

all of them can be accommodated. We can sit up to ten o'clock. It is not that everybody should speak ...(*Interruptions*)

SHRI E. AHAMED (Manjeri) : It is more applicable to the major parties.

SHRI SONTOSH MOHAN DEV : Sir, I have got a request to make. I request that Shrimati Krishna Bose may be called to speak first because her husband is not well and she has to catch a flight ...(*Interruptions*)

MR. SPEAKER : That is all the more valid reason for her to speak as briefly as possible.

18.49 hrs.

THE GENERAL BUDGET, 1996-97

[*English*]

SHRIMATI KRISHNA BOSE (Jadavpur) : Mr. Speaker, Sir, we have been in mihd tuned with the issue relating to the unfortunate pilgrims of Amarnath for the last four hours that I find it very difficult to come back to the cold statistics and economics, but I shall try my best. I also know about the constraint of time. So, I shall be very brief also.

Mr. Speaker, Sir, I have listened to the Budget speech made by our Minister of Finance, Shri Chidambaram with great interest

18.50 hrs.

[SHRI P.M. SAYEED *in the Chair*]

While listening to his speech and to the variety of poetry in multiple languages that he delivered in his Budget speech. I was reminded of the rather sober lines of our Bengali poet. Shukanto:

"Kabita tomaya Dilum Ajke Chhuti,
Khudha Rajye Prithvi Godaya moy
Purnima Chand Jeno Jhalsano Reeti."

When translated it would be like this : 'Poetry, today I give you leave to go. The rule of hunger has turned the world into prose where the full Moon appears to be a warm piece of bread'. Well, indeed, when we turn to the cold prose of the Finance Minister's speech, shorn of all its poetic flourishes what do we find?

I confess that I am somewhat disappointed. I find that the Government has fallen short of what it might have achieved. Many people are happy and some people are not so happy that this year's Government's Budget has kept to the road to the economic reforms which was started by the last Congress Government

Now, with the pragmatic record of our Prime Minister in Karnataka and the record of Shri Chidambaram as a very progressive Minister in the previous Ministry, did we really export anything else? It is true that the reversal of that policy would have meant that India could not have taken its place into the front rank of the growing economies in the foreseeable future. However, we are not surprised that they have kept to the road that was shown by the previous Congress Government. To be brief, I shall not go into the details of the budget and I shall not take up itemwise as some hon. Members did.

I shall keep myself to the two major planks of the Budget. As we all know, the two major planks of the Budget are Revenue side and the Expenditure side. Now, the Finance Minister spoke in ringing tones about more reforms, more compassion, more revenue and more courage. I do not remember the many other 'more' that he spoke. Now, it does take a lot of political courage to take more revenue from the rich and to give more compassion to the poor and to the under privileged. Well, as we all know, our tax base itself is very narrow which means that very few people are in the category of tax payers. Now, if we want to raise the revenue, we cannot go on burdening the same people again and again. So, we must find a way to widen our tax base. How can we do that? Now, to my mind, our tax principles should be very fair and simple. Anybody who earns anything over the exemption line should be made to contribute to the national coffer, notwithstanding from where his income came. I find that there is one sphere which this Government and also the previous Government never touched.

I wonder why we do not tax or we do exempt from taxing the rural rich. I have wondered about it very much. Now, it is true that agriculture is the backbone of our country. It is also true that our present Prime Minister prides himself as a farmer Prime Minister. For the first time, we have a farmer as the Prime Minister.

But even so, I see no reason why the rural rich should not be taxed. That is a sphere where we could have tapped for more revenue.

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : Madam, it is very obvious. Tax on agricultural income is Entry 46 in List 2. The Central Government or the Parliament does not have the power to tax agricultural income.

SHRIMATI KRISHNA BOSE: Is it so? Do you not have the power at all to tax?

SHRI P. CHIDAMBARAM: No, No of the agricultural income.

SHRIMATI KRISHNA BOSE: Anyway, then at least one thing you can do — stop perhaps the given subsidies. I find that all the benefits of expenditure go to them, and so, they are all a very happy people. All the subsidies on fertiliser.

power, tiller, tractor, etc., are given to them. I do not have a grudge against them. I know that investment in agriculture is very important. But what you know and I know is that these subsidies get siphoned off somewhere else and do not reach the poor farmers. That is my point.

About the expenditure, I find that the Budget could have been more adequate in social sector, meaning, mostly education and health. Now, we all know that the previous Congress Government first tried to free the economy from the stifles of control which was there for many years. Now, they succeeded to some extent, but then come the more important phase, the phase where you must have an infrastructure where the crucial social sector needs to be invested in a massive manner. Otherwise, we cannot have economic progress. What is the point of having economic reform, if we do not have an educated and a healthy population? Most of the Asian countries who have registered good economic growth have an educated and a healthy population.

One point has been made by all my predecessors and so, I do not want to go into it. But I would like to mention in passing that a myth has been created as if this Government has done something for the poor, under-privileged in excess of what any other Government might have done. What we have seen and many of my predecessor-speakers have shown is that many of the allocations for schemes had already been done by Mr. Manmohan Singh in his Budget of February 1996. I would not like to go into it because many people have already spoken about it. But just to give one or two examples, I would say this. The Finance Minister claimed in his Budget speech that the plan allocation for the Department of Education has been increased substantially from Rs. 1825 crore to Rs. 3388 crore. But we find that Mr. Manmohan Singh had already increased the allocation to Rs. 3383 crore for education in his February Budget itself. As a matter of fact, in health, it has declined a little—it was Rs. 815 crore and now, it is Rs. 792 crore. I do not grudge a mere one crore of rupees here and there and I do not mind that. I am trying to make the point that if India wants economic progress, massive investment must be made in education and health and other crucial social sectors.

Our Finance Minister had declared that he wishes to take India to the frontline of the nations in the world. If he really wishes that, he has to match his cheerful promise with appropriate allocations. We compare ourselves with the Asian countries. I am not speaking about the East Asian tigers like Korea, Taiwan, Hong Kong, Singapore, etc. I am only comparing ourselves with our brothers or neighbours like Thailand and Malaysia. What do we find there? We find that they have progressed very much and we are lagging behind. The reason behind it is this that Malaysia and Thailand have invested a lot on education.

19.00 hrs.

The World Development Report of 1995 shows that Malaysia's *per capita* GNP is more than ten times that of

India and Thailand's more than seven times. Now out of 132 countries, Malaysia's rank by GNP *per capita* is 40th, Thailand's 55th and India's, a dismal 112th. What is the secret? Why are they going ahead and why are we lagging behind? The Human Development Indicators also show that out of 174 countries, Malaysia is 59th, Thailand is 58th and India—it is a sad story—a crushing 134th out of 174 countries.

All over in the world, we have seen that economic progress is linked with educational achievement. That is the point which I am trying to make. If you look at our literacy, you will see what I mean. Our adult literacy is very poor. We are behind even Sub-Saharan Africa. I will not go into the general thing. The condition of women literacy is even worse than that.

The Common Minimum Programme had promised universal education by 2000. It is a sad story. It is not the fault of only this Government. We have been promising universal education ever since we started after independence. We are pushing that date back. Now, we have come to 2000. I do not know how we are going to do that in the course of next four years or so.

The failure to spend public spending appropriately should be mended. That is the point I am trying to make. You know that in Development Report, 1995, we saw that India spent only 2.2 per cent of its total public expenditure on education. I know that it has gone up in this Budget. But most of it, as we all know, has come because of the Mid-Day Meal Project. It should be mentioned Half of it goes to primary education and half only to higher education. This has to be mended in some way. Thailand and Malaysia spend 20 per cent of their public expenditure on education.

It is bit of a paradox that we have a number of highly educated people. The result perhaps is of neglecting basic elementary education and looking to higher education more. But one of our very well known international economists, a Bengali gentleman, had said that even if India took over the entire world's computer software industry, the lives of the poor and illiterate masses would remain untouched. Well, that is a very sad thing to say.

I am coming to the end. Now India's economic policy failure was in two things. Before the Government intervened in spheres where it need not have intervened. And it did not do enough in spheres which it should have done much more. That is basically the fault. Now, the previous Congress Government did try to bring back a balance. They did it in the face of a crisis. I know it. I must congratulate Shri Manmohan Singh. He was very brave because he did it also in the face of hysterical opposition from many quarters, some of whom have already swallowed their word and are now supporting the United Front Budget.

This Government has inherited a better economy with seven per cent growth and all that. We had expected from

them some dramatic revolution something more—because our expectations were very high from them reading all the Common Minimum Programmes which they had given to us before. That is why I am somewhat disappointed.

Anyway, this has been the Finance Minister's maiden effort at Budget-making. I would like to conclude by wishing him well for the future. But I would urge him to show real courage by expanding the tax base if he can and also show true compassion to the people by investing in basic health and education.

There is one more point before I conclude and that is about Defence. I know that Defence is very important for us but I would ask the Finance Minister to be careful about the jingoistic postures about Defence which emanates from certain quarters now and then. I would like to remind him as to what is the best Defence of a country? The best Defence of a country is a healthy and educated population.

Mr. Chairman Sir, I have finished now. Thank you so much.

SHRI TIRUCHI SIVA (Pudukottai): Sir, I wish to recollect the moments of my presence in this august House on the 22nd July of this year when the Budget was presented. I must say that I felt as if I was in an Economics class in a university.

The Budget left no one uncared: It touched almost everyone—the agriculturists, the poor, the middle class, the income payers, the small, middle and large scale industry and everybody. There was an apprehension before the Budget was presented among many people and the interpretation due to that was that this Budget may not be of much use to the public and that it may not reach up to the mark. But the presentation of the Budget made almost everyone in the country to praise it. People who had that apprehension and who interpreted in that way told that too many cooks were preparing this Budget. But they failed to understand one thing. Only different flowers from different plants from different soils make one garland and that gives a beautiful sight. Likewise, various political parties of different ideologies in one single thread, that is, the secular mentality, made one garland which is adorning the shoulders of Mother India or what you people call *Bharat Mata*.

This Budget, as the Finance Minister has well said, is a historic document. The CMP laid the foundation and set the agenda for this Budget. The Opposition parties described it as VIBGYOR or rather a rainbow and that it is only an illusion of colours. But they refused to see it from another angle, that is, a candle in a dark room. They could have seen it in that manner. I could not understand why they have got that mentality. As the Communist manifesto issued by Marx and Engels is for the Communists and as the resolutions passed in the 1929 Self-Respect Conference in Chengalpattur is for the

Dravidian Movement, this historic document is going to be for the future generations. I am sure about it.

The Finance Minister has very clearly indicated at every step that growth without touching larger sections of people is meaningless. Jobless growth is useless. It is growth with social justice that he has emphasised. The other day, the learned Member, Dr. Murli Manohar Joshi initiated the discussion on the Budget. We respect him more. He is not present now. I expected him to be here. I expected that he will appreciate the Budget at least at one time or the other but he never intended to do so.

What appeared to me was this, and I wish to say it in their own language, Mahabharat. that is, Lord Krishna once asked Duriyodhan and Dharma to go round the city and to come back in the evening after having a detailed list of good and bad people. Both of them returned in the evening. Dharma said, "There is not even one bad person in the city except myself. Everyone is good I am bad because I went in search of bad people among the good ones." Duriyodhan said, "There is not a single good person in city except myself. It seems that I am the best persons." Lord Krishna said, "You both went to the same city and saw the same people but you are giving different opinions. Do you know why? Though you saw the same people, your views were different. Dharma searched for good and he saw only the good but Duriyodhan searched for bad and thus he saw only bad." So are these people looking only at the darker side of the Budget. They are not prepared to appreciate good things in it. What a strenuous job has this Finance Minister taken in the interest of this Government! And the interest of this Government is vested upon the poor and the middle class people.

Sir, I would like to make use of this opportunity to make a submission to the Finance Minister. He has mentioned about growth with social justice. He is from the State of Tamil Nadu. We have been insisting upon reservation for the Scheduled Castes, the Scheduled Tribes, the backward class and the most backward class communities. We have already made reservation of 69 per cent which the Supreme Court is often blocking showing the basic structure of the Constitution. I would like to say that uniformity could not be maintained in this way. In Nagaland and Manipur there are only tribals and there 50 per cent reservation for other communities is not useful. It is useless. The requirement varies from State to State. So, the Constitution should be amended in such a manner that this discretion could be given to the States. I think, this is the better time or the most apt time to bring in such a revolutionary and useful thing which the country needs.

Sir, I would like to say that we have identified and integrated ourselves with the global economy to make our economy open and competitive. We have never lost our identity though we are in association with GATT. We have allocated subsidies to the agriculturists for fertilisers and agricultural implements. So, whenever we are, we never forget where we are and who we are. Sir, I would like to make a very important point at this time. Bank loans are denied to the unemployed and to persons from the weaker sections of the soci-

ety, even after observing a lot of formalities; the Government sanctions the loan but the banks are refusing to give loans. Our Finance Minister in a public meeting at Chennai and after that in a private television has said that whenever persons are affected, they might immediately inform the Finance Minister and actions would be taken, I wish and expect the Finance Minister to give the same assurance in this august House which would have more value than it would have had on the screen of a private television or from a public stage.

Sir, the amount of public money which should have been spent for the public has not been spent so far due to many reasons. It is very well known that in Tamil Nadu ex-Ministers plundered money. Those money were converted into Bungalows, gardens, groves and things like that. The money was converted into jewels. They adopted a mysterious technique which nobody could understand. In Tamil Nadu such a technique adopted to swindle money is called the 'Jaya technique'!

Sir, the *Jeevan Suraksha* and the *Jeevan Arogya* are the two best schemes announced by our Finance Minister. These schemes were dedicated to the nation by our Prime Minister at Chennai. In that function, the Chief Minister of Tamil Nadu and our leader, Dr. Kalaignar insisted that the IDFC—the Infrastructural Development Financial Corporation, may be headquartered at Chennai since all the financial institutions are centered in and around Mumbai and Calcutta only. So also, when the private persons and individuals are allowed to run the banks, the States must be given some powers to run the banks. While responding to this request the hon. Prime Minister said that it was not in his hands, the Finance Minister has the power to do it. So, I would like to request the Finance Minister as the Bill is in his court and I expect that he, hailing from the State of Tamil Nadu, would put it right into the goal.

Sir, the very launching of the schemes of residential primary schools and old age home shows that how far you are interested about the affected people in our society—those who suffer and those who lack attention. I think, this must not have come from the mind alone of either you or the hon. Prime Minister, but it must have come from the bottom of your heart. Only those who could realise, understand and feel the sufferings of others alone could announce such schemes. But what I wish to say here in this regard is that the funds that have been allocated for this purpose is inadequate. You may kindly increase it.

SHRI P. CHIDAMBARAM: I have said that this is an initial allocation. After the Budget is passed and when the State Governments would take up the schemes, if more money is required, both for the old age homes and the residential primary schools, more money would be allocated. The Budget speech says 'initial' that is in order to kick-start the programme.

SHRI E. AHAMED (Manjeri): Sir, the State Governments does not have that much of money.

SHRI P. CHIDAMBARAM: Kindly read the Budget speech. I have said that it should be done through the State Governments or through the NGOs. When the NGOs or the State Governments come forward with applications, more money would be given to these two schemes. Let the Budget be passed and then we would announce the details of the schemes and then people will apply. I just wanted to show that we are committed to setting up old age homes and residential primary schools in every district of the country.

SHRI TIRUCHI SIVA: Thank you, Sir. Involvement of charitable institutions for contribution.

MR. CHAIRMAN: Please wind up.

SHRI TIRUCHI SIVA: Being a young Member of the House, I request you to have some soft corner for me.

The charitable institutions and temples which have got huge money can be encouraged and involved for such a thing. You have given relaxation in income tax. You have given an extra exemption of Rs. 3000 for women. But whomever I met outside—as always women are intenders and not contenders—has said that they want more. As always, we give say to their request. People outside the world say that women are expecting equal rights but actually they are enjoying more rights. In spite of that you have given Rs. 3000 more income tax relaxation to them. Still they say, it is insufficient. As everybody say, we have a generous mind towards women folk. I think it could be relaxed further, if at all it is possible.

The foremost thing which I wish to suggest is about the mushroom growth of non-banking financial institutions all over the State. You assured about it as you are also concerned about it. You have received many reports about that. In Tamil Nadu people are running from here to there after every financial institution, like Sneham and Darshna. Those people have fled. In fact the innocent employees are harassed for no reason. They announced tempting rewards to the people who subscribe to them and they have looted all the money. What I wish to suggest is, barring them is not enough. The Government should take effective steps to eradicate these unscrupulous people who are looting the hard earned money of the public. If situation and time permit, you can even bring a Bill to control and maintain these people within a sphere. I would say this is a better time rather an apt time.

The East Coast Road, which has been a long stretched, long felt need of the Tamil Nadu people, is much slow in progress. During your regime it could be expedited. You have also assured that the Tuticorin and Cochin Ports will be enhanced. What I wish to suggest is, Sir, the Tuticorin and Cochin Ports can be linked by road as it will earn us more revenue as also Tamil Nadu could come up in a big way. There is another long stressed project, Setu Canal Project.

"SINGALA THEEVINIRKKU ORU PAALAM AMAIPPOM
SETHUMAI MEEDURATHI VEEDHI AMAIPPOM"

The national poet Bharatiyar says:

You are not able to lay a road across Setu. At least you can deepen the canal.

All the ships go around Colombo and the revenue which goes there can be diverted to Tamil Nadu if Setu Canal Project is implemented. By this you can save fuel and time consumption, I am saying this because you are the Finance Minister now. You have announced, you are establishing in the world, that a strong foothold alone can give power to the hands which raze war. Your approach has shown that you do not want to be one among others. You want to be different. Just because I am wearing a costly dress, just saying that I am educated, does not mean that I am a matured or a civilized man. I must feed my mother. Many people think that we have developed scientifically, that we are advancing but they forget the basic needs of our people which you have realised, which this Government has realised. Your intention is that and you have announced it also. That is why I am saying, during your period when you are the Finance Minister, the existing political brain of the Dravidian Movement, our Industry Minister Mr. Murasoli Maron is here, the pioneer of social justice, the Railway Minister Mr. Paswan is here and the man who is having interest in the interest of the States is now the Prime Minister of our nation, it is the best occasion to bring forth to bring into effect what all we have dreamt in the past.

Regarding linking of rivers, the hon. Prime Minister has promised that he wishes to do it to save the country from floods and drought. If that is done, India could have a remarkable place in the world sphere.

The views I am expressing here are the feelings of a young man who walks on the platform along with other young people and who realise their problems. I have been expressing my views, my expectations and my dreams on the public platform. Now I have got this opportunity to present them in this august House where these things could be given a shape to. If these things are given a shape to our expectations of a better future, bring tomorrow, and the best India can be achieved at the earliest.

Whatever name you may call a rose with, it remains a rose. So, let people say whatever they wish to say, this Budget is going to bring real prosperity to the nation. I would like to say to the Finance Minister, what we often used to say.

POTRUVAR POTRATUM PUZHUDHIVAARI THOOTRUVAR
THOOTRATTUM ETRATHORU KARUTHAI ENATHULLAM
ENDRAL EDU-THURAIPPAEN; NILLAEN; EVAR VARINUM
ANJAEN

Whoever may praise, let them praise; whoever may abuse, let them abuse. If my conscience says that something is right, I will say that. Let anybody come, I will stand against him. I will not be afraid. I will go on my own path.

That is what I wish to say. Whenever you are on a noble cause, you will face some criticism. I have said in my speech on the Railway Budget that dreams do come true. Only those who have dreamt of things have brought things into reality. The freedom of this nation was once a dream in the mind of Gandhiji. To be the best democratic country in the world was the dream of Panditji for India once. To have a casteless society was once a dream in the mind of Periyar. We are heading towards a country where there is no unemployment where there is prosperity, and where the culture is at its best. I think and I hope that under this regime we will reach that goal. We the youngsters of the nation rely upon this Government, and we are sure that we are going to have a better future and this Budget will bring it.

[Translation]

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA (Bombay South) : Mr. Chairman, Sir, I would like to congratulate the hon'ble Finance Minister because in spite of 13 parties in the United Front Government, getting all of them together, not standing with difference among them, has presented this budget following the policies of Shri Manmohan Singh. Sometime I feel that this budget has been presented to approve the policies of Congress party and United Front Government in trying to assure people of development of the country on the same basis. But it seems that this budget is directionless because it has no balance sheet i.e. the details of receipts and expenditure. No indications have been given to uplift the economic growth. This budget does not set any guidelines by which economy will look up. No doubt, this budget has been presented with great shrewdness. The poor people will feel a bit happy but they will feel the pinch when they will have to bear the brunt of inflation. There is no doubt about it.

Sir, hon'ble Finance Minister have evaluated the health of our economy. In this connection I may submit that cars are manufactured in our country every year. We get so many luxury goods in the market. People have grown richer to great extent. If budget is examined on these lines, it will not be true picture of our economy. This budget also lacks the glimpse of social justice that we expected of the hon'ble Finance Minister.

Agriculture is the biggest industry of our country. But right direction has not been given to it for the last 4-5 years. The rate of growth of industry was less in the budget of previous years also. The rate of agricultural growth has been fixed as 2.4 per cent while that of industry has been fixed at 12 per cent. I want to say to the hon'ble Minister that certain economists has of late been asserting that economy of the country is now based on industry. But it is not a fact and we cannot deny that even now economy of our country is based on agriculture. Therefore in my opinion we should pay more attention towards agriculture. In my view, it is correct and necessary also.

The Prime Minister of our country is son of a farmer. We were therefore, expecting that more attention would be paid towards agriculture. But the way Government want to benefit the farmers, it looks that the budget is not meant for small and marginal farmers. In this manner only big farmers would be benefited. For example provision has been made for NABARD. The Government will contribute Rs. 100 crore for this purpose and Rs. 400 crore will be given to farmers from the Reserve Bank. In this manner we shall arrange to repay the loan with Rs. 500 crore. We can gather this view from the budget speech of the hon'ble Finance Minister and the budget itself. In 1991, NABARD had suggested that we shall do it on fifty-fifty basis. Reserve Bank would contribute the same amount which will be provided by NABARD. The Finance Minister has tried to hardwork the farmers by mentioning Rs. 500 crore and created a confusion. It will not benefit poor farmers.

The former Governments of our country treated the farmers as vote bank. They used to say that if they want loan, it would be given on lower rate, if they need power, that will be supplied on cheaper rate and subsidy would be given on fertiliser. But all these things were said keeping in view that farmers are their vote bank. But nothing has been done for their upliftment. The condition of the farmers can improve only when they are given reasonable and remunerative price of their produce. Therefore I would request the hon'ble Finance Minister to provide for scientific godowns for farmers to store their produce. They should not be compelled to sell their produce until they are given remunerative prices. In this manner they will earn more and industry will also develop. It will generate employment also in the rural areas.

In 1995-96 budget, the Government had provided Rs. 4771 crore for the development of villages but this year the amount has been reduced by 2 per cent. On the one hand announcements are made and slogans are raised about development but then how far it is justified to make deduction in this budget. I doubt whether you will be able to do good to the farmers in this manner.

There is great importance of cottage industries in our country. Employment opportunities increase through cottage industry. We concede that cottage industries play important role in exports but I am astonished to note that the hon'ble Finance Minister, who belong to Tamil Nadu, has nowhere mentioned cottage industries. I want to tell him that women play important part in Cottage industries. Women, in large number, work in these industries in rural areas. Now they want to make modern articles instead of pickles, spices and papad. We should take steps to set up different types of women polytechnics and provide training to them to enable them to come forward in competitive and electronic industries. Had the Finance Minister provided large amount for development of cottage industry, I would have appreciated and felt that the Finance Minister is prudent but unfortunately he has not paid any attention towards this aspect.

The hon'ble Finance Minister has provided Rs. 9 crore less than the last year for rural development and small

industries. On the one side you talk of globalisation and on the other hand you talk of development of small scale industries. It is necessary to show some equation. The Government should publish a White Paper so that people may know as to what they intend to do with regard to rural development and small scale industries. Only then people of the country would be able to assess the situation. I would urge that Government should pay more attention towards these industries.

Shrimati Krishna Bose was speaking in Defence. Defence Ministry is an important Ministry. I want that hon'ble Finance Minister should have made special effort to provide a large amount for Defence Ministry. Even all the more necessary as Pakistan is getting arms from America. Had he provided more funds for Defence Minister, I would have realised that the Finance Minister is concerned about defence of our country.

The prices of petroleum products has been increased manifold but even then salaries of our jawans has not been increased. In order to strengthen the force, increase in their emoluments is necessary. He has not done because of lack of resources, this is very unfortunate.

Many hon'ble Members have expressed their views on social sector. I would like to say that the hon'ble Finance Minister has provided Rs. 10 crore for distressed women, Rs. 5 crore for labourer women workers, Rs. 5 crore for residential schools for poor children and in this manner completed the formality for social welfare by providing Rs. 5-10 crores here and there. I want to say that out of a population of 100 crore, fifty per cent would be women. There should have been a plan of Rs. 1000 crore for welfare of the women but if you cannot do so than you should have provided Rs. 100 crore for their development and welfare but you have completed a formality of providing Rs. 10 crore for the purpose. I would like to say that sufficient attention has not been paid towards education. Unfortunately, number of poor people is very large in our country and a provision of Rs. 1245 crore has been made for maintaining the health of 100 crore population. I want to know that if this amount is distributed among 100 crore people then how much many each person would get for medical facilities, this is a matter of concern.

Mr. Chairman, important thing is this that provision for Ministry of Health and Family Welfare has been reduced as compared to the last year. Keeping in view the rising population the amount provided is quite insufficient. I have doubt in mind that they will not be able to do justice.

MR. CHAIRMAN : You have taken 13 minutes. You should cooperate. Please conclude now.

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA : Mr. Chairman, I shall cooperate. I shall conclude after making a couple of points. There is sufficient time in the name of my party.

MR. CHAIRMAN : It has been allotted to your colleagues and major speakers are from your party.

SHRIMATI JAYAWANTI NAVINCHANDRA MEHTA : The people of India have more faith in Ayurveda. Only Rs. 23.09 crore have been provided for Ayurveda system of medicine. You should have increased by atleast 10 per cent, but it has not been done.

It has been started in the Report of Planning Commission that 30-40 per cent of the people are below the poverty line whereas it has been started in the Report of United Nations that if we analyse with a point of view of education, nutrition and health more than 60 per cent people live below the poverty line. The Government has not drafted any welfare scheme for Handloom industry, Bidi industry and for the people residing in slums and in coastal areas. There is frustration among the people of middle class. In so far as the decision of income tax of 15-20 per cent for the people having income between Rs. 40,000 to Rs. 60,000 is concerned, it is very shrewd decision but you know that report of the Pay Commission is expected in September and its recommendation will be implemented and sufficient amount will be received back in the exchequer. Therefore there will be no relief for the middle class. I may state that women play important role in economy of the country. The women save money and reduce their personal expenditure. They save money through L.I.C. policies and other saving schemes for their children and family members. Therefore I say, you should have paid more attention towards development of women and improved their lot.

Mr. Chairman, government have set up Committees to curtail expenditure. Prior to this Mishra Committee was set up, Manmohan Singh Committee was also set up but their recommendations have not been utilised to curtail the expenditure. I want to know whether recommendations of the committees set up by you recently would be implemented to curtail the expenditure. I shall be convinced that it is right step if hon'ble Minister assures us to this effect.

Mr. Chairman, my last point is that burden of debt has very much increased in our country. It amounts to four lakh crore rupees. There is foreign debt of nearly 3½ lakh crore. You have allocated a sum of Rs. 60 crore in the budget for this purpose. But if you think about the interest rate of one lakh eighty thousand is too much. It will reduce this income of government by 2 thousand crore rupees. This is very serious matter. Interest rate is very high. However, we have to repay the debt. Ofcourse it has very heavy burden on our economy. Hon'ble Finance Minister should keep it in mind.

This budget has upset the calculation of family budget of income in lakhs. The rate of gas cylinder has been increased by 25 rupees. The wife of the hon'ble Finance Minister must be realising more difficulty than her husband. I feel that

determination of every Indian citizen to repay this debt is the only wayout to live with self respect.

While concluding I may say that you have increased taxes by 40.7 per cent in the budget and with prebudget increase in petroleum prices you have increased 71.3 per cent. As a result of this budget prices would increase by 12 to 13 per cent. Therefore, I would request the hon'ble Finance Minister to give some relief to the people while implementing various provisions of this budget.

PROF. PREM SINGH CHANDUMAJRA (Patiala) : Mr. Chairman, Sir, I rise to oppose the provisions of this budget. The common man feels disappointed. The hon'ble Finance Minister has attempted to link economic reforms of Shri Manmohan Singh with Common Minimum Programme and growth with social justice but it could not be done because Multinational companies have been given free hand and tail promises of social justice, removal of poverty and making the country self-reliant have not been fulfilled in the budget. Wherever Multinational companies have gone, the people of that country have not been benefited. One cannot do social justice by putting burden on common man. How can poverty be removed through this method. What the government has given to the country in the name of economic reforms? Some important economists conducted a survey in this respect which prove that poverty has increased. In 1991, it was 30.4 per cent which has increased to 37.53 per cent. All India survey shows it increased upto 34 per cent in 1995. In the same manner, they have proposed food subsidy, it is 47 per cent of Gross Domestic Product which was .51 per cent in 1995. So how can the poverty be removed in this manner?

Another aspect is that of unemployment, which is linked with social justice. Multinational Companies are capital oriented and not labour oriented. Therefore, unemployment would increase in the country. As it is clear from the previous figures. There was an increase in employment of 4.5 lakh in 1989 and it was 1.58 lakh in 1992 and it would be negative in the private sector. S.A.P. cannot be employment friendly but market friendly and it will not be useful for providing employment to the people. Banks do not achieve target of providing employment from the money provided under Prime Minister Employment Scheme for providing employment and nothing has been contemplated to utilise money given by Khadi and Village Industry to the unemployed. No mention has been made in the budget that how employment would be provided. There is an economist Dr. David Carton who is a Professor of Business in Howard. He has written that fifty thousand big industries corporations run 25 per cent economy of the world whereas they provide .05 per cent employment. So how multinational companies would provide employment, this is the anxiety of the poor people. This budget gives free hand to the Multinational companies and it will result in more unemployment. Similarly expenditure in I.R.D.P. was .06 per cent of G.D.P. last year and in the existing proposal it is 0.5 per cent, here development of common man would take place. Expenditure on rural employment has also been reduced. It

was .49 per cent of G.D.P. which has now been reduced to 0.31 per cent. So rural unemployed should also not expect anything.

Secondly, 70 per cent people of our country depend on agriculture and 30 per cent of G.D.P. comes from agricultural sector. No measures have been taken for agricultural sector. The farmers have been demanding remunerative prices for a long time but it is observed that no measures have been taken to correlate the prices of foodgrains with price index. Agricultural sector is affected by natural calamity also. The Government have not announced any crop insurance scheme or announced any incentive. It is very sad that agricultural growth is also going down. It is down as compare to the neighbouring countries. Agricultural growth of Pakistan is 4.9 whereas ours is 2.9 and that Iran 4.7. No agricultural University has made any research, no new variety has been developed and emphasis is laid on pesticides. The pesticides which has not been utilised, is being spread. There is adulteration in it. Pesticides and fertilizers are very important for Agricultural sector. I feel that the hon'ble Finance Minister would do something. Though no provision has been made for this purpose. There is economic blockade in force in Agricultural sector. Foodgrains produced in our country... (Interruptions)

Mr. Chairman, please give me some more time. I represent a State which contributes maximum 60 per cent foodgrains.

MR. CHAIRMAN : Your party has been allotted 6 minutes. You can yourself see that how much time you have taken.

PROF. PREM SINGH CHANDUMAJRA : Please give me five minutes more.

MR. CHAIRMAN : Please conclude soon.

PROF. PREM SINGH CHANDUMAJRA : I was telling that great loss is being incurred because of economic blockade in agricultural sector. You take the case of rice. The farmer got Rs. 228 per quintal for rice in Indian market in 1986 whereas the farmers got Rs. 327 per quintal in international market. There was total production of 62-64 million tone of rice according to which the Indian farmer suffered a loss of Rs. 6,187 crore. Something applies to wheat. The farmer get Rs. 174 per quintal for wheat in Indian market where as he got Rs. 261 per quintal in the international market according to which Indian farmers suffered a loss of Rs. 4,184 crore. Same is the case with cotton.

Our farmers are not benefited from the subsidy given on fertilizer by the Government on the other industrialists are benefited. The price of certain commodity is fixed keeping in view the subsidy given the Government as a result of which the farmer does not get any benefit. That is why Indian farmer always remains under debt and getting poorer day by day. In olden times cultivation was considered best profession and not it is worst. The main reasons for this situation is that we have adopted policy of liberalisation in other fields but we

have not provided matching facilities in respect of agriculture so that our vegetables and fruits could be exported, plants for food processing could be installed and the farmer may get remunerative prices for their produce. Hon'ble Finance Minister has not formulated any scheme for this purpose. I would submit that some method should be adopted in the budget proposals so that we may achieve maximum success in the agricultural sector.

Now I want to draw your attention towards a very important point towards which Finance Minister has also given indication. There are 1045 companies in our country which earn 70 per cent profit from exports. Their total profit comes to 14,040 crore rupees. The Finance Minister has proposed minimum alternative tax should be imposed on them. But one day I read a statement made by the Finance Minister that profit earning multinational companies will be given incentive but no incentive is proposed for poor professionals. I am unable to follow this. I want that tax should be imposed on them. The rate of corporate tax, which is to be imposed on them, can be reduced for 40 per cent to 20 per cent.

Similarly tax used to be imposed on ex-factory price of steel but now it is imposed on Yard. It has not made any difference in so far as price is concerned because it involves transportation price... (Interruptions)

MR. CHAIRMAN : Please conclude now.

PROF. PREM SINGH CHANDUMAJRA : Then income tax is paid mostly by salaried class. I demand that the exemption limit of income tax should be increased.

The hosiery units of Ludhiana earn foreign exchange through exports but they face power shortage. They do not have infrastructure and they are not exempted from sales tax, I request the Finance Minister to allocate more funds for basic minimum services like the Primary Health Centres, Labour Welfare, Primary Education and safe drinking water. The government should provide funds for pending projects especially in irrigation sector.

There is Thein Dam in Punjab, initial cost of which was 85 crore but it has increased to 2650 crore rupees. The Central Government is not providing funds for this purpose. We face power shortages. There are 231 pending proposals. Not even 47 pending projects would be completed. These pending projects should be completed.

The Government should frame some policy in respect of sick units. The previous Congress Government sold our sugar mills to their kith and kin after declaring them sick. Therefore some policy should be drafted for sick units. With these words I conclude.

[English]

MR. CHAIRMAN (SHRI P.M. SAYEED) : Hon. Members, dinner is arranged for Members and friends from Press in

Room number 70, upto 10 o'clock. You can go and have the dinner and come back.

For the members of staff, the dinner is arranged in Room number 73 upto 10 o'clock.

SHRI M.P. VEERENDRA KUMAR (Calicut) : Hon. Chairman, Sir, first of all I want to make a comment congratulating our hon. Finance Minister that maybe it is the first time that I have noticed a Budget that is so much debated and discussed throughout the country, not only in the columns of the newspapers but wherever we go, we hear about it. Some of the newspapers have gone from point of analysis to writing and making the editorials the poems. We know it is a difficult exercise. It is not a one-party Government. It is a coalition Government. I will make my point very short and very brief without quoting any figures. All the parties in the Government and also the parties participating from outside have their own manifestoes, have their own approach to problems, have their own directions, but when they come together to form a Government, to run a Government—we all know, how this Government came into existence and I do not want to go into the history of that—there are constraints. I do not say it is a balancing act, it is an act of some sort of better understanding, more understanding, further understanding to see how the Government can function with the cooperation of everybody and at the same time respecting the various views. Some of the parties will have to say our minimum programme is not the programme of the Government. The common minimum accepted programme is the programme of the government.

20.00 hrs.

So, this Government is running within the parameters of Common Minimum Programme. Recently, I read one of the interviews of our hon. Finance Minister. He himself aired his views. I do not want to quote it verbatim. When somebody asked him, how it would have been if he was running a single party Government. He gave the answer. That in this Budget, he tried to combine social justice, he tried to combine Centre-State relations—an issue which was raising a controversy for the last so many years. I think it is a special debating point because we have to pay much heed to that. There are problems which now seem unsolvable. I do not want to go into that. The Common Minimum Programme—I do not want to read the whole thing as everybody has it—discusses Central-State relations, economic policies in relation to industry, corporate, small and cottage industries, agriculture, education and social benefits. These issues are being discussed. After carefully going through the Budget, I find that our hon. Finance Minister has not only understood the mind of the Prime Minister and the Government but also the mind of the ruling combination. He has digested the whole and has presented a good Budget. Probably, it might have been one of the most difficult exercises that he had to do in his life and he has done it well. It is not merely a matter of diplomacy. It is a statement of facts. A budget is not a statement of income and expenditure. For that, Finance

Minister is not necessary. Somebody else could do it. It must reflect the vision of the Government, it must have a directive and we must know where the nation is going. So, the budget have a philosophy. It is not a mere jumble of statistics and economics, what we call the economic jargon. Only that much I want to say about it because there is no time. So, it is a Budget with vision.

Some persons say, maybe with sarcasm and maybe some say it with real intention—with a very good intention, of course—that our Prime Minister is the son of the soil. Yes, he is the son the soil. I am a farmer myself. Somebody has said that this Budget has subjugated itself to the dictates of the IMF and the World Bank. But had the IMF or the World Bank or any other institution ever said, 'give subsidy'? Now, what subsidy every farmer of this country is getting? If my figure—which is computed by the World Bank—is not wrong, our agricultural income it must be 65 billion dollars. The man who goes to buy 100 kilograms of fertilizer knows what he has got out of the Budget. The man who sits in the university is an academician and he can just discuss about the statistics. Does he understand how it affects the son of the soil? So, it is a farmers' Budget and it is being felt in the villages irrespective of the parties. I want to say only that much about that.

Somebody told me that by the end of this century, 50 per cent of the world global illiteracy would be in India. When I went to Seoul to attend a Conference of the IPA meeting, I have heard Mr. Baker, the former Foreign Secretary of America saying that "Why should anybody pay for anybody? If you want education, you have your education. Who is bothered about it?" Of course, Mr. Baker did not say in that strain. Here Rs. 3,888 crore is now allotted for primary education and in one of the interviews, our Finance Minister said that "We will present the next Budget also" because somebody was sceptical when he asked him "Will you be presenting the next Budget?". The Finance Minister said "Yes. I will present the next Budget." The Finance Minister will not only be presenting the next Budget but he will be presenting the Budget for all the five years, if the Government is going to last.

I can, therefore, say that some stress is given for primary education. An amount is apportioned to the mid-day meals also. So, the figure reached by the World Bank or IMF or by anybody for that matter, that out of the world illiteracy, 50 per cent would be in India, is denied by this Budget. This Budget gives thrust to industrial, agricultural and social sectors and to health care and self-reliance. There was a time when Prime Minister dismissed Chief Ministers. Now there is a change. The Chief Ministers assemble together and they all decide who should be their Prime Minister. I do not say that it is federalism, as such. But there is a process of decentralisation. There is a process where decision is not imposed by some one and somebody is commanded to obey. That past has gone. Of course, it is an evolution. It will take its own time.

One hon. Member said this Budget is a part of globalisation scheme. Of course, globalisation is going on. I do not say anything about globalisation and all that. But I have got the latest report. This is the document of the World Bank, India Country Economic Memorandum. I do not know how much of it will be agreeable to the hon. Finance Minister. But anyway whatever apprehensions I have and what the Finance Minister said in the CMP, I will say in a few words. It is said in this—it is the latest which has come out—that the recent liberalisation of pharmaceuticals and in part, coal or steel reserve for the public sector are insurance and railways. This progress notwithstanding, the remaining licensing restrictions mainly to protect small scale industry including agro industry have considerable negative repercussions.

Here I want to cite the Common Minimum Programme:

"If this is what the World Bank's assessment is on small scale, big scale industries and all that, the balance among large, medium and small and cottage industries will be restored. Small and cottage industries have the potential of creating much job opportunities. They are also moral and elastic in responding."

This is how it is said.

MR. CHAIRMAN : Please conclude.

SHRI M.P. VEERENDRA KUMAR : Please give me two or three minutes more. I will not take much time. You know of it. I always keep my word though, sometimes, I forget the time.

MR. CHAIRMAN : You better mention only a few points.

SHRI M.P. VEERENDRA KUMAR : My memory is a little bit short. When it comes to CMP, I am bringing it to the notice of the Finance Minister this : "Are potato chips more important than the computer chips?" This is a study done by *"The Wall Street Journal"*. They say that one per cent of the cereals are made in India. McKinsey & Company have started one in Pune and they are exporting much of the mushrooms. It has been stated and I quote:

"Franklin Farms opted for a partnership with India's Weikfield Agro Products Limited."

They say that they are now exporting more mushroom to America. It has further been stated:

"Kito de Boer, a principal at McKinsey, turning a common argument in favour of high tech on its head, counters that "potato chips are more important than computer chips."

I do not think that potato chips will be ever more important than computer chips. It is totally a different thing. They

have talked about Brazil. I am concluding now. I do not want to quote the big people. But I only want to quote the Brazilian farmer. The recent publication has come out with the information. I do not want to give the details of the author etc. because it will take time. It is said:

"Free trade and a level playing field are illusions. If I told you the details of social and environmental policies in Brazil, I would make you weep. Suffice it to say that they consist mainly of bullets, bulldozers and boxes of matches. Farmers in the UK can never hope to compete with that and I don't advise them to try."

It is not only that. About the CTBT, this Government could stand so strong and firm. Everybody says that it is a fragile Government, a weak Government and a coalition Government which cannot take a decision before the mighty America and before the other mighty countries. But we stood up and said that we are not agreeable to what all they dictate. If we have the courage to say that in respect of CTBT, we have the courage to say many things also. Parallels need not be drawn to us by anybody. The CMP has seen to it. I just want to quote one thing which is:

"The parallel was borne out by the 1984-85 Ethiopian famine, which killed a million people, but did not interrupt the export of green beans to England, as well as by the civil war and famine in Somalia in 1992-93. Somalia is a clear marker of the new times. The first famine broadcast live on satellite TV, it was as well a tale of trade—the arms trade, the oil trade (four oil companies have leased drilling rights to two-thirds of Somali territory), and the sea-food trade. Even at the height of the UN-US joint pacification and relief operation, Operation Restore Hope, fleets of fishing trawlers (Taiwanese, Korean, Spanish, Greek and Italian) were working the undefended Somali fishing grounds, removing far more protein than was entering the country in aid".

This is now happening right throughout the coast of India.

MR. CHAIRMAN : Please conclude.

SHRI M.P. VEERENDRA KUMAR : I will take one more minute and not much. I am concluding now.

The CMP very clearly says that we do not want to throw the poor together with the rich; the weak together with the strong, in one fantastic, chaotic, unregulated, planetary market place. There is one more thing.

Again it is said and I quote:

"It is a world in which capital is free to roam the planet in search of investment opportunities in which goods are free to travel in search of better markets and higher prices in which only labour is enjoined by law and fortified frontier, against easy mobility."

Ms. Carla Hills, President Bush's Chief Trade Negotiator said and I quote:

"We want to abolish the right of nations to impose health and safety standards more stringent than a minimal uniform world standard."

We do not want to accept it. And the CMP has definitely said, we will never accept it and we do not want anybody to determine policies for us, any country. We do not want our sovereignty to be questioned by any power, however, mighty they might be, and we do not want to be dictated in terms for what to do and what not to do. I think the CMP is very clear. Of course, there are some relaxations. It is necessary, but not to the detrimental of the existence of the nation. I am happy and I congratulate our hon. Finance Minister for giving attention to all these facts.

The last point, it is not a complaint but a feeling because you are very near to me and you can understand it better. I congratulate you because you have got a high opinion about Kerala. You have given some duty reductions. We bank much on rubber. Of course, it is elastic, but still it is rubber. The rubber industry will be destroyed. What is going to happen to the rubber industry now? I am talking for the Speaker also.

MR. CHAIRMAN : I am very elastic for you.

SHRI M.P. VEERENDRA KUMAR : I know that. But what about coconut? If we are going to import more vegetable oil from outside, the entire economy of Kerala will crumble. We are crumbling. That is our economy. Of course, we do make a few dollars because our people go out and make it.

With these words, I humbly request our Finance Minister to consider Kerala's economy also and see that some exemptions are given. As a newspaper man, you have levied five per cent tax on advertisement. It is on commercial operation. But commercial operation is necessary for newsprint industry's existence. A delegation have met you. I request you to do the needful. With these words, once again, I congratulate our Finance Minister Shri Chidambaram and also our Prime Minister and I support this Budget.

[Translation]

DR. LAXMINARAYAN PANDEY (Mandsaur) : Mr. Chairman, Sir, the budget presented by the hon'ble Finance Minister looks attractive in so far terminology and construction of sentences is concerned but you can see the reality after going through it.

He has made various promises with regard to eradication of poverty, slums, providing opportunities for employment or giving financial assistance to States, all these things look to be feasible but how will he fulfil them. This budget can be termed as eye wash. that is why some people might have appreciated it especially those, who are benefited but poor

and middle class people, unemployed or people living in slums will not appreciate it of course chamber of Industry has appreciated it because they have been given relief but others have not done so.

The hon'ble Finance Minister has stated that inflation would be brought down but Governor of Reserve Bank says that rate of inflation which is 6.5 per cent at present, can reach double digit in future. Some other persons have also expressed this fear. You will not be able to curb inflation with the help of this budget. You should pay more attention towards this aspect.

Your Government has repeatedly claimed that they give great importance to agriculture and in this regard, a mention about launching of various schemes for the benefit of farmers has been made. I have got a report with me which indicates that the funds allocated for rural development which was Rs. 6094.75 crore in 1995-96 has come down to Rs. 5394.18 crore. Similarly the budgetary allocation for agriculture and other connected works has also come down. The allocation in the field of education has also been reduced.

It has been stated that Report of Fifth Pay Commission is likely to be submitted soon and the employees will be benefited. I believe all the things said by the hon'ble Finance Minister and hope that the aforesaid Report will be submitted by the end of September and employees would be benefited

It has been indicated in the budget that total expenditure is two lakh one thousand crore which has now increased to two lakh four thousand crore. A mention has been made about financial assistance to the States but backward States where poor people live, have been neglected whereas they should be given more assistance. Take the example of Madhya Pradesh. There in same areas like Bastar and Jhabua population of tribals and SCs/STs is 33 per cent of the total population. There is no mention of any assistance to them.

It has been stated that funds are being provided for power projects. I do not want to go into jugglery of figures nor I want to waste time of the House by quating figures. The gas pipeline which starts from Bombay High goes upto 500 Kilometers in Madhya Pradesh. In case you want to make a State prosperous it should be given more assistance and power projects should also be set up there. A gas plant was proposed to set up in Bhandar near Gwalior in Madhya Pradesh but no provision has been made in the budget.

The Hon'ble Finance Minister pleads for disinvestment and says that Public Sector Undertakings running at loss should be closed down. But Deputy Chairman of Planning Commission Shri Dandvate says that Public Sector Undertakings have their own utility and steps should be taken to strengthen them. These are contradictory statements. I think steps should be taken to end this controversy.

There are several irrigation and power projects and some of them inter-State projects are lying pending for years for

want of Central assistance. They may concern Madhya Pradesh or Rajasthan but there are many such projects. I had made submission earlier also that a project should be prepared to link Narvada Khipra from Chambal which will be very useful to irrigate plateau of Malwa and some areas of Central India but no attention is being paid towards that proposal and neither any funds are being made available. So much so that then assurance to the effect is not being given.

The Government talks of free trade. They are in favour of multinational companies, they want their investment but what multinational companies are doing? They are promoting consumerism here. They are manufacturing such items which common man is unable to purchase. They do not have resources to buy them. Such items are being marketed and people are being allowed by reducing taxes on them. The result is that our import is increasing and export is decreasing. The fact has been conceded in your economic survey. I am not saying it on my own. Foreign exchange reserve has also been reduced. It has been stated in the Economic Survey that foreign exchange reserve was nearly 20 billion dollar in 1995 which has been reduced to 17 billion dollar in 1996. Similarly export has also been reduced. It has been stated in Economic Survey, 1995-96 that progress of import and export remained slow in April-May 1996. It has further been stated therein that in the first quarter of 1996-97 inflow of foreign investments of foreign institutional investors remained affected by more than one billion dollar. It remained 17 billion dollar upto the end of March 1996 and it is expected that foreign exchange would be increased to 17.5 billion dollar by 1997. But it shows that foreign exchange reserve has also steadily come down.

Similarly in the field of agricultural production you have been claiming several achievements as a result of your economic policy and that you have captured good market as a result thereof and that you have maintained balance of trade but the fact remains that average increase in agricultural production was 4 per cent which has now been reduced to 0.9 per cent. The growth remained 4 per cent during 1992-94. I am quoting this from page 5 of the Economic Survey. The growth of Agricultural production has been reduced to 0.9 per cent and it has further been reduced. No doubt, you are giving importance to agricultural sector but I do not think that you will achieve the target of production with the money allocated for this purpose.

I would also like to point out that balance of payment position is also unstable. I am quoting from p 14 of Economic Survey. There was unprecedented increase in foreign exchange reserve in 1991 but it was reduced to 17.7 billion dollar in 12 July, 1996. I want the hon'ble Finance Minister to let us know the factual position. It has also been stated that Rs. 250 crore have been allocated for slum clearance. At present slum clusters are everywhere and with this provision of plan expenditure of Rs. 250 crores nothing would be achieved. Therefore this amount should be incurred. It has also been stated that assistance will be given to National Highway Authority to improve the condition of National Highways.

In fact there is need to improve road transport system. National Highway Authority will not be able to improve the National Highways.

Of late, Government have increased the prices of petroleum products. This increase amounted to Rs. 9,000 crores which was in respect of diesel, LPG, petrol etc. I want to ask the hon'ble Finance Minister as to how many thousand crores Government have with them out of the import pool. According to my information nearly Rs. 20,000 to 30,000 crore are lying in the Government exchequer. In case this amount was there, then what was the necessity of the Rs. 9,000 crores? Please clarify. In case my information is wrong, please tell me but according to my information, it is correct. You have not provided funds out of this pool to those companies, whether it is Hindustan Petroleum or Bharat Petroleum, had you given them assistance which produce petroleum products, we could import less oil. We are told that we want to produce maximum petroleum product and oil, then why it is not becoming a reality? Why are we lagging behind in achieving the target of production of petroleum, gas and oil and what was the necessity of importing them from abroad after signing a treaty? When we have sufficient quantity of crude oil and we can increase it further? We have funds also but we utilize them elsewhere. I request the hon'ble Finance Minister to clarify this point.

Sir, while concluding I may submit that you have stated that provision is being made to fight cancer, leprosy, Malaria and Kalazar. I would request you to make available sufficient funds to provide these services relating to medical and health. As stated by Shrimati Jayawanti Mehta, sufficient funds should be provided for Ayurvedic, Unani systems of medicine and Nature cure also.

With these words I conclude.

[English]

SHRI E. AHAMED (Manjeri): Mr. Chairman, Sir, I would like to make my submission not only on behalf of my Party but also on behalf of all the smaller Parties—the one Member Parties and two Member Parties—whose Members are not present here. So, I hope that I would be given more time taking into account the time allotted to the smaller parties.

At the outset, I would like to say that this Finance Minister has achieved a unique position compared to many of his predecessors. He has already got the kudos and congratulations not only from one section but from all sections of this House. In all the Budgets presented before this House, I could see a clear distinction between the two sections: one section which stands for the reforms in the economy has been congratulating the former Minister of Finance and the other section has been opposing him but my dear friend, Shri Chidambaram, has the unique distinction of having compliments so far from both sections: those who are opposing the reforms as well as those who are supporting it. I am happy that those Parties which were opposing the Budget all the

time—like the Left Parties—have changed their attitude and are supporting the Budget proposals.

As my friend Shri Veerendra Kumar has mentioned, it is a combination of many of the views enshrined in the Common Minimum Programme, which has already been adopted by the Government. Our Minister of Finance is in a better position now. In 1991, the economy was in a crisis and the balance of payment was in a very difficult position and the foreign exchange reserves had dwindled. The initiation of the economic reforms by the previous Government has given the opportunity to the present Government to present the Budget in such a stable economic position. The continuity of the economic reforms is the best bet for this Government.

When the Budget was presented in 1990-91, the economy was under an unprecedented crisis; the Budget presented in the year 1992-93 initiated the process of liberalisation and tax reforms; the 1993-94 Budget gave a fresh impetus to the structural reforms programme and economic liberalisation; the 1994-95 Budget was formulated against the backdrop of a slippage in the fiscal deficit because not much of a target was achieved; the 1995-96 Budget was a further consolidation of the fiscal balance and tax reforms. This Budget is really something new, something very much commendable and forthwith I also pay my compliment to the hon. Minister of Finance.

The Budget makes an attempt to raise the revenue without putting any burden upon the poor and to allocate large resources for agriculture, irrigation, social sector and to provide funds for the basic minimal services. It tries to give some tax relief to the salaried sections and attempts to promote savings on investment. I am not elaborating everything due to paucity of time. I would like to bring one or two matters to the notice of the hon. Finance Minister. The Central plan outlay has been increased by 16.70 per cent. Sixty two per cent of the plan outlay will be financed by internal and extra budgetary resources. Thirty two per cent of the funds will be provided by the budgetary support. We have a history which will show that we could not achieve our target in the previous year. I would like to bring this matter to the notice of the hon. Finance Minister. In 1996-97, the internal and extra budgetary Finances is 62 per cent of the plan outlay. And the performance of the IEBR in the previous years also is not very much encouraging. While the IEBR has become crucial to achieve the plan outlay, the Budget has over estimated its contribution. So, I have my own doubt whether the Government will be able to achieve this 62 per cent as mentioned because in actual terms, comparing previous year it is only ten per cent of the previous years.

I hope the Finance Minister would have gone through these matters also. Infrastructure, of course, would strengthen the capital base in the national highways and in other sectors. This is really a matter where the Government deserves to be congratulated. The development of our national highway is not very encouraging. Recently, I had an occasion to

have a discussion with an official of the giant motor company in a foreign country. He asked, 'why are you just starting automobile companies when you do not have sufficient roads?'. It is really a shame if we compare the development of our national highways with that of the developed and the Western countries. Even after fifty years of our Independence, we could not develop in that way. This is really very much encouraging that the Government have taken this task of starting a Finance Corporation with an authorised capital of Rs. 5,000 crore. It is a welcome measure.

Coming to farming sector, it contributes thirty two per cent of the GDP. But unfortunately, various Budget provisions meant for the farming sector is only targeted for the rich farmers and not for the small and the marginal farmers. I hope the Finance Minister would explain in his reply as to how he would be able to help the small and marginal farmers by providing this fund. It is not providing anything to small and the marginal farmers.

Social sector is another area which I would like to discuss. The Budget provides enhanced outlay for Centrally-sponsored schemes and schemes in State plan have significantly increased the availability of the funds for minimum needs programmes. There is a massive step up of nearly forty per cent in the Central allocation. I may mention one or two points only. I am not giving any details.

The next item I would like to point out is non-plan expenditure. Interest payment, Defence expenditure and subsidies constitute seventy per cent of the total non-plan outlay. This is very much alarming. The share of Interest payment has increased from twenty per cent in 1980-81 to forty per cent in 1996-97.

The share of Defence has declined from 28 per cent to 19 per cent. Anyway, it is up to the Finance Minister to see whether he can just consider such a reduction in the allocation for Defence, taking into consideration the views of some of the neighbouring countries which are amassing their armies and armaments which may definitely target us. When we give more money to the social sector, it may be necessary. But again, I would request him to rethink about it.

Interest payments, which constitute 46 per cent of revenue receipts and 40 per cent of non-plan expenditure, can be reduced only if the Government can implement a programme of phased reduction in the total borrowings. This may also be given due consideration. Plan expenditure which constitutes 37 per cent of total expenditure has come down to 27 per cent while non-plan expenditure has gone up from 63 per cent in 1986-87 to 73 per cent in 1996-97. This is a matter of concern to all of us. I hope the Government will give due consideration.

With regard to MAT, I would like to just take one minute and say something. The Indian corporate sector has been given a large number of incentives and concessions since the inception of the structural reforms by the Government.

But now the industrial sector is growing at the rate of 12 per cent. This is the time when the corporate sector should come forward to help the Government. One study conducted by CMIE reveals the following and I may be allowed to quote it. It reveals that profit after tax (PAT) of corporate sector has registered an annual rate of increase of 34 per cent. While PAT increased by a sharp 66 per cent in 1993-94 and 57 per cent in 1994-95, the growth in corporate tax was not in commensurate with the growth in profits. In 1986-87 it was 39 per cent which figure followed in the next year also. But in 1991-93, that was reduced to 30 per cent and again in 1994-95, it was 16 per cent. So, when the corporate sector is assuming importance and always going up, the tax which should accrue to the State exchequer is coming down. Therefore, MAT is really a welcome measure and at the very same time, I would like to say this. I have just gone through some reports that have appeared in some financial newspapers.

MR. CHAIRMAN : Please conclude.

SHRI E. AHAMED : I will take only one minute. I am not quoting anything.

MR. CHAIRMAN : You have already taken two minutes like this.

SHRI E. AHAMED. Since the hon. Minister is giving some concession to the corporate sector, I would like to say this. If it is an industry which has gone to BIFR or an industry which is trying to have a revival scheme, of course, it may be given due consideration. But this is the only sector which will be able to support the Government. I do not want to take much time of this House. But I would like to say that the distribution of the sectoral allocation as per the exercise which I have made on my own, though it is subject to correction, is as follows. The agricultural allocation is lower than what it has been in 1994-95 or in 1995-96. In 1994-95, it was given 4.2 per cent; in 1995-96, it was 3.8 per cent and I find that in 1996-97, it is only 3.3 per cent.

MR. CHAIRMAN : Now you will have to conclude. I will call the next speaker now.

SHRI E. AHAMED : I am coming to a very important point. To the rural development sector, the allocation in 1994-95 and in 1995-96 was 8.3 per cent, but in 1996-97, it is 6.2 per cent. Again for science and technology, the allocation was 2.1 per cent both in 1994-95 and in 1995-96; but in 1996-97, it is 1.9 per cent only whereas the transport and other sectors have got much more than the others.

MR. CHAIRMAN : Please give your last sentence now.

SHRI E. AHAMED : I will make only one point.

My friend from the DMK party has mentioned a very valid point here. That is with regard to reservation to the backward

classes which deserve a due representation in the Government.

I would say that the minority communities in this country have a right to be represented in the Government. Even under the Constitution, adequate representation should be given to all sections of the people. I do not say it on the basis of religion. But one set of the people, namely Muslims who happen to belong to a particular community in the religious terms, are backward and not represented adequately but abysmally represented. Is it not a duty of the Government to consider under the provisions of the Constitution to give them adequate representation? I say it not on the basis of religion but on the basis of backwardness of a section of the people. They should be given special consideration of reservation. I hope the Government will give due consideration.

MR. CHAIRMAN : Thank you, Mr. Ahamed. Now you conclude.

SHRI E. AHAMED : Our coconut may be saved. Our coconut shall not be affected by any of the scheme of things that the present Government has made.

With these few words, I once again congratulate the hon. Finance Minister for this workable and the best Budget.

SHRI MANOPANJAN BHAKTA (Andaman and Nicobar Islands): Mr. Chairman, Sir, I rise to participate in the general discussion of the Budget presented by the hon. Finance Minister for the year 1996-97. The Budget proposals are a reflection of the Government policies of the present-day Government. The Common Minimum Programme has been enumerated and has been chalked out in a very nice manner. In the Chief Ministers' meeting, where the Chief Ministers irrespective of their parties had participated, have drawn up this Common Minimum Programme. Naturally, it will be the responsibility of all the Chief Ministers of respective States to implement this Programme.

The hundred per cent coverage of the provision of safe drinking water, coverage of primary health centres, universal primary education, public housing, assistance to all shelterless poor families, extension of the Mid-Day Meal Scheme, road connectivity to all villages and habitations, streamlining the public distribution system to targeted families below the poverty line, all these are in line with the previous Congress Government's policies and programmes. That is why I have no hesitation to support these policies.

I am not sure whether he will be able to achieve the results he wants to with the budgetary allocation made here. At the same time, I fully appreciate that the Budget proposals are not the wonderful magic lamp of Aladin. Whatever the kitty permits, the job of the Finance Minister is to allocate it according to the priority. In our country, wherever you go, everywhere the priorities are there. But within his wisdom, he has tried to do something.

Many speakers, irrespective of their party affiliations, are stating that there should not be any multinational company in the agro-industries. It should be reserved only for the indigenous industry. What I feel is that with the passage of time, with these policies and programmes, if there is an accelerated agricultural production, if there is high rate of agricultural production, you need marketing. And for marketing purposes, until and unless you are competitive and qualitative, you will not get the market. But by GATT agreement, you can have 124 countries as your market.

But if you want to sell these agricultural products in the international market, you must have quality, good will and competitiveness. Until and unless you have these things, you will not get the market. I would like to cite one example. Mohan Meakins is producing what we know as cornflakes and in India, it is supposed to be good but those who are using Kellogs product will not buy it from Mohan Meakins. If it is so, then you have to see from where the buyers are interested to buy. Until and unless you go through this market study, you cannot sell your products. Simply on emotional basis, if you think that these areas should be untouched and should remain only for the Indian indigenous industry, it will not hold good. You have to see whether they can really explore the market and can really produce quality items or not. Otherwise, we will be in half way, *i.e.*, we will neither be in the line of the liberalisation programme nor will we be in the conservativeness of our policy. That is why, I think these areas should be looked into.

Again, the policies and programmes during the last five years which have resulted in high growth even in the GDP and also in other industrial production, satisfactory nature of foreign exchange reserves, etc. have assisted the Finance Minister to present this Budget. That is how he could provide this Budget in such a smooth manner.

I would like to state only one thing which is not in the Budget. Perhaps, you thought that all business people and tax evaders in India have become *sadhus* or Brahmaputra Yudhisthir. You have not issued any kind of warning to the hoarders, blackmarketeers and people who are tax evaders. I think time has come when you have to give certain relaxations and benefits also but simultaneously go through this matter and issue stern warnings to all the concerned people so that they will think that Government will not sit idle if they are not dutiful to the Government programmes and policies.

At the same time, I would like to say a few things about the Union Territories. Sir, yourself and myself come from Union Territory. I am happy that, at least, for the first time the Finance Minister has mentioned regarding Andaman and Nicobar Islands and Lakshadweep, the two distant, isolated, backward and remote Union Territories. He has also assured for the constitution of Island Development Authority. I do not know when will it come into operation. He has also mentioned a very important thing. He is going to have separate norms for Island Territories where everything cannot be got like others

parts of the country. I think this is a very laudable announcement that he has made. I would like to congratulate him. I would also like to say that he should not sway it by official dictation. He should himself try to understand the difficulties. I would like to cite one example as to why I am saying this. Regarding development schemes, the Planning Commission discusses with all the technical departments. They agree to them. Then the Planning Commission agrees and finance is allocated. Thereafter, once it is allocated in the Annual Plan, posts are to be created. Now these powers have been withdrawn. Earlier, this power was with the Administrator but now this has been withdrawn.

They have to send the proposals to the concerned Ministries and the Ministries, in turn, would keep them pending for a long time, for one year or, maybe, for two years. By the time the sanction comes, we are not in a position to spend the entire Plan money allocated to us and we are also not in a position to do real justice to the developmental activities in the remote and far-flung areas of the Island territory. The Government has authorised the Union Territory of Pondicherry and delegated powers to them to create Plan posts. When you delegated powers to them, why can you not delegate this authority to the Administrations of Andaman and Nicobar Islands and the Lakshadweep? This is a very essential requirement for the implementation of our Plan projects.

Sir, I am really happy to note that the Prime Minister from the ramparts of the historic Red Fort has announced the creation of the State of Uttarakhand. While declaring this, I think, he also had in his mind the idea of providing an Assembly with Council of Ministers for the Union Territories of Andaman and Nicobar Islands and Lakshadweep. It is because the people of these Islands have also been asking for this. They say that as citizens of this country they also have the same right as others as has been guaranteed under the Constitution of India. Why should we be treated as second class citizens of this country? Why should there be only one-man to deal with the Administration? Is that our fate? Are the hopes and aspirations of the people of this Island territory to be looked after by this one-man? Can we not decide for ourselves? Why should all our decisions be taken by an appointee of the Government who goes from here to the Andaman and Nicobar Islands and to the Lakshadweep? They would only decide our fate and we have no say in that. Under such humiliating conditions only, we have time and again been pressing for an Assembly with council of Ministers but nothing has been done so far.

Sir, I would like to mention one thing here. A message has gone across the country and the message is that only if some agitation takes place and properties are destroyed and damaged, then only the Government comes forward for a discussion with the agitationists and the modalities of settlement are discussed. We are peace-loving people. All the time we come with requests and representations but we are not heard.

MR. CHAIRMAN: Shri Bhakta, I have an unpleasant duty to perform and that is to remind you about the time.

SHRI MANORANJAN BHAKTA: Sir, you yourself know very well that this Parliament is my Assembly as well.

MR. CHAIRMAN: Mr. Bhakta, that is right. But let me be impartial also.

SHRI MANORANJAN BHAKTA: Sir, you kindly allow me some more time.

Sir, I would like to request the hon. Minister to kindly consider this aspect. It is because we could not function under an one-man administration any more

Shipping is the lifeline of the Andaman and Nicobar Islands. Without shipping we cannot do anything. Allocation for shipping in this year's Budget has been reduced. The allocation in respect of agriculture and allied activities has also been reduced in this year's Budget. There has been a reduced allocation in the rural development sector also. Apparently, of course, it would show an increased allocation. It is because the Panchayati Raj Institutions have come into being and the grants allocated to these institutions have got added up in the rural development sector. The allocation in respect of transport, which is again shipping, has also been reduced. In respect of housing, there has been a marginal increase. But considering the remoteness of the area, some more considerations should have been shown.

Sir, 86 per cent of our land area is covered by forests. This is one exemplary place where you could find more forests. So, when we are providing this, we need some more funds for the forest sector but this has not been provided for in the Budget. I have only enumerated some of our requirements and would, therefore, like to submit that additional funds to the tune of Rs. 60 crore would be required during the year 1996-97.

21.00 hrs.

The break-up is as follows: Agriculture, Rs. 7 crore, Rural Development, Rs. 15 crore, Transport, Rs. 20 crore, Housing, Rs. 5 crore, Ports, Rs. 3 crore, Education, Rs. 5 crore and Energy, Rs. 5 crore. There is another point. This year you have given us Rs. 215 crore. Though you have made a marginal increase in the non-plan expenditure but the total allocation is of the order of Rs. 215 crore. It is same as that of the last year. If you take inflation into account, we are supposed to get about Rs. 40 crore more. I do not want to take much of your time. I would like to say that the Union Territories are the babies of the Central Government; so you have to take care of us. You have to look after us. Until and unless the Central Government is sympathetic towards us we cannot develop. All our development work will stop.

Another point that I would like to mention is, the Government has decided to stop collection of sand and stone

in Andaman and Nicobar Islands. They are asking us to collect it from the mainland, like Madras, Visakhapatnam or Calcutta. This means that a truck load of sand will cost us Rs. 20,000. That being the position, how can the Andaman and Nicobar Islands develop? This is the kind of unimaginable condition that has been created by this step of the Government. I do not know what to do. The Finance Minister should help us in this regard.

SHRI P. CHIDAMBARAM: Who has done it?

SHRI MANORANJAN BHAKTA: I think, the Ministry of Environment and Forest is involved in it. I think, we are the only people who are to be thrown in the sea!

There are some very very small industries in the Andaman and Nicobar Islands but unless and until you grant the transport subsidy, which was there earlier, they will not be able to flourish. This subsidy will help us in the upkeep of this industry. When no big industry is there, whatever small industries are there they should remain viable. This is my request to you.

You have created a Finance Commission for the Andaman and Nicobar Islands. That Commission is sitting at Delhi. They are calling the officers from the Island to depose before them.

MR. CHAIRMAN: Is this Commission only for the Andaman and Nicobar Islands?

SHRI MANORANJAN BHAKTA: I do not know whether Lakshadweep is connected or not. I would suggest, if three Members are there in that Commission, we should make it a one Member Commission so that he can sit there and do the work. Why so much of money should be spent on the transport charges of the officers who are asked to come to Delhi to depose before the Commission? This has to be looked into.

Since the Chair has already warned me, I do not want to embarrass him any more. I would like to thank him for giving me the time. I request the hon. Finance Minister to give a sympathetic view to my request.

MR. CHAIRMAN: I would like to know the sense of the House. I think we should adjourn now and the Minister can give reply tomorrow. The list of speakers that I have before me, if we call everybody, it may take very long.

DR. T. SUBBARAMI REDDY (Visakhapatnam): When will the Finance Minister give the reply?

MR. CHAIRMAN: As soon as the Members finish their speeches, he will give reply.