaped our economic policies during the last the 10-12 years, it has deepened the crisis. You should try remove the weaknesses of our economic policies rather than changing them. Today, if the public sector is ruined, if an atmosphere is created against it, if foreign investment is allowed to come into this country in an arbitrary manner and if they are allowed to go in for partnership, wherever they like and invest money, then it shall be a big price to pay, the price which will have to be paid not only by us but also by the our coming generations. That is why the decision should be made after giving it a lot of thought. I know that the time of crisis has also existed in our country. We should try to find the way out to overcome the crisis, but we should not change our basic policies and we should go in the right direction. This is the only request I would like to make to you. Today, this problem has been solved to some extent and some way out has been found. This thing should be ensured that our basic policies are not destroyed. You know the world bank and the international monetary fund better than me. For the last ten years it has been their effort, they have been teaching all the developing countries, that this should be their model. It can be their best economic and the social model. We never accepted advice. Because they do not know

what is good and bad for us and they do not know the needs of our people better than us.

Today, an impression has gained ground which should be removed by you. The impression is that the world bank and the International monetary fund seek to impose a model upon developing nations which is being accepted by us and I understand that this is a highly dangerous thing and I have a firm belief that you should pay your complete attention to these things.

Chairman Sir, I would like to conclude by drawing the attention of the Finance Minister towards certain things. There is a doubt in my mind foreign companies will not only ruin small scale industries but big enterprises also. Our small and medium scale industries shall not be able to compete with them and those who are working in them will become unemployed and they shall be ruined. Two scientists of this country, whom I would not like to name, who are very prominent scientists and who have been associated with the Government of India have said that this is the greatest threat which the new economic policy will pose...

[English]

Self-reliance in our science and technology will be severely affected and that will be a serious thing.

[Translation]

I have talked to the people of China and they have praised two things. They say Indian science and technology has made much progress and higher education in India has made more progress and higher education in India has made more Progress as compared to China. India has been the only one such country towards whose science and technology other newly independent countries were looking for to attain selfreliance. Because foreign companies were importing high technology. They were also importing irrelevant science and technology, so they were forced to go to them which was not appropriate for them. They were forced to

import inappropriate technology. I think that every care should be taken in this matter.

What is the other danger today? Today, an official of the H.A.L. told me that first they were serve with orders to manufacture 43 aircrafts. It was reduced to 27 later. Our past experience shows that whenever such manipulations are done, the company suffers loss. Because we invest money on manufacturing aircrafts but later on the orders are cancelled and aircraft are imported.

The B.H.E.L. and the H.A.L. product were of the international standard, but today a great danger confronts them. Their capacity utilisation will decrease to a great extent, with that the symbols of our progress will crumble causing a great loss to us.

Madam Chairman, just now, Shri Vajpayee was saying that the share prices are going up. The general public is also purchasing them. This Budget is creating equity culture which is the product of capitalism. If people fall victim to this equity culture, it will prove very dangerous. It is a gambling. It could prove beneficial and causes ruin also. If the poor fall a prey to this gambling, they will be ruined in the long run. Therefore, I request you to pay your attention this problem. Before I conclude I request you to be sympathetic to this issue. The increase made in excise duty on cement, steel should be reduced. It should not be increased at least for some years even though it may increase our financial burden. The allocation for rural development which has been reduced, should be increased because majority of our population lives in the villages.

I also demand that the exemption limit of income tax which has been fixed by the Government at Rs. 28,000, should be raised, at least, to Rs. 36,000. I do not ask you to raise it from Rs. 28,000 to Rs. 48,000. If the Government does so, it will be a matter of happiness for me. If not, will the Government please raise it to Rs. 36,000?

Consequent upon the withdrawal of reliefs under section 80 (CCA) 80 (CCB) or

80 (L) of the I.T. Act, the little relief the salaried class received on this account will be stopped. This will result in fall in the amount of deposits these people used to make. You may recollect that last time when the Government decided to impose tax on fixed deposits, I had warned that it will not have good results. People are withdrawing their money from banks. It will cause loss to the country. It is a so nice of you that the Government realised the point and withdrew it. The Government should think over it and maintain the status quo in this regard. You also may recollect that while presenting the last years Budget you had made an announcement to setup a Financial Corporation for the benefit of the backward classes. I am distressed to say that even after 8 or 9 months, the said Financial Corporation for backward classes has not so far started functioning. Neither its Chairman or the Managing Director has been appointed. Its funds are not being spent anywhere. This sort of indifference in social welfare work is not good. It is a testimony of how the officials in the administration work. I request the Government to formulate a national policy on land reform because tension on land disputes is increasing in villages today. Clashes take place there. Merely taking a decision will not suffice. Rather a programme should be chalked out and a meeting of the Chief Ministers of States should be convened to discuss the land reform law. A time-bound programme should be drawn for this. I hope the Government will consider it.

The last thing that I want to say may not have a direct bearing on the income and expenditure of the Government of its revenue earnings but it greatly affects the administration and the financial system of the country. The image of India bureaucracy needs be changed. Its style of working also needs to be changed, Some people must be visiting you also. The Non-Resident Indians run from pillar to post and go back disappointed. If one wants to set up an industry or undertake a business, he has to run from pillar post. Red-tapism and the size of bureaucracy, should be cut short as boldly as the Government can do. Though it is

being done for the first time, but the Government should take direct steps against it. It is the major factor of destruction in our country. It is a challenge. The hon. Finance Minister in his present capacity must accept this challenge and accomplish this task. I am not opposed to the present economic system of the country. I agree that today we cannot keep ourselves isolated from the world economy. We have to join them and put forth our reasons, prepare a conducive atmosphere and mould public opinion for our model and act upon it. We should not succumb to any body's pressure.

Madam Chairman, I hope that the hon. Minister of Finance will not take it with a sense of criticism, rather consider my sentiments. Whatever doubts and apprehensions I had in my mind I have expressed them and presented my view points. With these words, I conclude.

[English]

16.44 hrs.

SHRI AMAL DATTA (Diamond Harbour): Madam, I must thank you for giving me opportunity so soon. (Interruptions) I have been listening to the speeches of my predecessors and particularly to the apology sorted out by the sole Congress spokesman so far. I was preparing myself to have another round of that apology when you have called me to speak.

Now, a budget is an annual event which is supposed to give a direction of the nation's economy and the ruling party, the Government, with the ruling party's philosophy as a base and with their manifesto as a stick or an apex to hang the thoughts on. They have to give that direction to the budget. But I do not see any similarity in the Budget as presented by the honourable Finance Minister and the manifesto of the party which he represents. He never even refers to the manifesto in that budget, may be he does not believe in it.

There is nothing to show that they have even remembered their main promises during elections, namely, creating jobs for one crore of persons every year and rolling back the price rise inflation in 100 days or some such period. Now, the economic survey has very clearly shown that they have not been able to do either. In fact, prices have risen and risen faster in 1991-92 than they had risen in similar periods of 1990-91, although that period was more crisis ridden both internally and externally. This Budget is not prepared to analyse the reasons as to why we have got to the present critical position both with regard to our external payments difficulty as well as internal recession. It is not prepared to do for political reasons. If one does not analyse the fundamental reason and if one does not arrive at the real reasons or causes which have put us in this position or which have led us to this position, then one cannot possibly arrive at the right remedies and right directions. This has happened to the Budget because nobody on the Treasury Benches is prepared to admit the real reason as to why we are confronted with this kind of a crisis today. They would put all the blame on the eleven month period of the Janata Dai Government and the subsequent fortuitous seven month period enjoyed by another minority government with the support of the Congress and as if that puts an end to every argument and everything as to how and why our economy has arrived at this position. The profligacy of the earlier two regimes of 1980-84 and 1985-89 are glossed over and it is this glossing over which is the main witness of the analytical framework on which the Budget is sought to be based. The country has gone on in one direction in the 1960s and 1970s. But the direction was changed. It was changed slightly but perceptibly in 1980-85. Of all periods, it was changed much more during the next regime of 1985-89 so that instead of having self-reliance as one of the principal slogan or principal strategy of development of the country; instead of relying on public sector and instead of relying on agriculture, we went on other paths of growth. We went to the path of import-led growth, which was flaunted as the strategy for increasing our export earnings. This based on



import content which was very high, based on capital technology which was very expensive and a technology which was susceptible to very rapid obsolescence. These are called the sunrise industries and these sunrise industries have now left us in the lurch because of the high import content and because of the profligacy which accompanied that period and that is why we could not save the foreign exchange or use it correctly.

As mentioned by Shri Murli Deora, there was a period, when did not need to have one of the last tranches of the IMF loan. Why? Is it because you have done something great? Or is it because the oil prices have fallen? Or is it because we got so much more oil from Bombay High than we expected? Why did not we need more foreign exchange? If one congratulates oneself unnecessarily? If one congratulates oneself unnecessarily for things which happened not because of one's own doings, if one takes credit for such things, then the policy itself cannot be properly framed. Thus congratulating themselves, the Government of the Congress Party have gone on a path of capital intensive foreign technology, which cannot be sustained by this country because that technology has gone on, leaving us behind. And now the market is saturated. Today, there are no buyers for Maruti cars. It is this type of development, this type of profligacy and this type of rejecting the real reasons to get credit for oneself, that has landed us into this difficulty today. And yet, because of that wrong analysis, we are being led farther and farther into the same path. This is a funny situation where we have started out to go into a particular territory where we find ourselves totally out of depth and then we try to another ourselves to that very territory where we will be nowhere in the world.

With that in view, this Budget tries to ameliorate the conditions of the rich in this country; In earlier days, the Budget used to hold out hopes of more expenditure for rural development. This time, at least in real terms, there is less finance for rural development. Actually, there is less allocation for all the social sectors such as Education, Health,

excepting Family Planning. That is because the World Bank wants it. I also want it. But not the way perhaps Shri Manmohan Singh wants it.

SHRI MANORANJAN BHAKTA: You don't want it until and unless you come to this side.

SHRI AMAL DATTA: I will not be diverted that easily.

We have seen how this Budget axes expenditure whether is relates to social development. Even for Education, a subject with which Madam Chairman is so concerned, the allocation in real terms is less by 13 per cent; in Health, it is cut by 10 per cent; in Family Welfare it is up by 17 per cent; and in Rural Development it is down by 22 per cent. All these are in real terms. The cut in the small and agro industry is of the order of 24 per cent though it is the small industry which provides 50 per cent of the manufactured goods of this country and gives employment to 75 per cent of the people in the industry. So, this is the kind of cut in which the Finance Minister has indulged in order to give succour of about Rs. 1500 crores only to the rich. The Minister has given only Rs. 1500 crores to the rich by lowering income tax in higher slabs; by not increasing the corporate tax; by lowering the capital gains and by giving wealth tax exemption for financial assets. These are the four main ways in which the Minister has given succour to the rich. He has also increased the exemption limit for income tax from Rs. 22,000 to Rs. 28,000. A lot has been said on that account but no analysis has been given to us. I take it that Rs. 1500 crores is being given to rich. This is being attempted to be re-cooked by a flat special excise duty of 5 per cent. On whom the burden will fall? I think the poor will have to bear the whole burden. The Finance Minister is shak his head. I thinking in his reply he will tell us why he goes not think so.

The import prices have risen and they will rise further; with 60 per cent convertibility the import prices will rise further. The prices of intermediate goods and the prices of some

of the basic goods will rise and the whole burden will fall on the poor.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): You have been saying that I have been encouraging import dependence, at the same time you cannot curse me because I have provided a very powerful incentive for import substitution through this extended policy.

SHRI AMAL DATTA: So, you want to hear me on the convertibility question.

By this special excise duty, Rs. 124 crores is sought to be raised. You have said that you are giving up Rs. 1500 crores in terms of direct taxes. I think it is going to be much more because of the simple reason that your calculation is based on the last year's figures. This year the figures are going to increase because of inflation. And, therefore, the income of this group of people who earn Rs. one lakh and above is going to increase further and Rs. 1500 crores is going to be Rs. 2000 crores.

SHRI MANMOHAN SINGH: I think you are not reading it carefully. If you read it carefully you will find that I am not giving up Rs. 1500 crores in direct taxes. In fact I have made up the same amount through direct taxes.

SHRI AMAL DATTA: In fact what is happening is that people in the group of 60,000 to Rs. 70,000, who used to enjoy some amount of benefit because of certain exemption on certain types of savings are now deprived of those benefits. Rather, the people belonging to this group will be paying more tax in spite of the fact that the limit has been raised to Rs. 28,000. This is a class which is not poor but they are the lower middle class people. They are also going to share the burden. But the main burden is going to be born by the poor people. All this is because of the special excise duty of 5 per cent, because of the increase in the import duty and because you have made the PSU

to raise the administered price. The burden throw on PSUs, to raise the fund from the market, is much more. There is a budgetary support. The budgetary support is lower. They have to go on for a borrowing according to the Budget, maybe much later.

SHRI MANORANJAN BHAKTA: Madam, there is a point of order. When Mr. Vajpayee was speaking, T. V. coverage was there. Now, when Mr. Amal Datta is speaking, no coverage is there.

MR. CHAIRMAN: Please sit down. That is a point of order.

SHRI AMAL DATTA: There is a point in that point of order. That point should be noted. Perhaps, it should be noted in the records of Parliament so that we can take it up later, if necessary.

SHRI SOMNATH CHATTERJEE: I hope, by this intervention, you want your speech also to be recorded.

SHRI AMAL DATTA: It is also significant that the PSUs have to borrow Rs. 14,789 crores. According to the Budget, only seven of these PSUs have to borrow 76 per cent of that amount. These seven include the NTPC, NHPC, MTNL and so on. So, these are the seven profit-making ones which have to bear the burden of 76 per cent of the borrowing that have been thrown on them. Earlier, it used to be thrown on ONGC. Now, thanks to the Government's policy, ONGC have lost most of their assets. Previously, it was cash rich, now the ONGC have become cash poor. So, they cannot be asked to go and borrow money from the market.

The Government is thinking of paying forty per cent of the foreign exchange earning, which is not convertible, for the bulk imports. I think, the phrase which is used is 'the essential bulk imports'. We do not know what is essential. What the Government thinking to be essential that we do not know. Earlier, the Government's own expenditure on bulk imports had been Rs. 23,000 crores. It, of course, includes petroleum also. Now,

the availability of foreign exchange on revenue account will be not more than Rs. 39,000 crores plus some borrowings. It may come to Rs. 45,000 crores. In fact Rs. 23,000 crores is not going to remain there and it is going to go up. So, forty per cent of Rs. 45,000 crores will not come to Rs. 23,000 crores. So, maybe, Rs. 10,000 crores, the Government will have to find from the convertible foreign exchange, at market price. That means, the bulk import price also will go up. That will hit the poor again. I am just explaining the real import of the Budget.

Therefore, this convertibility is going to affect the poor people. The Finance Minister has very correctly said that. "We have to bear any burden, make any sacrifice".

But who is going to bear the burden and make the sacrifice? It is not the rich people who are being thrown a bonanza, but it is the poor people, through this kind of measures, who are going to bear the burden and make the sacrifice. The prices will not only go up because of this cost push, the prices will also go up because of this cost push, the prices will also go up because of excess liquidity in the market. The Government borrowing may have been brought down but what about the back borrowings, bank lendings? The bank lendings because of the decrease in SLP will go up by Rs. 17,000 crores. Forgive me, if my figures are not correct because I have no access to the official figures. If this Rs. 17,000 crores come into the market, they are not going to be investment in the industries, they are going to be spent on consumer durables and the other consumption goods. And a quite of it is going into the stock market to further fan the speculative tendency we have seen so far. The stock markets, they say, have gone berserk; they will go further berserk because of this kind of funds being made available to them.

This cost push inflation will also generate in the mind of the people an inflationary expectation; and that will also raise price; it is not only the demand but also the cost push inflation, also availability of bank finance

which will generate inflationary tendencies; and the prices will rise because of that; and further squeeze the poor. What is the Government doing to ameliorate, contain the effects of this inflation? They say, they are going to revamp the Public Distribution System. But what are they going to do about that? 1700 blocks have been mentioned in the Budget to be revamped. Have they done anything about that? Have they taken any steps so far? We have not heard anything about that; and that cannot be done for mere Rs. 200 crores.

Then Rs. 2,500 crores have been allocated as food subsidy. They are hoping to get 8 million tonnes of wheat with the rise in price of wheat that has been allowed; the purchase price of wheat which has been allowed, I don't think Rs. 2,500 crores will be enough; but that came after the Budget. I think the consequent provision will be made; and in any case, the market conditions what they are, I do not know how the Government arrived at this figure - Rs. 250 per quintal of wheat to be purchased by FCI. But, obviously, the market will not yield to the Government 8 million tonnes of wheat at that price; the price has to be more; and the Government knows it; and if they delay very much further than announcement, then the wheat is going to disappear from the market. So, this Budget starts on a wrong footing giving money to the wrong people and squeezing the poor. Right target for the Government, of course.

It does all these things in order that it may propitiate the masses in Washington - the World Bank and the IMF. Why do we have to go to these conditionalities this time? Maybe ten years ago this country had gone to World Bank and the IMF and got a much larger loan at least, at that time, the loan was not utilised the agreement was for a sum of 5715 million dollars. There was no condition that everything had to be reviewed; and only on review, on satisfaction of the World Bank or satisfaction of the IMF, further funds should be made available; there was no condition.

1047 Gen. Budget, 1992-93-  
Gen. Discussion: Demands for  
Grants on Account (Gen.), 1992-93;  
SHRI MANMOHAN SINGH: How do  
you know it?

MARCH 23, 1992

and Suppl. Demands 1048  
for Grants (Gen.), 1991-92

industries henceforth are going to be their  
collaborations.

SHRI SOMNATH CHATTERJEE: He  
wanted them to disclose that.

17.12 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

SHRI MANMOHAN SINGH: Obviously,  
if Mr. Amal Datta is not aware of that what  
can I do?

SHRI AMAL DATTA: I am not aware of  
that. Whatever has come in papers, in  
magazines, we have to enlighten ourselves  
on that basis. If you do not tell us, then you  
have to suffer like this.

SHRI MANMOHAN SINGH: I am sorry,  
the CPI (M) is so ill-informed.

SHRI NIRMAL KANTI CHATTERJEE:  
For structural adjustment loan, certainly,  
conditions are there. Why are you shanking  
your head? Do you deny that?

Almost every single measure, every  
single important measure announced by this  
Government since it has assumed office,  
starting from the devolution which it an-  
nounced saying that it is an adjustment of the  
currency price or something like that, start-  
ing from that, everything has been done at  
the dictates of IMF and World Bank, whose  
main strategy is to roll back the public sector;  
to contain the Government expenditure,  
including infrastructures. We will do it? Will  
the private capitalists of India do? And if they  
are not so minded, — in fact, they will not get  
the opportunity also because of the high  
price of the Indian capital goods. Oh! Yes!  
The Americans are there, the Germans are  
there and Japanes are there! Their, capital-  
ists will come and join us.

Every single Indian venture, big venture  
henceforth is going to be a collaboration;  
where the equity capital will come in the form  
of capital from abroad. Because, that also  
has been made easy in the Industrial Policy.

If the machinery comes, on the equity  
capital which is being brought by a foreign  
firm, then it is easy to do it. Therefore, all

We have been hearing lately of a num-  
ber of licences issued or cleared, clearances  
given and so on. This has been said in  
Parliament and outside. The figure, if I am  
not mistaken is, 893 cases have been cleared  
and a total of Rs. 1100 crores — which does  
not mean much, a little over one core of  
rupees per unit— is involved. So, it is not  
coming in a big way. Not yet; and in the  
meantime the Minister goes and tells *the  
Economic Times* published by them that he  
is expecting an investment to the tune of two  
to four billion dollars in one year. In one year!

I do not know whether Shri Murli Deora's  
figure was correct when he said that the total  
foreign investment in this country today is  
less than two billion dollars. I do not know  
whether that figure is correct. If that is so, the  
expectation seems to be more or less unre-  
alistic.

SHRI MANMOHAN SINGH: You are  
again quoting me wrongly. I will correct you.

SHRI AMAL DATTA: Are you not being  
correctly quoted? Is it not two to four billion  
dollars?

SHRI MANMOHAN SINGH: No, no.

SHRI AMAL DATTA: I am sorry. You  
should have denied that. But it came out in  
the headlines.

Now, the policy of IMF and World Bank  
has been to make entry of the private capital-  
ists into this country and we have succumbed  
to it; we have surrendered to it.

The Finance Minister in his Budget says  
that we should not be captive of the fear of  
another East India Company. There might  
have been one or two such companies in  
those days. But there are a number of giants,

hundreds and thousands of giants, much more bigger than the East India Company of those days. Today, in America, in Japan and Germany they are ready to gobble us up at least gobble our capitalists up. I do not mind whether the capitalists die a natural death or not. But I would not like to be gobbled up like that.

With all this surrender of economic sovereignty what have we got up to today? I have no figures up to today. But I have figures up to January. It is 3.55 billion dollars, from the international institutions. And in the meantime, the steps we have taken are to control the fiscal deficit to the magic figure of first 6.5 and then 5; to disinvest shares in public sector undertakings at a loss, as already pointed out by Mr. Murlidhar Deora. I need not go into that. We did all these things because we are in a hurry and we have to abide by the time table given by the IMF or the World Bank that you must disinvest by such and such a date... (Interruptions) We have got only Rs. 3,000 crores. And whereas, according to Mr. Deora, not me, who is the Chief Congress spokesman you should have got Rs. 10,000 crores or Rs. 11,000 crores.

So, that money is lost. He says that it has gone to the public undertaking. If it has gone to the Mutual Fund, then whose money it become? It does not remain the Public money. It becomes the money of those who have contributed to the mutual fund. Then, you amended the Sick Industries; you have restructured BIFR and sent the sick public undertakings to BIFR. All these have been done in a hurry. Then, you deregulated and de-controlled steel industry. Then, you removed the Reserve Bank cash margin requirements for imports and then reduced canalised imports... (Interruptions)

**SHRI MANMOHAN SINGH:** De-control was done to help the State of West Bengal. You should be grateful to our Government... (Interruptions).

**SHRI AMAL DATTA:** Then you have reduced the canalised imports on a few items like petrochemicals, edible oilseed, fertilizer

and nothing else. Then, the bonanza to the press was the fall in the prices of newsprint. And that has given a good crest to Shri Manmohan Singh. Then, you reduced the Statutory Liquidity Ratio to 30 per cent. All these have been done. Many more have been done. I cannot go on with the list. If I do that, then there will be no end to it.

What is the net effect of this Budget? The net effect is to choke the growth of pulses. As Mr. Chandra Jeet Yadav has said in this country, public sector undertakings have become a part of our national heritage, they have grown over a period of forty years. They have become a part of the Indian life, Indian scenario. We are all one to take pride in that. And today the direction has come from the World Bank asking you to disinvest shares in the PSUs and even the profitable ones, you disinvest. What has gone wrong with the PSUs? You do not know. You should have known that. Other people in the Treasury benches should also have known that. It is because of the interference of the bureaucrats and because of the interference of the politicians of the Ruling Party, the Government. That is why, the PSUs have not been able to grow properly and become profit centres. Otherwise, they would have been. This is what they have done. They have served the interests of the private sector. They have served the interests of the bureaucrats and the politicians. What had happened? Have they ever been made accountable? Have the profit centres made accountable? That has not been done.

The blame is laid at the door of the management or the workers. The entire concept of the public sector has failed. It is the Government which has never taken it seriously. The public sector has done well - petroleum sector. Everything is in public sector. Have they not done well? Today they are saying that Rs. 10,000 crores or Rs. 12,000 crores worth of petroleum will have to be imported. Why? It is because you have not allowed it to grow; not because of foreign capital would have come and invested here. Perhaps they would have. All want to have their oil. But in this country, there are many

accounts for petroleum development and all that. There are four or five different types of accounts. Mr. Manmohan Singh, do you know how much the Government has siphoned out of this account Rs. 22,000 crores. If Rs. 22,000 crores have been taken away from the petroleum sector, where is the money for growth? Today you are inviting people not only to explore but also to develop those areas where petroleum has been found, established. Why? Why ONGC could not put in more rigs? They were not allowed. On the other hand, ONGC has not only been prevented from doing that, ONGC has been used by the Government to borrow money from abroad. The credit rating has never been very good in Rajiv Gandhi's time. It happened 1987-88. Money was borrowed by ONGC and passed over to the Government. ONGC kept on paying the interest. That money has not yet been repaid. This is the way you have abused the public sector. That is why the price you have to pay today in paying for petroleum is to the extent of Rs. 10,000 to Rs. 12,000 crores.

You have no policy. You have given some encouragement to exporters but you have given them encouragement also to keep their money abroad. There is no doubt about that. You have been the Governor of Reserve Bank, Mr. Manmohan Singh. Do you not know that there are two ways of ascertaining what money is due to the exporters from abroad - one from the customs and one from the bank? And what happens to the customs challans or chits which are sent to the Reserve Bank? Do the Reserve Bank people ever look at them? Or are they not put in gunny bags and put in the basements of Reserve Bank and ultimately destroyed? This is the knowledge I have got from my sources. You deny that. You have been the Reserve Bank Governor for 2 1/2 years... (Interruptions). As a result, by under-invoicing of exports and over-invoicing of imports, 28 billion dollars have been taken out of this country by the businessmen in the eight years from 1981 to 1989. This is from an IMF - sponsored report. So, you cannot

deny that. It does not lie in your mouth to deny that. Twenty-eight billion dollars have been taken out. Will these people bring back that much money? How much have they brought in because of the NRI Bonds and all kinds of facilities given to them? They will not, because nobody can be sure of this country's future any more. The political stability we had achieved is gone. The economic stability is in a shambles. They do not know what will happen to the money once they bring it to India. That is why all these which you are showing up as panacea before us are nothing. They are all neurosis and nothing more than that.

There is no policy of import cut. The oilseeds have been mentioned by Mr. Murlidhar Deora.

MR. DEPUTY SPEAKER: Please wind up now.

SHRI AMAL DATTA: I will just take one more minute and then wind up.

The point I am making is that you have perhaps a policy of export encouragement but no policy which could be implemented, which was implemented to see that this money gets back to the country. Insofar as imports are concerned, you have no policy to curb imports at all. Some *ad hoc* policies have been formulated but nothing to stay in was done. Why do we have to import oilseeds? This country is twenty times or thirty times the size of Malaysia. If Malaysia can supply our needs, we can supply twenty times more. But what has been done to encourage oilseeds' growth? We do not Lever Brothers to do that. Our scientists are good enough. But where is the opportunity? What prize they have been given? Today you are offering our producers of wheat Rs. 2.50 per kg. You are prepared to offer them that. But when it goes to foreign countries, when it goes to import wheat from USA, you are prepared to spend Rs. 4 per kg.

SHRI MANMOHAN SINGH: I must ask you, are you suggesting that food prices in

India should be allowed to go up faster?...  
(Interruptions).

SHRI AMAL DATTA: I am not suggesting now. I do not know the costing of it. Therefore, I am not suggesting anything. But I am saying that this is your behaviour pattern because people of this country know that people of this country are not appreciated by their own Government. Their own Government will go for foreign wheat and not pay the same price of Indian wheat. The Government of this country will go for oil seeds from abroad but not give the same price to people who produce the oil seeds here. What efforts have you made in this regard? I must say that very little, very meagre efforts to save the hundreds of crores of rupees worth foreign exchange in dollars are made. You could have saved all this. The import of all the four bulk items petroleum, cereals, fertilisers and oil seeds - could be brought to a zero and indeed we could have exported something. There is no reason why we cannot export cereals or oil seeds, if we really put our efforts into it. It is not so because your whole strategy of development has been wrong. It has been wrong from the seventies. The bio-technology - when first made in the seventies - made it clear that India is the country where the bio-technology has the greatest effect. What has been done in this country? What thinking has come? Why should we go after industry and spend money and go for all consumer durables like colour T. V. or Maruti car etc.? I wish Sanjay Gandhi - if alive - instead of Maruti car has gone for wheat cultivation in this country by which the country would have been rich by this time. But you went for a long detour. (Interruptions)

SHRI MANMOHAN SINGH: You are in power in West Bengal since 1977. Pleased tell me how much foodgrains procured in the State of West Bengal...

SHRI AMAL DATTA: I am not answerable to you. You are answerable to us. Please do not try to change the whole system. (Interruptions) You please change your direction. The I. M. F. will never ask you

to go for agriculture or primary production because they have got enough on their hands. They are saying their people not to produce and to keep the fields hallow, to rise the market price. That is their tactics. If we go agriculture, of course, the loan will be stopped. But next year we will not have to go for loan. The bio-technology makes it possible for India to feed the whole world. What are you saying? Your Budget speech is totally a blank on that.

SHRI MANMOHAN SINGH: I agree with that.

SHRI AMAL DATTA: I have calculated myself for my own satisfaction as to what we could do just by going in for prawn cultivation or shrimp cultivation by using modern technology in the saline and blackish water which is available in this country at no less than five hundred thousand hectares of which four hundred thousand hectares lie in West Bengal. One day, I think, we will be able to develop that. The whole world will not be able to buy that product than. We do not have that price. I am not joking. I am sure that the price having come down, the world does not have that much of money, if you calculate at this price. But, of course, that price will come down and we will also eat something, which we are not able to do at the moment. It is possible. But change your strategy, and change your direction. Please do not go and listen to the World Bank. Please listen to us a little bit. Perhaps, you will do better next time. Thank you.

DR. DEBI PRASAD PAL (Calcutta North West): Mr. Deputy Speaker, Sir, I rise to support the Budget which has been presented by Shri Manmohan Singh for the year 1992-93. The Budget is bold, innovative and pragmatic in introducing many steps for restoring the economy to its proper path. We have got to see why this budgetary policy was introduced. This House knows what was the economic scenario at the time when the present Government came to power in June, 1991. The economy was going to be bankrupt in the international sphere. Our requirement of foreign exchange for the

imports were not even for two weeks' requirements. The international world was not at all giving any credibility to the Indian economy and the foreign banks stopped lending money to India. The NRIs were with drawing their deposits because they have lost confidence in the Indian economy. That was the position which was being brought about by the 18 months rule and in 11 months the Government of the National Front have brought the economy to such a position, and which has subsequently further depreciated, that the inflation in the country reached its high water mark in July 1991 at 16.6 per cent. The Government have to face this impending crisis because if the international banks and institution stop supplying funds to India, what will be our position, our credibility before the world? And faced with this situation, the Government took the bold step of devaluation and took certain important immediate measures for restoring the economic strength and vitality of our country. The result was that the present position is that the foreign exchange reserves of our country have increased to Rs. 12000 crores. We are not to depend upon the charity now because we can have now our own strength of our foreign exchange reserves. The inflation is arrested, it cannot be reduced overnight. Mr. Vajapayee was saying 'Why do you wait for three years?' Economic reforms cannot be made by the magic wand of only the Finance Minister. The budgetary policy only can create certain conditions to which economy has to respond and the response cannot be made like the Alladin's lamp overnight and hence we have got to wait for the results of the policy which has been introduced by the Finance Minister. We have got to see today what are the objectives that the Government had in view for introducing the various measures some of which are really innovative. The objective before the Government was to tide over the crisis in the balance of payments position and at the same time to control the inflation in the country. The twin objectives were achieved by the Government by introducing our new industrial policy, monetary policy, trade policy and fiscal

policy as well. The budgetary policy reflects the economic philosophy, the fiscal policy of the Government and the Government thought, and rightly so, that if the economy is to be restored from its impasse, one of the major objectives will be to liberalise the economy and to unshackle the economy from the cobwebs of bureaucratic control. It is precisely because of this reason that the new industrial policy excepting in certain basic sectors has now freed the economy from the licensing and other requirements which created artificial bottlenecks in developing the country on its own. The budgetary policy aims at that measure. The Finance Minister has introduced various measures to give reliefs to the different sections of the economy. He has introduced a drastic cut in the rate of taxation. Today, there are only three slabs of Income Tax. The people whose income is upto Rs. 50,000/- are to pay 20 per cent; the people whose income is between Rs. 50,000/- and Rs. One lakh are to pay 30 per cent and for above Rs. One lakh, it will be only 40 per cent with a surcharge, which, as assured by the Finance Minister will continue only for one year. He has also raised the taxation exemption limit from Rs. 22,000/- to Rs. 28,000/-. In other words, the small income group will get a relief of Rs. 6,000/- as their tax exemption limit is increased. But, at the same time, the Finance Minister has withdrawn some of the reliefs which were available to the lower income group. In the deduction under 80 (L), normally an assessee would get a deduction of Rs. 13,000/- from his total income. If his income tax slab is 20 per cent, then he would have got a relief of at least Rs. 2,400/-, if his tax slab is 30 per cent, he would have got a relief of Rs. 3,400/- and if his income tax slab is 40 per cent, then he would have got a relief of Rs. 6,000/-. But, now he gets a relief of only Rs. 1,200/- for Rs. 6,000/- relief which has been given to him. It is the policy of the Government, as the Finance Minister himself said in his Budget speech, to give substantial relief to the lower income group. So, I would appeal to the Finance Minister to see whether this raising of the exemption limit will really give substantial relief to the middle or the lower income groups, unless the relief



under section 80 (L) is restored. We must not forget that by giving the deduction under section 80 (L), the savings in the community are also generated. If you do not restore tax deduction/facility under section 80 (L), the large amount of savings, which the lower income group or the middle income group are prompted to make to get the tax deduction, will be eliminated and that will discourage savings in the country which is one of the sources of generation of internal capital for the industrial and agricultural development of the country.

I would also request the Finance Minister to consider whether the deduction under section 80 (CCA) or under section 80 (CCB) can be retained. Even if it is brought under 88 then the exemption limit should also be raised because under section 80 CCA or 80 CCB, the assessee cannot utilise that money for a certain number of years. If he wants to withdraw, it will be taxable. One of the avowed objectives of the Finance Minister is to generate internal savings in the country. The Finance Minister has also given certain reliefs to the salaried people by allowing expenses incurred on medical expenditure, if it is incurred in hospitals, nursing homes or clinics prescribed by the Chief Commissioner and the types of diseases which are prescribed by the Chief Commissioner. I have nothing to say regarding the clinics which are approved by the Chief Commissioner, but the types of diseases which are to be prescribed by the Chief Commissioner may give rise to certain practical difficulties. Sometimes, new types of diseases grow up and the types of diseases in different State may not be of the same pattern. Therefore, I will ask him to consider this aspect of the question.

The budgetary policy has introduced certain dynamic measures.

The Finance Minister has introduced a better liquidity on the basis of the recommendations of Narasimham Committee. The liquidity ratio is to be reduced from 38.5 per cent to 30 per cent. It is a very welcome measure. For, the commercial banks are

not to keep much of their deposits locked up in unproductive investments. Now it has been released and this will give encouragement to the investment in productive sectors. The Finance Minister also has introduced a very important measure for dealing with inflation and also the evasion of taxes. He is giving encouragement for the gold bond which he will be introducing as he has announced. As a result of this introduction of the gold bond, unnecessary locking up of gold in non-productive purposes will now be done away with. People will be encouraged to purchase the gold bonds and after a certain period, five or seven years whatever might be prescribed, they will get the equivalent value of the gold or the gold itself will be returned to them with a nominal interest during this period. This will encourage people to invest their funds and they will also be encouraged to purchase the gold bonds and thereby investments also will be generated and the evasion of taxes will be adequately dealt with.

The Finance Minister has also encouraged the import of gold.

SHRI NIRMAL KANTI CHATTERJEE : What do you do with the gold ?

DR. DEBI PRASAD PAL : We will give you that gold when we get it. You can do whatever you like!

The Finance Minister has also encouraged the import of gold by the NRIs or the returning Indians at a nominal duty of 15 per cent. This will discourage the hawala transaction, and trafficking in gold, which is going on all these years. The Finance Minister has also introduced certain other important measures by streamlining and also by strengthening the capital market so that the people might be encouraged now to invest their money in shares and other securities. Now the shares also have been brought outside the purview of the Wealth Tax Act. This is a very healthy measure. After the purchase of the shares, the assessee need not pay wealth tax on that. But there is some difficulty. If the shares are sold or

transferred, that will attract capital gains.

I request the Finance Minister to consider whether this will also involve the immobility of the movement of the shares because if the people sell the shares, then they will be liable to Capital gains. But if they want the shares, they will not have to pay any wealth tax. The result will be it will be locked up and the investments will be immobilised. The introduction of the capital gain by a new system undoubtedly is a very novel feature and it does away with many of the problems with which the assessee were faced with.

Now we are taking the fair market value as on 1-4-1981 and link up with index of the inflation which will be announced by the Government from time to time and, on that basis, the difference of the capital gains will be liable to tax at 20 per cent or 40 per cent, as the case may be. But the question which I am asking the Finance Minister with great respect is this. You have abolished and withdrawn relief if the sale proceeds are invested in approved investment. If, for example, somebody sells a property and invests it in certain approved securities, he gets exemption. Now what are these approved securities? The UTI or the IDBI. So, the money is being invested in public sector and that money is being utilised for the industrial development of the country. Now, if this relief is withdrawn, what will happen is this: It will also encourage evasion of capital gains by lowering the sale price. On the other hand, when this measure was there, it would have encouraged the purchase and sale of properties, purchase and sale of assets at a fair market price because the assessee know that if they invest their money, then mon they will get tax relief. Such sort of a measure, if it is to be introduced through the Finance Bill which aims at restructuring of the fiscal system, requires a serious consideration. I would urge upon the Government that this type of a measure should be introduced

after referring the matter to a Select Committee. The Parliament understands the needs of the people. Further, When structural adjustments are to be made in the fiscal system, it would be better if it is sent to a Select Committee so that deliberations may be made regarding the impact of the measures upon the economy.

The Finance Minister has introduced many other important measures both in Direct Tax and in Indirect Tax. The achievement of the Finance Minister, I think, is that even after he has introduced fiscal discipline in public expenditure in the Central Government, the States have not been denied of their shares. Rather, the States are getting today, according to the budgetary policy of the Finance Minister, their increased share of allocation of the taxes. The States are getting more than Rs. 18,000 crores out of the tax receipts of Rs. 75,000 crores. The States are also given the increased capital assistance in the plan outlay of Rs. 16,000 crores, which have been increased from Rs. 14,000 crores to Rs. 16,000 crores. Thus, more than Rs. 2,000 crores have been increasing by earmarked for the States. So, I would appreciate and welcome the policy of the Finance Minister that even in spite of the fiscal discipline which he has introduced in the public expenditure, he has not allowed the States to suffer as a result of this cut in the public expenditure.

Now, I am coming to a close of my speech. The other thing which the Finance Minister has also introduced is that he has reduced the budgetary deficit to a sizable limit. We have seen the budgetary deficit during the National Front Government and the earlier Governments rose up to 8.5 per cent compared to the GDP. In 1991-92, the Finance Minister, by his budgetary measures, has reduced it to 6.5 per cent. In this year, the total receipts is Rs. 1,14,000 crores and the total expenditure is Rs. 1,19,000 crores and the small deficit of Rs. 5,000 crores comes to 5 per cent of the G. D. P. (Interruptions) We all know that the inflation is generated because of the budgetary deficit, unproductive non-productive expendi-

ture which has been generally resorted to by the earlier Governments. The Finance Minister in reducing the budgetary deficit has done a commendable job. You are all thinking that the Finance Minister has been dictated by the World Bank and the International Monetary Fund. The surrender of our economic sovereignty is a spectra which is haunting some of the Members of this House. I should tell them, as the Finance Minister has said in unhesitating terms, that our country cannot surrender its economic sovereignty to any outside world. We are the Member of the International Monetary Fund; we are the Member of the World Bank. If you take such a loan for your immediate crisis to be tided-over, necessarily we should be careful to see what is the type of economic reforms we are to undertake to resuscitate our economy? There is nothing in this about the surrender of economic sovereignty. This Budget has opened up India in its competitiveness in a global economy. We cannot now live today in splendid isolation completely divorced from the winds of change which are now blowing all over the world. Therefore, if our country has to take a significant role in the development of the world economy, if our country has to take a significant role in the development of the world economy, if our country has to take its proper role in the international market in the international economy, then we must liberalise our economy, invite foreign capital, foreign technology in order that the pace of modernisation of our Industry can be speeded up. (Interruptions) He has also said about the needs of agriculture which forms the core of our Indian economy. I congratulate the Finance Minister for introducing these bold and innovative changes which form a landmark in the budgetary policy in this country. There is no deviation from the Nehru's policy of industrial development... (Interruptions)

MR. DEPUTY-SPEAKER: Mr. Pal, time is being allotted to various political parties. If the earlier speakers take more time, then the subsequent speakers will have less time. Then there will be agitation and there will be unrest in the minds of the subsequent speak-

ers. We should take into consideration that also.

DR. DEBI PROSAD PAL: I am coming to a close in a minute.

DR. DEPUTY-SPEAKER: It is up to all the respective party whips to take care of these things.

DR. DEBI PROSAD PAL: The budgetary policy of the Finance Minister marks a landmark and if this policy is pursued in its right earnest, it will create an open economy where employment will be generated, industrial production will be as celerated and agriculture also will be adequately taken care of. India can play a significant role in the development of the world economy with this new budgetary policy. I support the policy and the budgetary measures introduced by the Finance Minister.

SHRI P. G. NARAYANAN (Gobichettipalayam): Mr. Deputy-Speaker, Sir, on behalf of the All-India Anna LMK Party, I would like to offer my view-points on the General Budget for the Year 1992-93 presented by our hon. Minister for Finance.

At the outset, I would like to congratulate our Finance Minister for having presented a well-balanced Budget in order to tackle the economic crisis that our country is now facing. There never has been in this country and that too within eight months period, so much of policy inputs for structural changes and there has not a Budget so fully consistent with those policy announcements - I am supportive of them.

While the Budget incorporated several structural changes, every care has been taken to prevent any abrupt adverse effect. To begin with, the Finance Minister dispelled the illusion that there has been a Budget leakage.

Much has been said about the World Bank and the IMF by the opposition parties. The IMF and the World Bank are our bankers and it is our right to borrow from

them. Obviously, they want to be satisfied that the loans will be repaid. That is why, conditionality comes in and it is customary to discuss with them what we propose to do policy-wise.

One obvious aid in the tax reforms has been the recommendations of the Raja Chelliah Committee Report. If there is one reason why the Finance Minister should receive a pat on the back, it is for presenting a Budget that is sensitive to the poor, responsive to the needs of the industry and reflective of his courage in sticking to the rigorous course of structural reforms. It was no mean achievement to have brought the fiscal deficit down from Rs. 44,640 crores in 1990-91 to Rs. 37,792 crores in 1991-92. All the earlier Finance Ministers, in a row, have promised such reductions but none have succeeded like our present Finance Minister. The Finance Minister has also promised to reduce the deficit in the year 1992-93 to Rs. 34,408 crores. Even more impressive has been the enhancement of foreign exchange balances from Rs. 2,600 crores in July last to Rs. 11,000 crores now. This success has enabled the Finance Minister to launch a partial convertibility of rupee. This will definitely provide a boost to export and import substitution.

The new scheme is accompanied by abolishing of exim scrips currently in force. It is most significant that forty per cent of the foreign exchange approvals will be exchanged at the official rate of sixty per cent at market/determined rates. This will to a considerable extent remove the uncertainty among foreign as well as domestic transactors about the official exchange rate changes.

Another major achievement is that the Finance Minister has succeeded in bringing down the fiscal deficit. The Budget estimates for 1991-92 leaves a deficit of only Rs. 5,398 crores compared to Rs. 7,032 crores in the revised estimate for 1991-92, that is Rs. 600 crores less than the original anticipations. And there is reason to hope that he would be

able to reduce the fiscal deficit further.

A feature of this Budget is that the Finance Minister has made considerable revenue sacrifices; but for the laudable purposes. It will be worthwhile to hope that the two other schemes which he has proposed in the new Budget would succeed. One of these, permitting, import of gold by the Indians upto five kilograms by paying 15 per cent of import duty in convertible foreign currency. This is an attractive proposition and a novel scheme to discourage illegal import of gold into the country. Another scheme that really has been conceived because of the failure of the exim scrips which allows a dual value of hard currency brought into the country. This is certainly a move in the direction of gradually making the rupee fully convertible.

An admirable simplification of the Income-tax regime has emerged in the present budget with an enhancement of the exemption limit to Rs. 28,000 with only three tax rate slabs.

A most promising innovative beginning has been made by subjecting shop-keepers and retail traders with an annual turn over of Rs. 5 lakhs to a presumptive tax system in which they pay which is Rs. 1400 as annual tax. This according to him is to enable potential tax payers to overcome their psychological hesitation of getting into the tax system.

18.00 hrs.

Here I would like to draw the kind attention of the hon. Minister to one thing. While the shares, securities, bonds, bank deposits etc. have been exempted from wealth tax, the small investors have been given a raw deal by withdrawing Section 80L. This will definitely upset the smaller investors who are not wealth tax payers. The decision on granting allowances on certain small savings had also posed a severe set-back to States, especially to my State, Tamil Nadu, to mobilise resources. I would, therefore, appeal to the hon. Minister to reconsider this

issue. Similarly, withdrawal of relief of Rs. 3500/- for new houses and disallowance of loss from house property on account of interest payments etc. may not be very conducive to the encouragement of house constructions by small and middle level persons.

Another welcome move is that the capital gains tax has been simplified and made more equitable with greater concessions based on equity which have been introduced in the direct tax system for the benefit of handicapped dependants, women in employment, people above the age of 65 years, authors, party-writers, artistes and sportsmen and the victims of the Bhopal Gas disaster.

With all this, the position of the States had not merited the attention needed. Consistent with the philosophy of a strong union and prosperous autonomous States, the Constitution would need changes to ensure that all powers to protect and safeguard the sovereignty of the nation are with the Centre, while the powers for welfare of the people are entrusted to the States. The Centre had asked the States to play a key role for facilitating industrial development and export effort. Unfortunately no part of the Corporate Tax was shared with the States.

The acceptance of the report of the high powered committee headed by the Defence Minister, recommending an ad-hoc increase in the pensionary benefits, is another remarkable move. This proposal earmarked Rs. 120 crore for the much publicised "one rank—one pension" despite pressure from various international quarters to cut the expenditure on Defence.

The Government has given priority to women and child development by giving the Department of Human Resource Development a budget allocation of an increase of Rs. 85 crore with increased allocations for elementary, secondary, adult and technical education.

Another set-back in the budget allocation is that, though a new centrally spon-

sored programme for constructing houses for the rural poor has been proposed, there is reduction in overall allocation for the Rural Development Department. While the new scheme will be implemented with 50 per cent, Central Grant, Water Supply and Sanitation and the Drought-prone Areas Programmes have also been given less allocation than last time. I urge upon the hon. Minister to reconsider this allocation.

Another welcome measure of this Budget is tax exemptions on petrol products, motor cars and some electronic goods. The tax exemptions on the essential items like coffee, tea, sugar, matches, kerosene and vanaspathi are highly noteworthy.

The Finance Minister's announcement for the setting up of a Small Farmers Agri-Business Consortium Fund by the Reserve Bank of India and NABARD is a unique experiment launched to generate income and employment in rural areas.

The most important concession made to the tourism industry in the country is the announcement of the withdrawal of expenditure tax as far as the restaurants are concerned, while modifying it with respect to hotels. This is a welcome step, particularly in large cities where a large section of the middle class patronise these eating places.

Welcoming the increased Budget allocations for the Ministry of Home Affairs on strengthening para-military forces, I would like to submit that in extending Central assistance to the States, a special quota of assistance is reserved for States having border area problems. As regards my State, Tamilnadu, it has a major sea border with Sri Lanka. The entire coastal belt poses a problem in view of the activities of the foreign militants. This is a special problem with considerable implications in view of the frequent crossing over to Sri Lanka by the militants. The coastal districts in the State have suffered due to the activities of the militants. The State has also had to bear the brunt of accommodating a large refugee population arising from the situation in Sri Lanka. Al-

though the immediate cost of feeding the refugees is met by the Union Government, it has had serious repercussions on the State's economy. The State has been consistently demanding Central assistance in view of the heavy expenditure by the State to contain the Srilankan militants' intrusion and intransigence from across the border. The Centre has not so far conceded this. It may be worth noting in this context that as our hon. Chief Minister has informed, a suicide squad has already entered Tamilnadu with a view to physically liquidate her and blast the headquarters of the Special Investigation Team probing the assassination of the former Prime Minister Rajiv Gandhi. This has also been confirmed by the Intelligence Bureau. Keeping all this in view, I urge upon the Government that just as the Centre's special treatment given to border States like Jammu & Kashmir and Assam, the problem in States border areas along the coast should also be given special assistance treating it as a sea border area at par with land border area.

In the guise of nationalising excise duty structure on cotton yarn and fabrics, the Finance Minister has burdened the industry with additional Rs. 150 crore by way of increased excise duty. The cotton textile is already reeling under high prices of cotton and other input costs resulting in the declining yarn production in the last few months. Due to this hike, cotton textile industries hope for major reliefs has been belied. The duty increase will greatly affect the cotton yarn on lower counts which are mainly needed for coarse cloth used by the poorer sections of the society. In my State Tamilnadu, majority of cotton textile industries are situated in Coimbatore district and the whole industry is very much upset over this hike. I, therefore, strongly plead the hon. Finance Minister to reconsider withdrawing the excise duty on cotton yarn in the interest of the development of this industry.

As far my State, Tamilnadu, is concerned, our Chief Minister has launched several growth-oriented schemes and is

taking keen interest in setting up industries in remote areas with the main intention of the State to secure rapid socio-economic overall growth and to create employment opportunities to the poorer and weaker sections of society in Tamilnadu. It has always been the endeavour of the State of Tamilnadu to seek immediate improvement in Central investment in the State by extending full cooperation to clear all bottlenecks for the speedy implementation of the project proposals submitted to the Union for Central assistance. I would like to give some of the important projects which are pending clearance.

The proposed Aromatics project promoted by Madras Refineries Limited at Manali near Madras has been pending clearance for the last four years inspite of the fact that all formalities have been completed. Inspite of our Chief Minister's repeated requests, Government has not given clearance so far. I urge upon the hon. Finance Minister and the Minister of Petroleum to give serious thought to this very important project.

Another important project is Sethu Samudram project which involves excavation of a canal in the Rameswaram Island with the view to connect Palk Strait with the Gulf of Mannar to facilitate passage of whips. Several committees appointed by the Union Government recommended this Project. The main features of this project are (1) the distance traversed between the Ports of the West Coast of India and that of the East Coast would be considerably reduced besides saving time and fuel; (2) to reduce the cost of generation of electricity; (3) there has been considerable industrial development in and around Tuticorin. I, therefore, urge upon the Government to include this project in the Plan period for inclusion in the projects being identified by the Department of Economic Affairs for external assistance in the Central Sector.

Thirdly, a proposal has been mooted for the setting up of a free port in India. An advisory committee set up by the Union Government recommended it keeping in view the required facilities available in Kan-

yakumari or Tuticorin for this purpose. I would like to request the Government to expedite this proposed project also.

The Tamil Nadu Government has discontinued the cheap liquor scheme with effect from July, 1991. It involves loss of revenue of about Rs. 400 crores for a full year. The Chief Minister of Tamil Nadu has written to the honourable Prime Minister seeking adequate compensation for the loss of revenue. I urge upon the honourable Prime Minister to expedite this request also.

Finally, I would like to make a mention about the current water dispute and the heavy losses suffered by the Tamils in the wake of violence on the all-party bandh day in Karnataka to protest against gazetting of the interim order of the Cauvery Water Disputes Tribunal. In the last Conference of Chief Ministers of Tamil Nadu and Karnataka, convened by the hon. Minister, the hon. Prime Minister emphasised in his opening remarks the need for all to recognise water as a national asset and to look upon issues connected with water in that perspective. At the same time, it would be the Centres' endeavour to see that the working of the Cauvery Tribunal was facilitated. Honourable Prime Minister further observed that it would be everyone's endeavour to help in expediting the final order of the tribunal. He has also asked the States not to allow the relations to be impaired by the incidents such as those that had taken place on the all-party bandh day and they should view the whole matter in a dispassionate manner.

Keeping all this, in view our Chief Minister had hoped to secure a definite assurance that the Karnataka Government would honour and implement the interim award and that her demand for the appointment of a Supreme Court Judge to go into the issue of compensation to Tamils affected in the Karnataka violence would be accepted. But no assurance was given on any one of these issues. The people of Tamil Nadu would now expect the Centre to issue a directive that the Karnataka Government should honour and implement the tribunal's interim award.

Before I conclude my speech, I once again congratulate our hon. Finance Minister for boldly pushing through his reforms to usher in the nation's Second Industrial Revolution. We shall, therefore, give our whole-hearted endorsement for this Budget

[Translation]

SHRI HARIN PATHAK (Ahmedabad)  
 Mr. Deputy Speaker, Sir, thank you. One of our hon. leaders Shri Atal Bihari Vajpayee started discussion on the Budgetary proposals for 1992-93 today with your kind permission, I want to present some points on the Budgetary proposals which my party considers right. I want to draw the attention of the House to it. I have been seeing the Budget of the country for last several years. This entire Budget is a true copy of foreign and western ideology. The Budgetary proposals are very attractive outwardly, but they do not have any inward quality. Bricks, lime and stones can build a building but not a household. Money and gold can build a magnificent city but not an abode of peace. Where is the soul of this Budget? Your understanding of soul is itself wrong. You consider money to be the main point of this Budget. The entire work prepares its Budgetary proposals in accordance with its own circumstances to the sake of money. But our country is different. Our ancient traditions value people and not money as the Central point of our Budget. Our policies are framed for people's sake and for their prosperity. But I do not find any of the above requirements fulfilled by these Budgetary proposals. I find here the N.R. Is the World Bank, Multinational Companies and gold bonds. But I do not find the village farmer in this Budget. I do not find the poor labourers living in slums. I do not find here the students, the education.

[English]

Education is the backbone of a nation

[Translation]

Mr. Deputy Speaker, Sir, a nation can

not be built by money only. It is built by education and its people. You may go through the entire Budget. There is hardly any provision in the entire Budget for education. The Government has just fulfilled its duty by allocating Rs. 50 or Rs. 100 crore here and there. If we turn the pages of world history we will find that unless man is made, all the formulated policies fail. And who will do this work of construction? This construction work is not possible by money only, rather it can be done by building the character of man.

Mr. Deputy Speaker, Sir, therefore, I have stated that this Budget is attractive outwardly but it has no inner value. The economy of this country is dependent on villages. Village is the centre of our country's economy. But there is no village at the centre of these Budgetary proposals I went through the entire Budgetary proposal. I read lengthy articles it it. I have gone through this Budget. It contains only industrial development and nothing more than that. Yes, for Europe, it holds good because industrialisation started taking roots in those countries right from the second half of the seventeenth century and village life or an agricultural system were virtually non-existent in Europe. However, it is most unfortunate that in a country where 80% of the population lives in rural areas; in a country which has a rural (agricultural) oriented economy; where farmers constitute the lifeline of the country, the farmers have been dismissed in the country' Budget with two or three sentences. Sir, I would like to draw the attention of the entire House towards this incalculable damage. The leaders of my party including Shri Chadrajeet Yadav have correctly drawn the attention of this august House towards the fact that industrialisation alone won't take this country forward. If two big companies invest in this country and add to our Reserve fund, it won't help the country in any way. Who will invest in the Reserve Fund and Gold Bond Schemes? The poor farmers living in the villages don't have the money to invest in the share market. These share markets and Gold Bond Schemes are meant for the urban

rich. More than 35 crore poor people of this country, who depend on agriculture for their livelihood and who cannot manage two square meals a day, just cannot invest in such schemes. For the past four decades, more than six crores of our educated as well as semi-literate young people have been hoping against hope to get a job, under the various schemes and policies of the Government, but in vain. Our satellite 'Aryabhata' revolves in the orbit, similarly, our youngsters too hang around the various employment exchanges spread across the country, but to no avail. Our youth migrate from villages to the cities, leaving behind their land and property in the fond hope of getting a job in the cities, but in the past four decades, nothing concrete has been done to alleviate their problems.

Mr. Deputy Speaker, Sir, before coming to power, the ruling party had promised to provide employment to one crore people, every year. Where are the jobs and where are the Employment Guarantee Schemes? The Government has done away with even the sources of employment generation. Similarly, no provision has been made to rehabilitate the retrenched employees. Atalji has correctly observed that far from providing fresh employment, the Government has not even made any provision whatsoever in this Budget to provide some succour to the retrenched employees. I am not opposed to the multinational companies. As Shri Atalji also pointed out these MNCs are welcome if they set up industries in this country, generate employment opportunities and play a pivotal role in the country's development, but the problem is that their entry will sound the death knell for our small scale industries. Thakur Saheb, I would like to say that no thought has been given to the small scale industries, while preparing the Budget estimates. You have hiked the railway freight charges by 7%; the prices of cement; and the price of iron and steel have also been increased. Under the circumstances, how will the small-scale industries survive; how will they be able to compete with large-scale industries; and how will they be able to generate employment? With regard to men-



tion the comparative position of the small scale and large scale industries.

[English]

The annual production in small scale is Rs. 1,61,000 crores while in large scale it is Rs. 1,31,000 crores. Investment in plant and machinery is Rs. 50,000 crores in SSI and Rs. 2,50,000 crores in large scale industry. Employment generation in small scale is 3.80 crores while in large scale industry it is 2.18 crores.

[Translation]

Thus, it is these small scale industrial units, which provide maximum employment opportunities. The Government has hiked the prices of Cement and Steel and also railway freight charges. In the circumstances, how would they be able to compete with large-scale industries? To have healthy competition is a positive thing but some balance should be maintained. When this country regained its psychological, economic and political independence after about seven to eight centuries of slavery, it did not get the proper guidance, the right direction. If that had been the case, our country too could have competed with the most advanced nations.

Mr. Deputy Speaker, Sir, today the situation in the country has taken a reverse gear. People are having heated discussions on it. Only ten to fifteen per cent of the population is happy with the Budget that the Government has presented. Earlier, people with an income of over one lakh rupees used to pay 50% of their earnings on income tax, but now it has been reduced to 40%. Small scale industries are facing the guillotine today. The hon. Minister of Finance is present in the House. Coal, power and even bank loans are not made available to small scale industries. Workers in these units are losing their jobs day by day. The Government will have to pay heed towards their demands. I represent the city of Ahmedabad, which was once known as the 'Manchester of India'.

[English]

It is a dying city today.

[Translation]

There are 90 textile mills in the city, of which 35 are working, 19 have closed down and the rest are on the verge of imminent closure. During the last ten years, 50,000 people have lost their jobs. No provision has been made in this Budget for their rehabilitation. The Government is not at all concerned about the plight of the textile industry. Many of these units are running in losses and have become sick units. What scheme has been formulated to revitalize them? This Budget contains no such proposal. Many textiles units are lying closed not only in Gujarat, but also in other parts of the country. In 1985, an assurance was given to this effect that the workers of the closed units would be provided compensation under the Textile Workers Rehabilitation Fund, equivalent to 75% of the salary in the first year, 50% of the salary in the second year and 25% of the salary in the third year. Only 14,000 out of 35,000 affected workers have been provided with compensation. The fate of the rest is still hanging. I have been repeatedly raising this matter in the House. The former Prime Minister too had given an assurance that these sick textile units would be revived, once he is voted to power. However, that didn't work out. Through you, I would like to draw the attention at the hon. Minister of Finance towards the dying textile industry in Gujarat. The condition of the middle class and the lower class is much worse. Most of them are a bit educated and are working. For their benefit, Government made a pompous announcement that the income tax limit has been raised from Rs. 22,000 to 28,000. I would like to know the benefits that would accrue from it. What benefit can be derived from this raise? Keeping in mind the hike in prices over the past four decades and more so in the last 8 months, the Government should not have played such a cruel joke on the people. Rather, the Government should raise it to Rs. 48,000. Moreover, the Government has withdrawn tax relief earlier pro-

[English]

vided under 80 C.C.A., 80 C.C.B. and 80-L. Many people ask their lawyers to make adjustments, even if they have to pay an income tax of 2,000/- and many ask their CAs to do the necessary adjustment to avoid the payment of even Rs. 5,000 as income-tax. Yesterday, while travelling in the Rajdhani Express, a fellow traveller told me that people with an income of Rs. 1,23,000 had to pay an income tax of only Rs. 500/- but now they would have to pay income tax to the tune of Rs. 22,000/-. The moneyed people will get tax assessed to suit their interest and thus avoid paying income tax. But, those who are in service, whether they be workers in mills, school teachers, employees of village banks or Government servants, receive their salary through cheques and have no scope to make adjustments. I repeat that the people are very much agitated and feel that the Government has played with their interests, by raising the tax limit to Rs. 28,000 only. Therefore, I urge the Government to further raise it to Rs. 48,000. Day before yesterday, I met Thakur Saheb in the lobby. I told him that under the present Budget proposals, the Government would like to bring all small and medium businessmen with a minimum turnover of Rs. 5 lakhs under the purview of income tax. The Government wants everyone to pay income-tax. It is true that each one of us would have to contribute something towards the nation. We have to lay the foundation of a Modern India and make it happy and prosperous, but how can one trust the Government? The proposal is to levy a tax of Rs. 1400/- from those with a turnover of Rs. 5 lakhs. Will the businessman register their names as income-tax payees, in the hope that something positive would be announced in the next budget? I don't think it will be so. Just now, I have noticed this particular clause, because of which I am certain that this scheme can't be implemented. Thakur Saheb, if any businessman or his minor has any deposit in any bank and if he gets an interest of even one rupee on it.

this scheme will not be applicable to him.

[Translation]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): Please tell me about your suggestion.

SHRI HARIN PATHAK: My submission is that all the ramifications of the proposals to levy Rs. 1400 from an income of Rs. 5 lakh per annum may be pondered over and the tax may be collected from the people who can pay it. It should not be collected at random. The Government should seriously consider the legal aspects. That clause needs to be withdrawn. The people receiving Rs. 100 as income from some deposit or share will not come within its ambit. No scheme should be launched on at random basis.

As I said earlier, the economic condition of the country has deteriorated to some extent. Under the 'Gold Bond' scheme the Government claims that gold will come into the country and India will become affluent. I do not agree that India will become affluent. Who will bring gold into the country and how? The hawala maker is very active. Anybody can get the dollars deposited in this name through the hawala transactions in Bombay market and also bring gold into the country. But who will bring it. Does the Government want to make the country prosperous? Have the people got faith in the 'Gold Bond' scheme? Two years ago the Government launched the 'Jeevan Dhara' scheme.

[English]

It was a long term planning of the middle class man.

[Translation]

People went in for the 'Jeevan Dhara' Scheme in the hope that when they attain the

age of 55, Rs. one lakh would accrue to them every year. However, now the Government is saying that the scheme has been scrapped and the policy holders should return the policies. Then who will repose faith in the Government. Government's policies change in every fortnight. Suspension of Jeevadhara scheme by Government has sank the commonman's boat. If the saviour turns the destroyer., who will come to people's rescue. If a new policy is to be introduced then launch it from next year. I do not understand how can a scheme be withdrawn with a retrospective effect. The Government is withdrawing the Jeevan Dhara Scheme. However, if the scheme is to be withdrawn please fix a date for it and make it effective say from 1.4.92. Because of all this the people will lose confidence in the Government and in its long term planning and savings. Governments keep on changing. Then which section of society will invest money in such schemes viz 'Gold Bond' or 'Jeevan Dhara Scheme'?

Mr. Deputy Speaker, Sir, I know that the clock is ticking out but there are a number of things which my party leaders and colleagues want to raise in the House. Sir, through you, I would like to submit that still 3 days are left for the discussion on Budget to be over. So, in the meantime the Government should consider all the suggestions that I have made for the middle class, for raising of exemption limit on income tax, for small scale industries, farmers, students and education. What has been the allocation for the adult education in the name of education? What kind of character building will take place in the country? I have got the figures on education. Since I was supposed to make my speech tomorrow, I did not bring the file on education today. Still I would like to submit that allocation for education has been cut by Rs. 52 crores and allocation for sports has also been reduced. Our sports persons have no interest in gold. That's why they never win gold cups and bring them?

Thakur Sahib, I appreciate one thing in you that you have been following the Indian culture in letter and spirit for last one year.

Indian Philosophy says that 'Yavat Jeevet Sukham Jeevet, Rinam Kritva Ghritam Pivet, Bhasmi Bhutasya Dehasya Punara-gaman Kutah'.

Live happily as long as you are alive. Eat ghee even by borrowings. Human body is perishable and it is not likely to come back on this earth again. Take as much as you can from others. One can get life on this earth time and again but others wealth does not come to one's hands again and again, be it that of the World Bank or the I.M.F. Foreign money could give momentum to contry's development, but there cannot be and all round an fulfilledged development.

Mr. Deputy Speaker, Sir, nation cannot be guided on the course of development and propriety by following the policies of foreigners and education policy of Macaulay. The people of our country who believe in the principle of universal brotherhood do not hesitate to take people's life on the question of allocation of Kaveri water between two States. 40 people have been killed in Punjab since Janury last. What have we achieved in 40 years of independence? Nothing can be accomplished by depending on foreign assistance. As long as India does not become self-reliant, nothing can be achieved. Progress can be ensured through self reliance and indigenous production only. By depending on foreign assistance, development and progress cannot be possible. In the end I conclude my speech with a couplet:

"Mitti Jab Tak Apna Haq Ada Nahin Kare,  
 Havaon Kee Sifarish Se Kabhi Gulab Khielta Nahin"

SHIR MANORANJAN BHAKTA (Andaman & Nicobar Islands): Mr. Deputy Speaker, Sir, I rise to support the discussion on the Budgetary proposals.

I intently listened to the speeches of hon. S/Shir Atal Bihari Vajpayee, Chandra Jeet Yadav, Amal Dutta and also Harin Pathak who concluded just now. After listening to their speeches, I feel that they

have amply demonstrated their loyalties to their respective parties by finding out faults with the Budget proposals quite diligently.

Mr. Deputy Speaker, Sir, I would like to submit that the Congress (I) Government headed by Shri P.V. Narasimha Rao brought political and economic stability in the country within a period of just 7 months after two years of political and economic instability in the country. I appreciate the opposition camps difficulties. The opposition came to power twice, once in 1977 and again in 1989 and formed coalition Governments at the Centre. But on both the occasions they could not fulfil the promises made to people of the country and even their Governments could not last the full term because of mutually bickerings. After the exit of opposition Governments on both occasions, the Congress(I) was voted to power by the people of India. It is a testimony to the fact that even if the Congress is condemned and allegations are levelled against it. It is the only party capable of providing political stability in the country. No other party except the Congress(I) is capable of providing political and economic stability in the country. though it is a fact, some accept it and others don't. There are people who are really asleep while there are others who pretend to be sleeping. A person who is really asleep can get up when you simply call him, but if a person is awake and is closing his eyes to give an impression of being asleep, cannot get up because he is not really asleep, but he is making a false show of it. There is a class of people who do not want to see the country make progress. What should be done to them? It is a fact that the present Budget proposal is a bold step and the hon. Finance Minister has exhibited a rare courage under the leadership of Shri Narasimha Rao in presenting this Budget. The present Government took over at a time when there was political instability in the country and took many steps subsequently which proved to be a little burdensome on the public. The people of this country experienced hardship but all the same the present Government has been able to display its

capability and its results have been pouring soon. Just now the opposition criticised the present Government a lot levelling various charges on its but they did not suggest any alternative. We have seen the alternative system also. What was the effect of Das Capital in European countries and China. What was the reason that China gave up Das capital and adopted mixed economy by amending its constitution? Why there is privatisation in China. Private companies are operating there and shops have been opened by the roadside. Our leftists parties will not make an effort to read the writings on the wall and understand it. Then what can we do. I would, therefore, like to inform you today that it is for the first time that allegations have been made against the hon. Finance Minister in this House just 3-4 days before the Budget was presented. People alleged that the Budget has been leaked out and the sovereignty of the country has been sold and India has lost everything over the conditionalities laid by I.M.F. and the World Bank. I am a Member of this House for the last 15 years, I have never come across so many allegations being levelled at the time of Budget presentation. It was observed that nobody spoke a word after the presentation of Budget proposals. All the parties and their leaders kept quiet. They did not have the courage to speak anything. But why this change today? All the correspondences made by the hon. Finance Minister have been palaced in the House. The statement made in the House includes all these things. If these people do not try to read it, it is not our fault.

The present Government is trying its best to lead the country towards development and progress but our opposition benches are continuously attacking the Government. I know that these attacks are political in nature and these will continue as long as we are in power and they are in the opposition. These people will level all kinds of allegation to capture power. They will take recourse to all false steps in the House..... (*Interruptions*) ..... we never did so.

SHRI BASU DEB ACHARIA (Bankura):

Please say something about 100 days as well.

**SHRI MANORANJAN BHAKTA:** Yes, I will come to that also, please don't worry. Now, I would only like to say that the proposals presented here are new proposals. The policy of the Congress Party is an ideal policy. It wants to lead the country towards self-reliance and generate maximum employment. The Congress party wants to do developmental work and develop industries and increase agriculture produces. It is interested in progress in all directions and it was in this spirit that such a Budget was presented here.

It is also a fact that the present Budget is of a different nature as compared to the Budgets presented during the past 30-40 years. It is different in the sense that the needs of the People have been kept in view and a new method to fulfil the needs has been adopted. The opposition has always been complaining that we have upset the whole system within these two years, but I would say frankly that if our financial system has declined we should not blame the opposition alone. Because we have been in power all along these 40 years. Certainly, we have committed some mistakes. There is no doubt about it. All the same, we shall have to consider that we had almost nothing, not even a needle when our country became independent. We launched the First Five Year Plan with a meagre sum of Rs. 2400 crore whereas today we have exceeded even Rs. 2 lakh crore target and a contemplating a plan of 4 lakh crore and for more an amount in the next five year plan. There is a problem as well. The conditions in the country have changed a great deal. In the recent past our population has increased by more than double and we shall have to consider this point also.

Today the opposition is so much against the Congress party and Congress party has given them the right to do so. Had the congress party wanted the single party rule in the country, the other parties would not have come to being at all. But the Congress party

left the power in the hands of people and to their elected representatives. Other parties also came to power. So, the Congress party did not follow the policy of imposing the single party rule in this country. We adopted Parliamentary democracy in the country and we have tried to serve the people of this country in the real sense of the term.

I would like to tell you that we want to reduce the fiscal deficit by these Budget proposals so that there could be maximum development in the country. We want to make good suffered the loss both in industrial and agriculture fields over the years. Because of our good performance in our infrastructure, we are hopeful that all the measures we are taking will help us to increase production. The whole country will be benefited by it.

Alongwith this, one point has always been said here. It is about the conditionalities of I.M.F. and the World Bank. For example, I would like to know as to what are the conditionalities of the work being undertaken in West Bengal with the World Bank assistance.

[English]

### **Calcutta Urban Development III:**

(a) Reduction of CMC's reliance on GOWB from 24 per cent

(b) CMC to increase total nettable value of properties by 1986-87 to specified levels

(c) Achieve cash collection at specific levels

(d) Revaluation of Property tax in CMA municipalities, HMC, CMC, if found inadequate in evaluation to be completed by December, 1983

(e) Full cost recovery for water supply by 1987-88 for CMC

(f) CMC to introduce graduated for

domestic unmetered consumers by November, 1983, satisfactory to IDA

(g) CMWSA to achieve full cost recovery for water supply by 1985-86

(h) overdue bill of CMWSA for bulk water to be paid

(i) CMDA to transfer completed assets to operating agencies by 1984

As conditions to negotiations the following were agreed to:

(j) Increase in bus and tram fares

(k) Establishment of meter reading, billing and customer service department".

[Translation]

It was a long list. The State Government accepted all those conditionalities and implemented them. I would like to cite yet another example. There is a proposal to take up a project in Sonpur Bazari. The World Bank is reluctant to advance loan for it. However, the State Government has written to the Central Government that it is prepared to accept and fulfil all the conditionalities put by the World Bank. Therefore, every effort is being made through the good offices of the Central Government to see that state projects are funded by the World Bank. If it is for the development or economic development of a State, people consider it right that World Bank assistance could be taken in their case. If the Central Government takes loans from the World Bank to revamp country's economy, people condemn it, it won't do. On the one hand, people accept these conditionalities and implement the same in their States and on the other they criticise the Central Government if the latter takes loan from the World Bank. Why do people adopt this double standard?

States do not impose any new tax and present a zero tax Budget. When the Central

Government levies taxes, they demand a lion's share from it. People also condemn the Central Government if it levies new taxes. These people castigate the Central Budget to be anti-people and anti-poor. In this august House quite a few hon. Members from this side have been elected from among the poor. While here, they speak against privatisation, but in their own States, they favour privatisation.

Mr. Deputy Speaker, Sir, there can be no two opinions and I also agree that the role of public sector undertakings, in whichever field they are, has been very exemplary. People in general accept it. It is also my belief. Therefore, it is not proper to close the Public Sector Undertakings and retrench their employees. Wherever any shortcoming is found in the functioning of Public Sector Undertakings it could be set right. Appropriate remedial measures should be taken.

I favour initiating discussions with the workers and the BIFFR will have to be strengthened. But it is not proper to oppose lock stock and barrel privatisation. From all this, it seems as if we are not making any speech on the Budget in the Parliament but canvassing in an election. All this is being done with an eye on the elections. I would like to cite a similar instance in respect of the Government of Orissa, even though my hon. friend Shri Jena is not present in the House. What have they done there?

[English]

I quote:

"The Government has signed a memorandum of understanding with the Atlanta (US) - based Southern Electric International on setting up a 1,500 mw power plant. The tag: Rs. 5,000 crore. And North East Energy Co. also US-based, has signed up to construct a Rs. 1,500 crore power plant near Cuttack.

Tata Iron and Steel Co. has signed a deal to take over the State-owned Orissa

Mining Corporation's charge chrome plant. The plant was losing about Rs. 1.5. crore a month"

"ITC, the Pune-based Kalyani group, and Synthetics & Chemicals have been sounding the State on farm-based ventures. The M.P. Government also recently offered a State farm on a 30 Year lease to Indo-American Hybrid Seeds. The Bangalore based seeds and agricultural produce company will experiment on tissue culture and hybrid seeds on the farm.

Tata Exports is negotiating with the MP Government to take over a State-owned sericulture demonstration farm. The State Government hopes this will eventually lead to the Tatas setting up a silk spinning and weaving plant.

The Tatas are also talking to the M.P. Government about setting up an aquaculture project on a State-owned pond or tank. If this proves successful, it may well encourage others to follow suit."

Indian Paper and Pulp, National Iron & Steel Co (Nisico), Lily Biscuits, India Belting and Krishna Glass & Silicates is up for sale. A State Government spokesman says: "Talks are already on with many private sector units."

[Translation]

I do not think it is anyway wrong to allow private entrepreneurs to make investment and run the industries. But the manner in which it is being projected that the Central Government has switched over to privatisation everywhere and it is not talking in country's interest, is not good. It seems as if the State Government's are not committing any mistake and everything is running smooth in them. There should no such double standard. Talks should be made in the right perspective.

Internal and external borrowings of the country are on the rise. There should be a

check on it. It should be debated upon in the Parliament. After discussion, a level should be fixed above which there should be no further borrowing. The interest liability has increased out of proportions. One will be scared to see these staggering figures.

The Central Government and the State Governemnts should hold consultations with one another for fiscal corrections because the objectives could not be achieved by the Central Budget alone. Situation cannot be redeemed until the centre and the States do not formulate and implement a fiscal policy keeping in mind all the aspects of the ocuntry. I hope the hon. Minister of Financne will definitely look into it.

Judiciary if the weakest organ of our democratic system because all the authority is vested in the legislature and executive especially in financial matters. This is the reason why lakhs of cases are pending in the Court and the High Courts. Sixteen benches of Central Administrative Tribunal have been set up all over the country to dispose off cases of Government employees. What is their position now? Everywhere posts are lying vacant for lack of staff, lack of budgetary support and lack of sitting space. It is not good for the democracy if the entire judiciary suffers like this. It is a warning to the Government that the democacy can function successfully in the country only when the judiciary disposes of its responsibilities independently, speedily and effectively. It is necessary that the hon. Minister of Finance should look into these things. Problems confronting judiciary will have to be tackled.

Though the Budgetary proposals of the hon. Minister of Finance are good but nothing is mentioned about the Union Territories. No provision has been made for the farflung areas, the Lakshdweep and Andaman and Nicobar Islands.

19.00 hrs.

These areas are small in number. Any eventuality occuring even in a small part has a bearing on the whole country. That's why

I would like to submit to you to pay a bit more attention towards the remote areas by way of budgetary support. All these States and Union Territories come to special category. So, no injustice should be done to them. It is not nice for us to persistently keep demanding from the centre for them year after year. It needs to be looked into as to how the resources of these areas could be augmented and new avenues of revenue could be opened so that these areas also could make their contribution to the country's exchequer. It will be better to convert Andaman and Nicobar as a free port. Declaration of free port will bring foreign exchange worth, atleast, Rs. 5,000 crore annually to the country. It is very important. For years is lingering on and on. Many reports were submitted and debated, but to no avail. The hon. Minister of Finance examines every issue on merit and I hope he will definitely consider this case this time. The proposal needs to be fully supported from the tourism point of view so that maximum resources could be mobilised for the benefit of the country.

The Government should extend all help and incentives to the Public Sector where ever it is capable. It has come in the newspaper that a foreign firm, ABP company has been granted 190 million railways dollar contract. If the BHE capable of executing the job it should be awarded the contract even it is to be paid 10-12 per cent more. Then only we can do something for the country.

Reduction of customs duty is welcome but increase in excise duty is harmful. Because it will result in lowering the price of imported goods and increasing the prices of Indian products. It will also affect the small scale industries. Therefore, all this needs to be pondered over.

The provisions of sections 80 CCA and 80 CCB and 80 L of the I.T. Act needs to be restored. The Government exhorts people to save more and more through the advertisements in newspapers and on Radio and T.V. But with the stroke of a pen, the Govern-

ment with drew all incentives. Reliefs on savings availed by poor and middle classes have been withdrawn. You must look into all this.

A big flaw has been left in the proposal for small traders by you. This provision will not be applicable to a small trader who receives Rs. 5 as interest through some other source. So this flaw has to be removed and it would help you earn huge revenues. Besides, it will help you win the elections comfortably and others will lose. The provisions made in the capital gain tax will cause greater benefits to the persons drawing higher income. If a person or a widow sells his/her goods door to door they will suffer losses.

At present the Government has withdrawn the clause of profits on those articles on which the people were getting gains previously. I think, in view of the conditions of the poor people, the Government will have to pay its attention towards this problem and it should continue the present system for the purpose of capital gain on those articles which have their sale value at least upto Rs. one lakh.

Similarly the salaried class people have more difficulties because when the prices of the goods increase, their earning remains the same. To provide them relief. You have raised the exemption limit upto Rs. 28,000 but this amount is nothing in comparison to the rapidly increasing prices of the essential commodities. Therefore, this amount should be increased upto Rs. 35000/- as Shri Chandra Jeet Yadav has already mentioned about it.

As regards the partnership companies, you have given relief to those companies which are having their income Rs. 10 lakh or more there will be no profit for those partnership companies which have the profit of Rs. 2 lakh. They cannot give more than Rs. 1 lakh and 50 thousand as salaries and wages.

**SHRI RAMESH THAKUR:** The small firms will have greater benefit from it. If you look into it minutely, you will find that the



bigger firms will have comparatively less benefit due to this clause.

**SHRI MANORANJAN BHAKTA:** Your assertion may be true, they may have more benefit, but I have told only this much that if they have the income of Rs. two lakh, they cannot give Rs. 1 lakh and Rs. 50 thousand as salary. So it would be better if the exemption is raised upto 90 per cent of the income.

Under the wealth tax clause the Government has not levied adequate wealth tax above Rs. 15 lakhs rather it is less. I think it proper if the wealth tax should be raised slightly on possessing the wealth above Rs. 15 lakhs.

I would like to point out one thing about the nationalised banks. The performance of the nationalised banks is not satisfactory. Its previous record speaks of it. I do not think necessary to mention it in details. You also know about their functioning. I think, it is necessary to set it right. Secondly, the Parliament should have an effective control over the nationalised banks. Today, except formulating small policies about the Banks, the Parliament has no control over the nationalised banks. The Parliament has no right even to examine the doubtful debts as well as profit and loss of the banks. I think, unless there is accountability on public money, it will go on increasing the problem.

I want to request the Government one thing more. If the Government wants to implement all its innovative ideas properly, it should create two more departments in the Finance Ministry. The C.B.D.T. Department to deal with direct taxes should be a separate Department headed by a Secretary or a Chairman. Similarly, the Excise and Customs too should be separate department. Instead of present three department i.e. Expenditure, economic affairs and revenue department there should be four departments namely departments of Economic Affairs, Revenue, Customs and Excise and Direct Taxes.

[English]

Finance Secretary can have over-all coordination with the Departments.

[Translation]

That will help the Government.

Lastly, I would like to raise one more issue. There has been a lot of talks about the exit policy. In this connection, I want to point out that just before my departure for Delhi I went through a news in a Calcutta Newspaper that the West Bengal State Electricity Board has started implementing the exit policy. To what extent this is true, I do not know. I pointed out this issue because the hon. Members of the Opposition Party, especially the leftists have stated that the step taken by the Government about the exit policy is not correct. Thus they have opposed the exit policy. I do not know the authenticity of the report of the paper, when the hon. Members from the leftists wing would come to speak, they may tell the truth in this regard.

Above all, in the present circumstances the current Budget presented before the House in the interest of the country is a bold step for strengthening the economic set-up of the country. All the political parties in the House should support this step so that the economic condition of the country can be improved within next two or three years with a strong determination and dedication. As Shri Vajpayee has hardly spoken something against this budget and in the end he has stated that we have enough strength to improve the economic structure of this country. With this strength we can do a lot. He has stated the righting. I do not know whether he has stated right or wrong, but he has uttered the reality. There is strength in the economic structure of this country. The members of the House should decide that they have to strengthen the economic structure of the nation by giving their cooperation to the Government. Only then it is possible to secure a bright future for 80 crore poor people of this country who live in the villages.

Mr. Deputy Speaker, Sir, with these words and supporting the Budget, I thank you very much for allowing me to speak more than the time allocated to me.

[English]

MR. DEPUTY SPEAKER: I now call upon Shri R.G. Williams to speak.

SHRI BASU DEB ACHARIA (Bankura): This is his maiden speech.

MR. DEPUTY-SPEAKER: Yes, we shall hear him.

SHRI R.G. WILLIAMS (Nominated Anglo-Indian): Mr. Deputy-Speaker, Sir, I rise to support the Budget presented by the hon. Finance Minister Shri Manmohan Singh and wish to congratulate him on his creditable performance over the past eight months in rescuing and resuscitating the country's economy from the brink of chaos and degradation which has been brought about largely by the non-innovative and inorganic performance of earlier abortive Governments.

Sir, it is a matter of pride that India's credibility, both domestically and in the eyes of the World, has once more been restored and that in these few months the economy has been put back on the path of high and sustainable growth. The medium-term programme of structural reforms which include new initiative in Trade Policy and Industrial Policy aimed at improving the efficiency, productivity and international competitiveness of Indian industry are most laudable and welcome after the stagnation and inertia of our industry over the past few years. The longer-term objective to evolve a pattern of production which is labour-intensive, which generates larger employment opportunities fulfils one of the most pressing needs at the moment. However, this should not be at the cost of modern production techniques and quality of products.

Sir, the message to my mind is very

clear. We must utilise to the full all available productive capacity in the country by resuscitating sick units with the assistance of foreign investment, if necessary, and also compete in the global economy by ensuring high quality products. In brief, 'produce or perish' should be our slogan over the next few years.

I do not wish to take up too much time of this august House and so I shall confine my observations and humble suggestions to that portion of the hon. Finance Minister's Budget speech which is applicable to the middle income group and senior citizens. For this hard-pressed group, the Budget is an illusion and imposes a heavier tax burden than previously. The proposal to enhance the tax exemption limit from Rs. 22000 to Rs. 28000 is most welcome and, if I may say so, was long overdue. Similarly, the simplified tax slabs of 20 per cent, 30 per cent and 40 per cent are most rational. However, the forty per cent slab should have been introduced in respect of incomes exceeding Rs. 2 lakhs as recommended by the Tax Reforms Committee. The reported compulsion to retain the surcharge of 12 per cent is, to my mind, nebulous and, if inescapable, should be imposed on incomes exceeding Rs. 2 lakhs.

As regards standard deductions under Section 16(1) which is incidental to employment of individuals, here again, the maximum deduction of Rs. 12000 has been in existence for some years. And with all-round increase in salaries and incidental expenses, an upward revision to Rs. 15000 is long overdue and should be applicable to all and not be restricted only to women who take up employment. I fully support, however, the chivalrous sentiments expressed by the hon. Finance Minister regarding his avowed commitment to the cause of social and economic uplift of Indian women and heartily endorse any additional financial incentives given specially to them.

I must protest at the sudden and radical change in emphasis in our Direct Taxation Policy. Hitherto, the middle income groups

were encouraged by a number of incentive schemes to invest their hard earned and meagre savings in shares, deposits in banking and financial institutions such as the United Trust of India, Industrial Development Bank etc., and in bonds in the public sector undertakings. As a further incentive, the exemption of upto Rs. 13,000 is admissible under Section 80L, on dividends and interests accruing on these investments. Section 80L has been in existence for very many years and the sudden withdrawal of this concession completely nullifies the effects of the enhanced exemption limit for Income-Tax levy from Rs. 22,000 to Rs. 28,000 mentioned earlier. The hon. Finance Minister has been please to sanction a tax relief of Rs. 6,000 with one hand and with the other, he has withdrawn existing tax concessions amount to Rs. 13,000. I humbly submit that this sleight-of-hand has left the middle Income-tax payers much worse off than in previous years, by Rs. 7,000 to be exact. I strongly recommend that in order to compensate for this apparent inadvertent loss, it seems only fair that Section 80L together with its sister Sections 80 CCA and 80CCB should be fully restored or alternatively the minimum tax exemption limit should be further enhanced by an amount equal to Rs. 13,000 that is from Rs. 28,000 as at present conceded to Rs. 41,000 plus.

The hon. finance Minister has been most kind in taking note of the financial difficulties encountered by persons in old age and as a token of his regard for senior citizens, proposals to give a tax rebate of ten per cent on the net tax payable by persons who have completed 65 years of age and whose gross total income is below Rs. 50,000. On analysis, this seeming generous gesture would result in a meagre tax rebate of Rs. 300-400 only in optimum cases, apart from making a invidious distinction between old age pensioner. I would humbly suggest that this ten per cent tax rebate should be made applicable to all senior citizens or alternatively the minimum taxable limit in the case of this class of citizens should be raised to Rs. 50,000.

I have one more point to raise before I conclude and that is regarding the summary withdrawal of Section 54E. Under this Section, long term capital gains are exempt from tax if the entire amount that is the principal amount plus the capital gains are deposited within six months in the Industrial Development Bank Bonds for a period of three years at a nominal interest rate of nine per cent.

This ill conceived proposal to withdraw this section will, to my mind, deprive the middle income tax-payer of safe haven for his life savings, especially at the fag end of his service. I would, therefor, humbly request that the withdrawal of this important and beneficial section to be rescinded.

A final word about the proposed tax exemptions in respect of wealth tax. The raising of the minimum taxable limit from Rs. 5 lakhs to Rs. 15 lakhs is laudable and very rationale. The euphoria of unlimited tax exemption in respect of those fortunate ones who have large holdings in shares, I am sure, is beyond their wildest dreams and the cause of despair to our Indian stock exchanges.

I would earnestly request the hon. Finance Minister to give serious thought to the few observations and suggestions I have submitted. If I may quote a popular saying:

"The rich get richer and no one can do anything about it. The poor have the sympathies of everyone. But the unfortunate middle income group cannot become richer, nor have they anyone's sympathy. But they get more and more compressed under unbearable tax burdens."

I once again reiterate my whole hearted support to the Budget for 1992-93 as presented by the hon. Finance Minister on 29th February 1992.

Thank you.

SHRI RUPCHAND PAL (Hooghly): Mr. Deputy Speaker Sir, there is a competition

between the BJP and the Congress—I now-a-days about the new economic policy, the new industrial policy, as also the new budget proposals. The BJP claims that the Congress- I is implementing their manifesto and the Congress-I is saying that it is their own manifesto; only the BJP is approving and supporting it. Otherwise how can we explain that immediately after the budget proposals were announced, the Finance Minister was embarrassed by an eminent leader of BJP?

But both the parties are speaking in two voices. On the one hand some of the BJP people are advocating Swadeshi. They have prepared a list of items — the tooth paste, the soap and other items which are to be used by the people; and not the multi-national products. Then again there are other leaders who are full of priase, congratulating the Finance Minister for the Budget he has presented. The Members of the Congress-I also are speaking in two voices as they have been doing since independence.

I am giving you two-three examples. Other speakers will speak about them on behalf of our party. Shri Arjun Singh was the leader of this House till the other day. He has been saying just about a week back that by the turn of the century, there will be no illiteracy in a country like India and that there will be hundred per cent literates; and Shri Manmohan Singh has said that if we have to make any cut at all, his first casualty would be elementary education. Mr. Fotedar, the health Minister was making a speech the other day saying that by the turn of the century, 2000 A.D., there will be a provision four health for all; and Shri Manmohan Singh proposes that if there will be any cut, it will be, in real terms, on health and that these are the sectors which will have to pay the cost of adjustment — adjustment with human peace. The poor people will have to bear the burden. We are not against reforms. But, reforms for whom? To what end? For what purpose?

Sir, the irony of the situation is that the

same people who have been advocating the Congress (I) brand of socialism - the present Deputy Chairman in his book, "Beyond Survival", has been describing it as a "Third World Socialisms" almost the same groups of bureaucrats, the same Shri Manmohan Singh, the same Narasimhan, either as Reserve Bank Governor or as Finance Securer or as the Deputy Chairman, speaking just the opposite things.

Sir, late lamented Rajive Gandhi in his youthful exuberance, enthusiasm to "fly" the country - this poor country - to the 21st century as early as possible, has been recklessly borrowing. The intention of the Government has been drawn to this limit. If you go on borrowing in such a manner, the country is bound to go bankrupt. The BJP crisis is not anything new. It was there. (*Interruptions*)

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): The hon. Member is saying that he was recklessly borrowing. It has been done in accordance with the needs of the hour and you know that the Seventh Plan growth rate was the highest, 5.6 per cent. Therefore, for a developing economy, borrowing and equalising it for the development is not a crime. There were instances. We understand the difficulties; but saying this way is not befitting. (*Interruptions*)

SHRI RUPCHAND PAL: Thank you, Sir. I hope by analysing the borrowing in the first Five Year Plan and the BJP crisis at different periods — from the 1950s to the middle 1960s, from the middle 1960s to the late 1970s, from the 1970s later on - you will find that it was during the days of Mrs. Indira Gandhi and later on primarily during the days of Rajiv Gandhi that the country has been thrown into this sort of a situation.

Sir, the other day there was a figure given by the same Minister who has objected to what I have said just now, in Rajya Sabha on 17th March. They are speaking in two voices. Mr. Manmohan Singh, the Finance Minister was saying the same day that there

was nothing wrong in the economy; we got into the difficulty because of the developments in the 1990 onwards. Then again, on the same day, another Finance Minister of State for Finance, had been saying at the end of 1981, our external indebtedness was Rs. 18,380 crores. We calculated this after the devaluation; and at the end of 1991, it was Rs. 1,42,000 crores and something. That means it is about seven to eight times more.

**SHRI MANORANJAN BHAKTA:** It was both internal and external.

**SHRI RUPCHAND PAL:** No. It was only external. If you analyse, year by year, how the money was borrowed and squandered like anything in his zeal to take the country to the 21st century, you will find this.

Sir, they are speaking about IMF and World Bank loan. Now, what is the difficulty or what is wrong? Thirty two countries have taken loans from the IMF and the World Bank and only after 1981 came the structural adjustment provision and others. The World Bank laid the foundation for different provisions for various loans. There are project wise loans which are available to West Bengal for certain projects. Then there are World Bank loan taken by the Government of India and 65 per cent of it is being kept for business purpose to be paid with higher interest and making business and 35 per cent is given to the States and others. We are not against taking loan or our own money. But we are against the conditionalities. This feature has come from 1981 onwards. This was not so earlier. Sir, Members were speaking about Mexico, Peru and Brazil and most of the other countries. I would like to read a portion of what Dr. Manmohan Singh, the present Finance Minister has said in the south-South Commission when he was the Secretary-General. This was not may say but what he had said in 1989 Annual Conference on Development Economics, a gala organised by the World Bank.

"The developing world is now being called upon to accept development and

structural adjustment model in which the States role is drastically reduced... This view is clearly one sided. It also overlooks the highly interventionist role of the State in the highly interventionist role of the State in the most successful economies of East Asia."

This was not my view. In 1989-90, at so many places, so many leaders were speaking somethings and now, suddenly, in 1992, they are speaking in a different voice.

Sir, coming to the Budget directly, it is an anti-poor and pro-rich Budget. The poor will have to bear the burden. The whole cost of adjustment will have to be borne by the poorer sections of the people, the people, the agricultural workers. For example, in rural development, the money which was provided in 1991-92 Budget has been drastically cut down by Rs. 500 crores in the revised estimate and they say that India lives in the Villages... (Interruptions)... No it is hypocrisy saying that the national Renewal fund will provide that amount. Sir, they have been claiming that the National renewal Fund will be providing that Rs. 500 Crores for Jawahar Rozgar Yojana. Will a man losing his job in a public sector underrating who is a skilled labourer or an engineer to the rural areas for the Jawahar Rozgar Yojana?

**SHRI RAMEHWAR THAKUR:** Who has lost his job?

**SHRI RUPCHAND PAL:** The Minister can give an assurance that no one will lose his job. Sir, they are speaking with two voices. At one point of time, they were saying something and at a different point of time, they are speaking totally different. Sir, so many case studies have come from the Latin American model regarding IMF and other loans. Only other day the Finance Minister was replying to Atal Bihari Vajpayeeji when Atal ji said that the IMF people have taken over our finance Ministry and that they are doing great harm to our country. Then the Finance Minister said that they are also patriots. Sir, I have got a copy of resignations letter of a very eminent economist who

had been working in the IMF for 12 long years. His name is Davison L. Budhoo. He had written to the Managing Director of the IMF in which he had said that IMF was a honey pot. And how much the IMF staff are getting as salary Sir?

He himself was saying that he was paid salary of \$1, 43, 000. And this is only salary minus perks. I also want to know how much salary is paid to the Head of the State of a third world country. Most of these people who joined the Ministry have got one of their feet here and the other in the IMF and the world Bank. They do not care for what is going to happen to their country. This is the resignation letter of an economist who protested against the IMF policies. IMF people have manipulated the statistics of the third world countries like Trinidad and Tobago. They have misguided the countries and put them in disaster. About a developing country like ours, it is said that we do not have any development theory. I may just read one line from the letter of resignation:

"The theme of the Fund turning post war development economics on its head is tackled in a more comprehensive and systematic way. The issue hinges around the Fund's attempt to replace all development theory from Arthur Lewis to A Sen with 'Reagonomics' and Chicago School 'monitorism'. All current development theory recognises that provision for and administration of people's economic entitlements' is an important purpose of economic management, even in the poorest countries of the south and the ultimate rationale of Government."

But what do you find? In the name of 'structural adjustments', all development theories relevant for such countries are thrown to the wind deliberately and blatantly. I am not saying this. One of the greatest economists, a student of the London School of Economics, a person held in high esteem

throughout many countries the third world, has said these words and this is his resignation letter. And every word of this great economist about the experience of the third world countries has come true. Countries which were exporting food earlier, have now become dependent on other countries for food. This is the way we are going.

Now I come to devaluation. Has devaluation helped us in our exports? What is our country's experience in the last few months? In April 1991 just two months before we have gone in for devaluation, it was Rs. 149 crore. In May, Rs. 129 core and in June 122 crores. So, the figure is coming down. Except against dollars. Our currency vis-a-vis Japanese yen, German deutschmark and all others currencies is steadily declining except for a few days with regard to two to three currencies.

SHRI RAMESHWAR THAKUR: But it has gone up in the overall.

SHRI RUPCHAND PAL: The other day, your adviser, the Chairman of the Economic Council, Shri Bimal Jalan was saying that all these borrowings without a better export performance will lead us nowhere. What is going to be our export performance? What do the exporters say after the partial convertibility? Some letters received by the Finance Ministry have come out. What do they say? The other day, the hon. Finance Minister was saying that the States are going to be benefited and the special increase in excise is not going to cause price rise. Is that so? This Budget has not dealt with either the immediate problem like recession/inflation or the basic problems of price rise and unemployment.

SHRI RANGARAJAN KUMARAMAN-GALAM: Budget deficit has no connotation with inflation.

SHRI RUPCHAND PAL: It is simply window dressing and paper adjustment. We find that in January you have taken some Rs. 14,000 crores from RBI and after one month Rs. 5000 have been dwindled away.

Small savings funds have been privatised and people are pushed towards the equity culture; they are being asked to go to the share market. But what is happening in share market? An expert can say that there is recession but at the same time the price rising. Is this artificial rise in price is going to be a permanent feature? In days to come the speculators will determine the price, determine the fate of the country.

After this import liberalisation, and after this cut in import duty the industry is going to suffer in a big way. What has happened to Mexico; what has happened to Peru? There are economists who are studying the impact of IMF and World Bank on the third world countries. Can you cite any one country which has contracted loan from IMF or World Bank and has benefited? Not a single country has benefit.

The other day hon Minister was saying that foreign bank are very efficient. For your kind information, I may tell you that the nationalised banks started with Rs 5000 crores of money and now it has Rs. 2,20,000 crores of money. It started with 4000 branches and now there are 60,000 branches. It plays a very important role in serving the priority sector. Can you assure on the floor of the House that when these foreign banks will come to operate in a big way will they abide by certain directives regarding priority obligation? I do not think so. Our national banks have been fulfilling the social obligation and now when there is so much of their growth, you talk about efficiency. What is the report of Reserve bank? There was utter mismanagement. For twenty years in most of the public sector undertakings not a single meeting of the board was held. You were sending your own most inefficient man to represent in these Boards. In spite of knowing that he is corrupt and inefficient for political consideration you were sending him. You were running loan *melas*.

SHRI MANORANJAN BHAKTA: Loan *mela* is for the poor people.

SHRI RUPCHAND PAL: You may say it

right now as to what were you doing to make it efficient.

Sir, I would like to ask on simple question. They are speaking about liberalisation and about democracy. Can they assure on the floor of the house that the secrecy clause of the Indian banking industry will go tomorrow? I can cite examples. In one single year Tatas and Birlas had taken a loan of Rs. 100 crores and it was written off. May I know, why? is it because they became poor?

Now, how many people are paying the income tax? I think about 7 million people are paying the income tax and by one stroke of pen you have exempted about 8 lakhs of people from income tax in a country of more than 85 crors of public. About 75 per cent of the population of our country lives in rural areas. In the rural areas there are people with the agricultural income, there is mercantile capital. Have they got the guts to touch this agricultural income? Do you think that there will tax complain? Yesterday, it was said only Rs. 160 crores were due from Tatas? And out of that, Rs. 125 crores were from Income Tax only. Have Tatas become very poor? Have they gone below the poverty line?

Shri Manmohan Singh had made a speech, I think before the Economic journals. Had said that: "We have started a second freedom struggle." What was the outcome of the second freedom struggle? All the asses of Tatas and Birlas kept in shares are exempt from all sorts of Wealth Tax. It had been drastically bought down why, that in tom 2 percent to 1 percent.

When our President was the Finance Minister, he introduced a system call the Bearer Bonds. Now, this is for the fourth time that you are saying Disclose your unaccounted money this is your last chance which you will get." Have you taken any measures regarding their? Are you going to take any measures against the people who have not responded to the last call? Can you tough them? The alternative which the Leftists and the Communist Parties have been suggest-

ing since the Second five Year Plan and now also is this. Have you got the guts to touch blackmoney? A parallel economy is running. Again and again you are saying that. "Please deposit something in the National Housing bank " Again and again you are saying, with folded hands, "Please deposit something." You cannot touch the blackmoney., without touching the blackmoney, you will be inviting the multi nationals to loot our country, And, now you are saying that you are starting a second freedom struggle. Can you imagine thier? What audacity the Finance Minister has, to say this?

Sir, we are speaking about terrorists. We are also speaking that our unity and integrity are at stake.

Today, in the morning we were discussing about the can given by the BJP. They have given call for Nehruvian model of secularism. Today, our nations unity and integrity are in great danger. We are facing another danger a silent coup has already taken place. The agents of IMF and the World Bank have taken over the vital sectors of our economy. They do not want us to prosper. They do not want us to be self reliant. You read the stories of IMF and the World Bank and also about the loans that they have given to the Third world countries. As, the Secretary General of South - South Commission, our great Mr. Manmohan Singh was speaking about the alternatives. There are alternatives.

What has been done in the name of bringing down the fiscal deficits is nothing but some book adjustment? For some short-term benefit they have put our economic grow into jeopardy. Cuts have been made in advertisements in capital expenditure. It is anti-growth. By the cuts in investment, by the cuts in central plan expenditure. You are

taking measures which will seriously affect our economy. This Budget is pro-rich and anti-poor; and the country's economic sovereignty has been compromised by your new policis and measures.

Agents with no love for this country are taking step which will cause great harm not only to our economic sovereignty but endanger our political sovereignty also. The joint military excercises, the joint naval excercises with us are some of the manifestation of the danger ahead.

They are speaking about South Korean model. The South Korean model and democracy cannot go together. so, with economic programmes; they are thinking terms of re-reintroducing ESMA. Our political rights and democracy will b also in danger.

With these words, I oppose this Budget lock, stock and barrel.

SHRI A CHARLES (Trivandrum): I rise to support the Budget for 1992-93 presented in this august House on the 29th February, 1992, by the hon. Finance Minister, Manmohan Singh.

The day after the Budget was presented, there was a cartoon in one of the leading dailies. A big boss in the morning after taking tea was looking through a magnifying glass at a document. His wife came and asked him, "What are you looking at ? Are you trying to find out some loopholes in the income tax rules?" He said, " I am trying to find out some loopholes to oppose the Budget." All the exercise which the hon. Memnbers on the other side have been trying to do is exactly the same thing.

Various shades of opinions were expressed through the media. (1) it is not a Budgt for the greedy paid for by the needy. Another observation is that confidence of the foreign investors has increased. Liberalisa-



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*Gen. Discussion; Demands for*  
*Grants on Account (Geh.), 1992-93* *for Grants (Gen.), 1991-92*

tion was essential for economic growth, especially when the world is becoming one global economy.

stands adjourned to meet tomorrow, 24th March, 1992, at 11 A.M.

**20.00 hrs.**

MR. DEPUTY - SPEAKER: You stop here. You can continue tomorrow. The House

*The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, March 24, 1992/ Chaitra 4, 1914 (Saka)*