

it. I do not know. That is the information given by Parliamentary Affairs Minister that the matter should be taken up for discussion after the Home Minister comes and makes a statement. This is what was conveyed to me by my parliamentary Affairs Minister. I have not come here to make a *suo motu* statement. I have never said that the hon. Leader of the Opposition is mixing politics in this very sad tragedy. I have never said it. I have placed on the floor of the House only whatever information that I have.

MR. SPEAKER : It is correct.

(Interruptions)

SHRI H.D. DEVE GOWDA : I am prepared to have a discussion...(Interruptions). I am agreeable for a discussion...(Interruptions). You say whatever you want to say...(Interruptions)

MR. SPEAKER : Please do not disturb. You must have patience to listen to the Prime Minister.

SHRI H.D. DEVE GOWDA : I have no hesitation for that. If any further information is available, after the Home Minister comes, it will also be supplied to the House...(Interruptions).

[Translation]

SHRI VIJAY GOEL (Sadar-Delhi) : ...(Interruptions)
What arrangement is being made regarding the training which are reaching Delhi.

[English]

MR. SPEAKER : Whatever information the Prime Minister had with him he has placed it before the House.

(Interruptions)

MR. SPEAKER : When I am speaking you cannot interrupt. We will wait for the arrival of the Home Minister and after the Home Minister has made the statement, then we will decide about it.

We will now resume the discussion on the General Budget. Shri Virendra Kumar Singh can continue his speech.

17.24 hrs.

GENERAL BUDGET 1996-97-GENERAL DISCUSSION - CONTD.

[Translation]

SHRI VIRENDRA KUMAR SINGH : Mr. Speaker, Sir, I was making speaking on the Budget. This budget reflects the social justice and commercial harmony.

17.25 hrs.

(Mr. Deputy Speaker in the Chair)

I donot want to go through the figures but would like to give a suggestion. More than half and nearly 50 per cent people of the country are still 11' illeterate. There are only 38.5 percent educated persons in Bihar. There is need to make people literate and educated. For this purpose, primary and middle schools should be opened in all the villages. Unless the people are educated they will not be able to understand the objective of the budget which should have been gone through by the 90 percent of the people in villages. It is necessary to educate them so that they get all the information. To achieve this aim, schools should be opened everywhere.

Saving should also be encouraged. There should be provision in the Budget to give incentive to saving. When saving is more, investment will be more and thus more employment opportunities will be generated and there will be progress in the country. So I would like to draw the attention of hon. Minister towards it. I thank him for presenting such a budget for 90 percent poor and the farmers.

[English]

SHRI NIRMAL KANTI CHATTERJEE (Dumdum) : Mr. Deputy Speaker, Sir, I must begin with a confession that on this occasion there are so many things in the Budget which are strikingly new. The speaker from the main Opposition Benches, Dr. Murli Manohar Joshi lacked the flamboyance of the speaker who used to initiate the Budget discussion from that side.

It was also a surprise for me. I have profited from my predecessors speaking here, to hear our ex-Speaker as the initial spokesman from the Congress benches.

Sir, it is also in a way a unique situation under which we are having this discussion on the Budget. It is a Budget of a coalition called the United Front. The United Front has succeeded in generating a common approach and on the basis of that common approach, a Common Minimum Programme has been formulated.

I think, it is pertinent to mention at this initial stage that by definition, almost a Minimum Programme provides a minimum only in the sense that that provides the necessary conditions without necessarily being a sufficient one. For that, perhaps one has to look at the common approach and perhaps also to go beyond that common approach for the simple reason that it is a common approach of 13 political parties. I will have the occasion to comment on this later.

But let me begin with the common approach. Sir, the uniqueness should come from what has been stated

in the concluding part of this common approach. Let me quote. It says : "The ethos of our humanist tradition and the aspirations of the Independence struggle inspire the United Front Government to carry out the above Programme". This is a point worth analysing. What was the aspiration of the Independence movement? Simply put, to begin with, it was freedom. We wanted freedom and Independence to decide our own destiny and not being governed by anybody from outside. After we achieved our freedom and Independence, we wanted to have a kind of society for ourselves which is partly embodied in the Directive Principles of the Constitution and in other parts of the Constitution. It can be summed up in this that there will be growth, there will be reduction in inequality of wealth and income, there will be employment to all deserving persons, there will be compulsory and free primary education for all below the age of 14 years and there will be provision for health for all irrespective of whether he is below the poverty line or above it.

Sir, what was the result of the inspiration? These were the aspirations for which there had to be inspiration. The content of that inspiration - all those who participated in the freedom movement know primarily was sacrifice and then came courage and boldness which found reference in our ex-Speaker's speech also. It was sacrifice, it was courage, it was boldness which helped in chalking out a new path and it characterised the inspiration for that Independence.

Sir, that is why, this has been mentioned in the United Front's common approach. Something else has also been mentioned in this common approach. In characterising this Government, it has been mentioned that this United Front Government would not be a Government of one set of rulers or another. It seems, one section of the supporters do not like this kind of a statement. It will mark the beginning of an alternative model of governance based on, as our ex-Speaker suggested, federalism, decentralisation, economic and political reforms, respect for freedom, openness and transparency. If the Budget has to be tested, it has to be tested in this context. Following from this, what we have to try to see from the Budget is how they have responded to the given situation. I will come to some of the other aspects of the common approach later. But before that, let us try to find out what we are responding to.

Sir, in the updated version of the Economic Survey, it has been mentioned - perhaps, correctly, although that particular figure is questioned - that we are on a high growth rate. Some say, it is seven per cent; some say, it is around 6.5 per cent. All the same, it is a high point in our growth. Now, is that all that the Economic

Survey says? It will almost appear, reading the Economic Survey, that we are out of the woods, and we are out of the crisis. I submit, Sir, that that is not so. Let us look at this. The growth rate really picked up in the last three years, but not before that. Let us remember that this growth rate first picked up during the 80s. After having a growth rate of 3.5 per cent till the 80s, we jumped into the new growth rate in the 80s. We all know that 1990-91 brought us into a situation when we did not have money to pay for our imports and we had to deposit our gold stocks in the Bank of England. There was a high growth rate preceding that. The 3.5 per cent growth rate up to 1970 or up to the beginning of 80s, was overtaken by the growth rate of 5.5 per cent on an average. That was the break and the conclusion was not that easy to digest. It began with a bang and concluded in 1991 with what we all know.

Sir, it is true that during the last three years, the exports as a percentage of imports have increased. To what extent is that true? It is true for two years, when this growth was not taking place. It is not true for the subsequent three years, when this high growth rate was being achieved.

The percentage of exports when compared to imports is coming down in the course of the last three years. That causes us to worry. It was once again this scene which characterised the end of the 1980s. Therefore, we should beware of it...*(Interruptions)*

The situation even in terms of the updated Economic Survey is also worrying us in respect of another factor. It is true that the indebtedness has increased, though it is maintained that the indebtedness, as a percentage of the GDP, is coming down. Another worrying feature in terms of the previous policies which have resulted into this is that our outflow in terms of dividend - and not merely interest and debt repayment - is crossing the \$ one billion mark in the economy. While the Foreign Direct Investment is of the level of some \$ two plus billion through FII and other ways, the outflow in terms of dividends is crossing the \$ one billion mark. I want to be proved wrong. I will be happy if the hon. Finance Minister proves me wrong. That burden is increasing and that burden is reminding us of one thing. In the concluding paragraph, it has been mentioned that we were fighting for certain things during our Independence struggle. It is not only indebtedness but it is this also. They came as traders. After being forced to leave the country for so many international and national reasons, they instituted the organisations so that even if the colonies are lost, imperialist exploitation does not cease. Imperialism now is not a word which is mentioned in the civilized societies, where Parliamentary practice is there. But it is the imperialist exploitation against which our entire Independence struggle was focussed. That was the meaning of our Independence struggle. Yet, at

the end, when this new set of leaders are here to lead the country, we find ourselves not only in debt but also in the same flowing out of our income, our output in the form of dividends. I am trying to find out from the update to which the Budget should give a response. It is claimed that this growth rate is not propelled, at least, last year, by any agricultural upsurge but it is by industry.

We have talked about transparency. I would have pleased that there is more transparency than there is in the Budget by trying to focus on all aspects of industrial growth also. This growth in the GDP is characterised by a particular pattern of industrial growth. Even then, this industrial growth is supposed to be propelled by growth in capital goods. We were meeting the officials of the Finance Ministry the other day. We discovered that the capital goods inflow would surprise the House. For example, take the motor car industry. The fastest sector in the industry which grew is the durable consumer goods.

In this particular case, this does not include motor cars but refrigerators, washing machines, ovens and other things. We are worried that the policy pursued in the course of last five years - with a break in 1991 - and which was also pursued, to some extent, during the eighties, we are having a pattern of industrial growth. Once again, that will lead to a disaster and in any case not to the benefit of the people. We are provided with all kinds of reasons as to how our foreign debt is coming down as a percentage of GDP. This transparency requires that we also mention that our foreign exchange reserves in the course of last three years has come down as a percentage of our GDP, that our foreign exchange reserves has come down as a percentage of our import requirement. Transparency requires that these aspects also should be mentioned. We have pursued a policy of encouraging exports without trying to control imports.

Very recently, people close to the Government have suggested that we must have a second look at our import policy. If I remember aright, when our present Finance Minister was our Commerce Minister, he also once suggested that perhaps the imports need to be controlled. That is the kind of situation. This should not have come from the new set of rulers. We have to have a change; we have to take a look which is bold and which is a break from the past. Look at the situation of prices which continue in the Budget. I was shocked. We have repeatedly in the course of last five years demanded that let the price situation be indicated not in terms of wholesale price index which is a meaningless statement, but in terms of the consumption needs, consumption expenditure of the people, the working class consumer price index, the agricultural labourer consumer price index and so on. And for this economy,

it is not the wholesale price index but the national GDP which is better. This is the practice in our country, perhaps we are a little more civilised than they are. And, therefore, we are speaking and claiming that prices have come down. I will come to this also. Not only that, I am just describing where we have come to about a policy in the course of last five years and we have begun to tackle these problems.

The employment in public sector and organised sector is declining. In the last three years, the rate of growth of employment is coming down in the public sector as well as in the organised sector. I have got the figures. But I will not take the time of the House in dealing with those figures. If anybody questions me, I will immediately come with the figures. The situation of employment is this. The situation of consumer price indices are at this level and then of the people living below the poverty line. I think, Dr. Joshi made a mention of it. There are all kinds of estimates. In any case, there is no disagreement on one particular point in estimating population living below the poverty line.

Forget about their absolute percentage. The point is, in the course of the last three years out of the last five years, the percentage of people living below the poverty line is showing an increase in absolute numbers. This has not been denied even by the experts of the Planning Commission. If we take all the five years together, the whole picture would change. I would not get into that. But since the Economic Review update emphasizes the high growth rate of the last three years, therefore, we have to see, what was happening in the course of the last three years.

It is mentioned that the percentage in terms of Gross Tax Revenue is growing. It has not yet achieved the rate that was there in 1991. It is claimed that the direct taxes bear a higher proportion. It is because the collections from customs duties have come down. Relatively, the collections from excise duties have also come down.

Now, I will come to the response in the Budget to a situation which is characterized in this way in the course of last five years. We were having a discussion with the officials. We asked them, what was the target for this expenditure? The answer was astounding. For the first two or three years, it was considered to be a plan expenditure. For the next two or three years, there was no target because that was considered to be a non-plan expenditure. Even in an arbitrary manner, we divide our expenditure as plan and non-plan.

Today I saw the hon. Home Minister making a reference on a paper, not from his mouth because he was in Kashmir, about the Inter-State Council. It is not mentioned even in their Approach Paper. But it is a logical deduction from the approach. Why is it so?

I entirely agree with hon. Shri Shivraj V. Patil that the planning was given a go-bye in the course of the last five years, in the name of indicative planning. And, therefore, perspectives were being lost. When they were at all trying to do something in the form of a Mid-Term Appraisal, there was no difficulty in suppressing that from the House. So, a requirement for the economy as a whole, for reasons of federalism as well as for going ahead on the plane of economy and society is, why should not the Planning Commission be completely an independent organization, not under the Centre but under a Statute? Why should not the States - who were together previously, having 50 per cent of the Plan expenditure which was gradually coming down - have the same kind of say in formulating a plan? In order to do that, one should have independence of the Planning Commission guaranteed through a Statute functioning under either the National Development Council or the Inter-State Council. That should be done.

So, I fully support his suggestion. We had made that suggestion elsewhere also that if the Approach Paper is prepared, that Paper should come to the Parliament for our discussion. But why leave it? Is the plan not for the entire country including the States?

Why should it not be placed before the State Legislatures as well for discussion and then pooled together for drafting a plan satisfying all our points of view or may be each point of view? I expect it because we are as inspired as we were during the independence struggle.

This is the context in which as a response I look at the Budget. The approach also contains several other things. While hearing the previous speakers I was wondering because it was almost a discussion as we had on the Railway Budget. Throughout the night we had the discussion and a record was made here when we broke finally at 7 a.m. the next morning. But what was the discussion about? It was a discussion that there should be a railway line along one's constituency; it was with everybody that there should be double-tracking, electrification, etc. That is the kind of discussion that we had on the Railway Budget. Dr. Joshi and even the very respected Patilji also went along that kind of a track. Please tell me what is the priority sector. Which one is not a priority sector in the economy today? Is primary education less important than education and research at the top-most level? Is health less important than education? Is shelter less important; is power less important; is Defence less important and what have you? Almost every aspect of our life has become an aspect of priority significance. That is what the crisis in the economy indicates. It is this which indicates that we are in a crisis. It is useless to counterpoise one against the other. It is useless to say that you have given here, but not there; you have increased the proportion here,

but not there; you have increased some amount here, but not there. That is not a criticism which is valid under the present circumstances. Why is it so? It is because the kitty is one lumpsum. Every single need through these fifty years of our independence has become so pressing that everyone claims priority to it. To that the Budget has to respond.

What can the Budget do? It can change the given quantity; it can change the relative proportion. If you increase one proportion, how can you not decrease another proportion? This is the logical statement. To the credit of our Finance Minister it should be said that for the first time in the course of the last fifty years education has got more than two per cent. We want to have six per cent; but, for the first time it has crossed two per cent. Giving food to the children who come to primary school is non-educational!

I am surprised that Dr. Joshi who was an educationist - at least till he became the leader of his party which ruined his educational accomplishments! could not understand that. We know that all our boys below 14 years of age do not come to schools.

18.00 hrs.

We know that the percentage of drop-outs is more than 60 per cent at Class IV stage. Providing food is not part of education! I am surprised by that statement. If by providing food, we can guarantee their presence, nothing more need be done for giving education at that stage.

I congratulate the hon. Minister of Finance as the Budget has been able to provide more than two per cent for education. Now, had he given more for research and development and for other higher levels of education, nobody would have been happy, except somebody who is connected with research and development, as Shri Patil at one time was, or Dr. Joshi perhaps also was. The problem is not there. I will come to the subject of proportions a little later. The central problem which has been missed by the Budget ...*(Interruptions)*

MR. DEPUTY-SPEAKER : Shri Chatterjee, one minute. I am given to understand that it was decided in the meeting this morning that the House would continue till seven o'clock.

(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE : This is not part of my understanding. I would like to open the discussion tomorrow as the opening batsman.

SHRI JASWANT SINGH (Chittorgarh) : Sir, the decision was that the House would sit late only after the 29th. ...*(Interruptions)* I am simply performing the function of informing the House. The decision was not

to sit till seven o'clock from today. The decision was, considering the Government's...(Interruptions)

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI S.R. BALASUBRAMONIYAN) : Sir, after the 29th, the House would sit upto Seven o'clock. This was the decision taken first. Subsequently, there was a suggestion to sit late from today itself. But now, if he wants to continue tomorrow, we can have it tomorrow.

MR. DEPUTY-SPEAKER : Yes, Shri Chatterjee, you can continue tomorrow.

The House stands adjourned to meet at 11 a.m. tomorrow, the 27th August, 1996.

18.02 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, August 27, 1996/Bhadra 5, 1918 (Saka).
