

14.02 hrs.

GENERAL BUDGET (2004-2005)- GENERAL DISCUSSION – Contd.
DEMANDS FOR GRANTS ON ACCOUNT – GENERAL,2004-2005 –Contd.
AND
DEMANDS FOR EXCESS GRANTS – (GENERAL)2001-2002 – Contd.

Title: Combined discussion on the Budget (General) for 2004-05, Demands for Grants on Account for 2004-05 and Demands for Excess Grants in respect of Budget (General) for 2001-02. (Discussion concluded and demands were voted in full).

MR. SPEAKER: Now, we go to General Discussion on the Budget.

* SHRIMATI MANORAMA MADHVARAJ (UDUPI): Sir, the General Budget- 2004 was supposed to be the economic agenda of the United Progressive Alliance but with barely seven months to go, the Finance Minister thought it prudent to make it look like a Vote-on-Account proposal.

The new dispensation wanted to settle down first and then come out with a full-fledge budget in February 2005. Probably the new government felt that there are no major aberrations in the economic policy set down by the NDA that need immediate attention. Further, it is an undeniable fact, the NDA Govt. has left behind a comfortable kitty and many on-going project nearing completion, of immense utility to the masses.

The liberal economic regime NDA chose to follow, has its takers in the new dispensation for its potential to transform the nation's health. But as coalition compulsions would have it, they have succumbed to the pressure of its allies on the issues of disinvestment and FDI cap. Thus the UPA's vision as reflected in the budget- 2004 is blurred. Moreover the economic projections for 2004-05 were based on anticipated good monsoons but as things stand now, almost a third of country's cultivable land would come under drought. I wish the weather studies up, even if belatedly and bring rains to the affected areas which have so far recorded scanty or sub-normal rainfall this season. Luckily we have buffer stocks to tide over crises – thanks to NDA's management skill on food production and conservation. With every such conceivable advantages on a platter, the UPA has fumbled on the opportunity to consolidate the gains achieved over the last few years. The UPA wanted to break-off the beaten track of NDA for fear of tacitly admitting to the gains of Vajpayee Government.

More than addressing the concerns of the common man the Finance Minister has gifted a special package for election-bound Bihar with a big kitty of Rs.3225 crores. The boon to textile sector is expected to help the UPA in Maharashtra and Tamil Nadu where polls are due soon.

I am surprised that a profligate and prodigal state like Bihar is rewarded with a special package whereas many other states known to have a strict fiscal regimen are left in the lurch. With Bihar getting a special package, It is now clear that the Government has been generous to favour states that have graduated from profligacy to plunder.

The proposed education cess is confusing. Education is very important but what is the main body of the tax revenue for? At this rate can we have a cess for defence because defence is as important or for police because law and order is also important. It seems wrong to place new taxes to fund specific expenditures. A lot of time will go in transferring the cess content to the HRD Ministry. So the real impact will show only after a lapse of time. With no separate account for the Education Cess, it is going to be a lapsable amount. The HRD Ministry will have to spend it in the same year. Going by the expenditure pattern of the HRD Ministry and the States, utilising additional funds gained through cess will be an arduous task.

It is too much to expect from a hurriedly cobbled-up budget and the common man has to wait till February 2005 for a full-fledged one, in which I hope every sector will have something to cheer up but till then they have some left-over bounty bequeathed by the earlier NDA regime.

* Laid on the Table.

***श्री सुरेश चन्देल (हमीरपुर-हि.प्र.):** माननीय अध्यक्ष महोदय, माननीय वित्त मंत्री जी द्वारा दिनांक 8 जुलाई, 2004 को लोक सभा में इस वा का सामान्य बजट प्रस्तुत किया गया। मैं उस पर अपने विचार व्यक्त करना चाहता हूँ।

महोदय, देश की जनता में बजट को लेकर बहुत उम्मीदें जगाई गईं, लेकिन यह बजट जनता की उम्मीदों के विपरीत है। पहले तो यह प्रचारित किया गया कि जिस सरकार के पास मनमोहन सिंह, चिदम्बरम और मांटेक सिंह अहलूवालिया जैसे आर्थिक मामलों के विशेषज्ञ हों, उनका प्रदर्शन लाजवाब होगा। न्यूनतम साझा कार्यक्रम, राष्ट्रपति अभिभाषण और प्रधान मंत्री का देश को संबोधन, हर मंच से जनता में देश की भावी अर्थव्यवस्था के बारे में कई रंगीन उम्मीदें जगाई गईं, लेकिन वास्तविकता यह है कि इस बजट में सरकार जनता के साथ किए गए अपने अधिकांश वादे निभाने में पूरी तरह नाकामयाब रही है। उसने अपना कोई आश्वासन पूरा नहीं किया।

महोदय, बजट से पूर्व यह प्रचार किया गया था कि ग्रामीण सैक्टर, कृषि, स्वास्थ्य, नियोजन आदि में सरकार कुछ अभूतपूर्व परिवर्तन करने वाली है, लेकिन वास्तव में ऐसा कुछ नहीं हुआ। सरकार ने यदि एक हाथ से दिया है, तो दूसरे हाथ से ले लिया है। इन क्षेत्रों में यदि थोड़ा आबंटन बढ़ाया है, तो ग्रामीण विकास मंत्रालय के बजट में 3 हजार करोड़ रुपए की कटौती कर दी गई है।

महोदय, सबसे बड़ी बात यह है कि इस बजट में रोजगार की गारंटी देने वाले कार्यक्रमों का कोई उल्लेख नहीं है। शहरी बेरोजगारी जैसी बड़ी समस्या पर यह बजट मौन है। सिर्फ यह संकेत दिया गया है कि बाद में श्रम मंत्री इस संबंध में कानून का प्रारूप पेश करेंगे। इससे बेरोजगार नवयुवकों में भारी बेचैनी है।

महोदय, इस सरकार ने एक प्रकार एन.डी.ए. सरकार द्वारा चालू किए गए कार्यक्रमों को जारी रखने की घोषणा कर के उनके महत्व और उपयुक्तता को स्वीकारा है और उसी पर मोहर लगाई है। जहां बदलाव है भी तो वह बहुत मामूली सा ही है। आर्थिक सर्वे रिपोर्ट में भी हमारे कार्यक्रमों के सकारात्मक प्रभाव को रेखांकित किया जा सकता है। इस बजट में घोषित ऐसी कई योजनाएं हैं जो वास्तव में हमारी सरकार ने तैयार की थीं, लेकिन अब यू.पी.ए.सरकार द्वारा उन्हें अपने झंडे के रूप में फहराया जा रहा है।

महोदय, कोच्चि में कंटेनर पोर्ट की स्थापना के लिए हमारी सरकार निविदाएं आमंत्रित कर चुकी थी। इस सरकार ने क्या नया काम किया, क्या सेतु समुद्रम प्रोजेक्ट कोई नया है, नहीं। परन्तु बजट में

जानबूझकर ऐसे संकेत दिए गए हैं जिनसे यह लगे कि इस सरकार ने बहुत कुछ किया है। वास्तव में यह जनविरोधी बजट है। शहरी मध्यम वर्ग पर करारी चोट करने वाला यह बजट है। सिंचाई साधनों को मुहैया कराने की योजनाएं हों या फूड स्टॉप की योजनाएं हों, ये बहुत सीमित क्षेत्रों के लिए ही लागू की जा रही हैं। बजट में किसी भी क्षेत्र में कोई भी बोल्ट स्टैप नहीं उठाए गए हैं और न ही कोई बोल्ट निर्णय लिए गए हैं जिनसे मैं इस बजट की प्रशंसा कर सकूँ।

महोदय, यू.पी.ए. सरकार के वित्त मंत्री ने यह स्वीकार किया है कि एन.डी.ए. सरकार ने उन्हें एक स्वस्थ एवं मजबूत अर्थव्यवस्था सौंपी थी। इस बजट में कई घोषणाओं को लेकर जनता में भ्रम पैदा किया गया है। एक लाख से कम की आमदनी पर आयकर की पूरी छूट भी एक छलावा ही है। सीनियर सिटीजनस के लिए पहले से ही बहुत लाभ उपलब्ध थे, केवल भागा बदल दी गई है और शब्दों की जादूगरी से सीनियर सिटीजनस के लाभों को महिमामंडित किया गया है। कुल मिलाकर सरकार इनकम टैक्स पर जितनी छूट दे रही है, वह सभी टैक्सों पर लिए जाने वाला दो फीसदी का अधिभार बराबर कर देता है। किसी भी सरकार के वित्त मंत्री के लिए ऐसा अधिभार लगाना समस्याओं से निपटने का आसान रास्ता है। इसे एक पारदर्शी टैक्स पालिसी नहीं कहा जा सकता।

महोदय, वित्त मंत्री को बजट प्रस्तुत करते समय केलकर समिति की सिफारिशें याद नहीं आईं। एक ओर जहां लांग टर्म कैपिटल गेन पर टैक्स समाप्त कर दिया गया वहीं ट्रांज़ैक्शन टैक्स भी समाप्त कर दिया गया है। ट्रेक्टर और कृषि संबंधी उपकरणों पर छूट दी गई है, लेकिन कई चीजें ऐसी भी हैं जिन पर एक्साइज ड्यूटी बढ़ाई गई है। ई.पी.एफ. की दर के मामले में भी बजट मौन साधे है। वास्तव में समस्याओं को भविय के लिए छोड़ दिया गया है। मेरी दृष्टि में यह बजट महंगाई बढ़ाने वाला बजट है, मुद्रास्फीति बढ़ाने वाला बजट है। यह हमें विकास के उस रास्ते पर नहीं ले जाने वाला है जिसका हर मंज से जोर-शोर से प्रचार किया गया।

महोदय, वित्त मंत्री जी ने सर्विस टैक्स के दायरे में आने वाली सेवाओं की संख्या तो बढ़ाई ही है, साथ ही सर्विस टैक्स की दर भी बढ़ा दी है। उन्होंने सर्विस टैक्स की दर 8 से 10 फीसदी बढ़ाने का प्रस्ताव रखा है। सभी सर्विस टैक्स पर अब 2 प्रतिशत की दर से एजूकेशन सेस भी लगाने की बात कही गई है। इसके अलावा 58 से वाओं को पहले ही सर्विस टैक्स के दायरे में रखा जा चुका है।

महोदय, रुपए में 23 पैसे ब्याज अदायगी पर खर्च र रही यू.पी.ए. सरकार ने अपने पहले आम बजट में सीनियर सिटीजन का विशेष ख्याल रखते हुए उनके लिए 9 प्रतिशत कि ब्याज दर वाली 'वरिष्ठ नागरिक बचत योजना' की घोषणा की है, जबकि लघु बचतों की ब्याज दरों में कोई बदलाव नहीं किया है। इसके चलते पी.पी.एफ., जी.पी.एफ. और विशेष बचत योजना पर 8 प्रतिशत दर से ही ब्याज मिलता रहेगा। छोटी बचत योजनाओं की चालू ब्याज दरों में कोई परिवर्तन नहीं करते हुए वित्त मंत्री ने सरकारी बचत बांड की 8 प्रतिशत वार्षिक ब्याज दर को भी जारी रखने का प्रस्ताव किया है। इनसे आम जनता को जो ब्याज दर बढ़ने की आशा थी, उनकी आशाओं पर पानी फिर गया है।

महोदय, अब मैं अपने हिमाचल प्रदेश के बारे में बजट की अपेक्षाओं की चर्चा करना चाहता हूँ। मैं हिमाचल प्रदेश के हमीरपुर संसदीय क्षेत्र से आता हूँ। हिमाचल प्रदेश उत्तुंग श्रृंखलाओं में बसा पहाड़ी, पिछड़ा, दूरदराज का सीमावर्ती क्षेत्र है जिसके जिला किन्नौर की सीमाएं चीन के साथ तथा जिला चम्बा की पांगी भरमौर की सीमाएं पाकिस्तान के साथ लगती हैं। हिमाचल प्रदेश ने प्रकृति ने अपार सौंदर्य भरा है, लेकिन प्रदेश सरकार अपने सीमित साधनों के कारण पर्यटन को बढ़ावा देने हेतु पर्यटक केन्द्रों का अपेक्षित विकास नहीं कर पा रही है। इसलिए बजट में हिमाचल प्रदेश में पर्यटन को बढ़ावा देने हेतु प्रावधान किया जाना चाहिए, लेकिन कोई प्रावधान नहीं किया गया है।

महोदय, रेलों के मामले में हमारी आजादी के बाद से बराबर उपेक्षा होती रही है और रेलों के विकास और विस्तार के नाम पर अब तक की प्रगति शून्य कही जा सकती है। हिमाचल प्रदेश में दूसरा सबसे बड़ा पर्यटन उद्योग है, लेकिन उसे बढ़ावा देने के लिए बजट में कोई विशेष प्रावधान नहीं किया गया है। हिमाचल प्रदेश में उद्योग नहीं के बराबर हैं। वहां खेती मैदानी भागों जैसी नहीं होती है क्योंकि बहुत ऊंचे-ऊंचे पहाड़ नदियां, नाले एवं ऊंचे-ऊंचे दर्रे हैं। हिमाचल प्रदेश की भौगोलिक स्थिति ऐसी है कि उसके निचले भागों में जहां आदमी गर्मी और लू से पसीने-पसीने हो जाता है वहीं उसी सीजन में ऊंचे भागों में सर्दी और बर्फ के कारण हड्डियां कांपने लगती हैं।

महोदय, हिमाचल प्रदेश की कठिन भौगोलिक परिस्थितियों एवं न्यून आय के साधनों को दृष्टिगत रखते हुए हि.प्र. के विकास हेतु बजट में विशेष प्रावधान किया जाना आवश्यक है। हिमाचल प्रदेश का जब से 'सी' कैटेगरी का दर्जा कम किया गया है तब से विकास का कार्य बहुत धीमा पड़ गया है। कहां तो हिमाचल प्रदेश को 90 प्रतिशत अनुदान और 10 प्रतिशत ऋण, सहायता के रूप में मिलता था वहीं अब सी कैटेगरी स्टेट का दर्जा समाप्त होने से 80 प्रतिशत ऋण एवं 20 प्रतिशत अनुदान

के रूप में सहायता मिल रही है जो ऊंट के मुंह में जीरे के समान है।

हिमाचल प्रदेश की कठिन भौगोलिक स्थिति को दृष्टिगत रखते हुए तथा सरकारी कर्मचारियों के कार्य की कठिनता तथा प्रतिकूल जलवायु के कारण वहां देश के अन्य प्रदेशों के मुकाबले कर्मचारियों का घनत्व अधिक है। इसलिए वेतन एवं भत्तों के रूप में प्रदेश सरकार को बहुत अधिक व्यय करना पड़ता है जिससे विकास के कार्य अवरुद्ध हो जाते हैं।

ऐसी विाम परिस्थिति में मेरा माननीय वित्त मंत्री जी से प्रार्थना करता है कि हिमाचल प्रदेश को विशेष आर्थिक पैकेज की घोषणा सदन में की जाए ताकि हिमाचल प्रदेश के पहाड़ी, पिछड़े तथा दूरदराज एवं उन्तुंग हिमाचल की श्रृंखलाओं में बसे लोगों को यह अहसास हो सके कि यू.पी.ए. सरकार उनकी अपनी है तथा उसने उनकी उपेक्षा नहीं की है।

महोदय, जैसा कि आप जानते ही हैं हिमाचल प्रदेश से देश की रक्षा सेनाओं में सबसे अधिक भर्ती होती है। आज भी देश की रक्षा पंक्ति में हिमाचल प्रदेश के सबसे अधिक लोग लगे हुए हैं। यही कारण है कि मेरे संसदीय क्षेत्र में सेवारत एवं भू.पू. सैनिकों की अत्यधिक संख्या है।

अब सेवानिवृत्त हो रहे एवं पहले सेवानिवृत्त हुए सैनिकों की पेंशनों में भारी अन्तर है जिसके कारण उनमें बहुत क्षोभ है। इसे दूर करने के लिए एन.डी.ए. सरकार ने "वन रैंक वन पेंशन" के सिद्धान्त को स्वीकार करते हुए एक समिति का गठन किया था जिसके आधार पर निर्णय लिया जाना था, लेकिन अभी तक इस दिशा में कोई प्रगति नहीं हुई है। बाद में एन.डी.ए. सरकार ने कुछ ऐसे निर्णय लिए जिनसे सेवानिवृत्त हो रहे अधिकारियों की पेंशनों में तो ज्यादा विसंगति नहीं रही, लेकिन सेवानिवृत्त हो रहे छोटे सेनाकर्मियों की पेंशनों में अभी भी बहुत अन्तर है। एक अनुमान के अनुसार इस विसंगति को दूर करने पर लगभग 400 करोड़ रुपए व्यय होने की संभावना है। मेरा माननीय वित्त मंत्री जी से अनुरोध है कि वे वन रैंक वन पेंशन के सिद्धान्त को स्वीकार करते हुए शीघ्र लागू करने की घोषणा करें तथा इस हेतु बजट में धन का प्रावधान करें।

महोदय, जैसा मैंने पहले बताया हिमाचल प्रदेश की विशेष एवं कठिन भौगोलिक परिस्थिति है। हिमाचल प्रदेश का लाहौल और स्पीति जिले के काजा और केलांग मुख्यालय सर्दियों में लगभग छः महीने देश के शा भागों से कटे रहते हैं। वहां सेवारत कर्मचारियों के वेतन, भोजन एवं खाना पकाने हेतु कोयले, मिट्टी के तेल एवं गैस की व्यवस्था एडवांस में एकमुश्त छः महीने के लिए की जाती है। वहां सेवारत कर्मचारियों को छः महीने का वेतन भी एडवांस में दिया जाता है क्योंकि भारी हिमपात के कारण वहां के सभी रास्ते बन्द हो जाते हैं और गंभीर रूप से बीमार व्यक्तियों के लिए ही सिर्फ हैलीकॉप्टर सेवा हिमाचल प्रदेश सरकार चलाती है। ऐसी विकट स्थिति में लाहौल के मुख्यालय केलांग को देश के मुख्य भाग से बारहों मास जोड़े रखने की दृष्टि से कुल्लू जिले की मनाली तहसील में स्थित रोहतांग दर्रे के नीचे एक सुरंग (टनल) बनाने की योजना विगत अनेक वर्षों से चल रही थी। उसका उद्घाटन हमारी एन.डी.ए. सरकार के प्रधान मंत्री प्रधान मंत्री श्री अटल बिहारी वाजपेयी ने वर्ष 2001 में रखी और प्रारम्भिक कार्य जैसे एप्रोच रोड इत्यादि का कार्य हुआ, लेकिन इस सरकार के आते ही वह कार्य ठप्प पड़ गया प्रतीत होता है। मेरा माननीय वित्त मंत्री एवं रक्षा मंत्री जी से आग्रह है कि इस ओर विशेष ध्यान दें और इस टनल निर्माण के कार्य को युद्धस्तर पर कराएं तथा एक निश्चित समय-सीमा के भीतर इसे पूरा कराएं ताकि हिमाचल प्रदेश के लाहौल और स्पीति जिले के जो भाग छः महीने देश से कटे रहते हैं वे सदैव जुड़े रह सकें। देश के इंजीनियरों का यह कमाल प्रकृति पर आंशिक विजय प्राप्त करने में सदैव इतिहास में अमर रहेगा।

महोदय, जैसा मैंने बताया हिमाचल प्रदेश के जिला किन्नौर, जिला लाहौल-स्पीति और चम्बा जिले की पांगी तथा भरमौर तहसीलें अत्यन्त पिछड़ी हैं और वहां लोग बहुत कठिन एवं विाम परिस्थितियों में अपना जीवन व्यतीत करते हैं। वे क्षेत्र किसी भी प्रकार से भारत के पूर्वोत्तर राज्यों से कम कठिन नहीं हैं। भारत सरकार ने पूर्वोत्तर राज्यों के लोगों को आयकर से छूट दे रखी है। मेरा निवेदन है कि हिमाचल प्रदेश के उपर्युक्त जिलों के लोगों को भी आयकर से छूट प्रदान की जाए। इस संबंध में मैं पिछली 12 एवं 13वीं लोक सभा के सांसद के रूप में भी निवेदन करता रहा हूँ और अब 14वीं लोक सभा के सदस्य के रूप में भी निवेदन कर रहा हूँ। यह बहुत न्यायोचित मांग है जिस पर वित्त मंत्री जी गंभीरता से विचार करें और बजट पर हुई बहस का उत्तर देते समय इस बात की घोषणा सदन में करें। ऐसा करने से भारत सरकार के कोष पर कोई विशेष बोझ नहीं पड़ेगा।

महोदय, हिमाचल प्रदेश को पूर्ण राज्य का दर्जा दिए जाने से पहले भारत सरकार, दिल्ली, पंजाब और राजस्थान सरकारों की अनेक संयुक्त बिजली परियोजनाएं हिमाचल की धरती पर हिमाचल के पानी से निर्मित की गईं, किन्तु हिमाचल का हिस्सा उनमें नगण्य रहा। हिमाचल प्रदेश को पूर्ण राज्य का दर्जा दिए जाने के बाद तथा हिमाचल प्रदेश में भारतीय जनता पार्टी की सरकार के समय हिमाचल प्रदेश की सरकार द्वारा यह विाय केन्द्र के ध्यान में लाया गया और केन्द्र सरकार ने हि.प्र. में अब बनने वाली परियोजनाओं में हि.प्र. का 12 प्रतिशत का हिस्सा स्वीकार किया तथा भाजपा के समय में जितनी भी बिजली परियोजनाओं के करार हि.प्र. के साथ हुए उनमें 12 प्रतिशत मुफ्त बिजली के सिद्धान्त के अनुसार ही हि.प्र. का हिस्सा

मुकर्र किया गया है, किन्तु पहले की जो परियोजनाएं चल रही हैं, उनमें हिमाचल प्रदेश के साथ जो ज्यादाती की गई, उसकी भरपाई अभी तक नहीं हो सकी है। इस संबंध में हि.प्र. सरकार की ओर से एक वाद न्यायालय में विचाराधीन है जिसमें कई सौ करोड़ की न्यायोचित सहायता की प्रार्थना हिमाचल प्रदेश की ओर की गई है। ऐसी स्थिति में मेरा सरकार से आग्रह है कि वह एकमुश्त कम से कम 100 करोड़ रुपए हि.प्र. को देने की घोषणा करे ताकि हिमाचल प्रदेश में विकास के रुके हुए पहियों को गतिशील किया जा सके।

महोदय, मेरे संसदीय क्षेत्र के जिला ऊना में स्वां नदी है, जो लोगों के लिए अभिशाप बनी हुई है। वार्ड के समय इतनी अधिक बाढ़ आती है कि आसपास के क्षेत्रों में जान-माल का भारी नुकसान होता है। स्वां नदी की 74 ट्रिब्यूटरीज हैं। यदि इनका चैनेलाइजेशन हो जाए, तो मैं समझता हूँ कि न केवल ऊना जिला बल्कि पूरे हिमाचल प्रदेश को केवल इसी क्षेत्र से अन्न की आपूर्ति की जा सकती है। भारतीय जनता पार्टी की सरकार के समय और मेरे 12वीं एवं 13वीं लोक सभा के कार्यकाल में इस प्रकरण को मैंने व्यक्तिगत रूप से अनेक स्तरों पर उठाया और योजना आयोग के तत्कालीन उपाध्यक्ष श्री के.सी. पन्त जी ने इस योजना को स्वीकृति प्रदान की तथा नाबार्ड से 29 करोड़ रुपए का लोन लेकर इसके निर्माण की प्रारम्भिक दिशा में कार्य किया गया। इस योजना का कार्य प्रगति पर है, लेकिन महोदय, यह बहुत विशाल परियोजना है और लगभग 604 करोड़ रुपए का प्रारम्भिक आकलन है। इसलिए मेरा आपके माध्यम से माननीय वित्त मंत्री जी से निवेदन है कि कम से कम इस योजना हेतु हिमाचल प्रदेश सरकार को 500 करोड़ रुपए की सहायता प्रदान की जाए। इसके लिए अधिक धन के प्रावधान के साथ-साथ इसके कार्य के पूर्ण होने की पांच वर्ष की समय-सीमा निर्धारित कर इसका कार्य त्वरित गति से कराया जाए ताकि हिमाचल प्रदेश के लोगों को लगे कि यू.पी.ए. सरकार ने हिमाचल के लोगों की अवहेलना नहीं की है।

महोदय, वित्त मंत्री जी ने हिमालय के बिगड़ते हुए प्रदूषण पर चिन्ता व्यक्त की है। यह बिलकुल ठीक है। आज देश में प्रदूषण इतना बढ़ गया है कि हिमालय भी इससे अछूता नहीं रहा है। लोग नीचे से हिमालय में घूमने जाते हैं और वहां कूड़ा-कचड़ा, थर्मोकॉल के कप और थैलियां फेंक आते हैं जिससे हिमालय में प्रदूषण को गम्भीर खतरा पैदा होता जा रहा है। हिमाचल भारत का रक्षक है। यह चीन की ओर से आने वाली तेज हवाओं से भारत की रक्षा करता है, वहीं देश के पर्यावरण को बचाता है तथा देश इकौलौजीकल बैलेंस को बनाए रखता है। महोदय, हिन्दुस्तान में पानी हिमालय से ही मिलता है। यदि हिमालय में प्रदूषण होगा और पानी नहीं मिलेगा, दो देश पेयजल एवं सिंचाई के लिए तरस जाएंगे और फिर जलविद्युत परियोजनाएं पानी के अभाव बेकार हो जाएंगी। इसलिए हिमालय के पर्यावरण को बनाए रखने एवं बचाने के लिए विशेष प्रयास करने आवश्यक हैं। इस हेतु मैं माननीय वित्त मंत्री जी से प्रार्थना करता हूँ कि हिमालय को सुरक्षित रखने, उसके विकास एवं उसमें बसे क्षेत्रों के

विस्तार जैसे हिमाचल प्रदेश की सुरक्षा हेतु एक बोर्ड का गठन किया जाए जिसमें विशेषज्ञों के साथ-साथ स्थानीय राजनीतिज्ञों, विधायकों एवं सांसदों को भी सम्मिलित किया जाए ताकि हिमालय की सुरक्षा के सम्यक प्रयास किए जा सकें।

महोदय, जैसा कि आपको विदित ही है हिमाचल प्रदेश में उद्योग एवं खेती के माध्यम से रोजगार के अवसर बहुत कम उपलब्ध हैं। इसलिए वहां औद्योगिक प्रशिक्षण संस्थाओं के माध्यम से नए-नए रोजगार सृजन हेतु प्रशिक्षण दिया जाना नितान्त आवश्यक है। वित्त मंत्री जी ने बजट में घोषणा की है कि 500 औद्योगिक प्रशिक्षण संस्थाओं को उन्नत किया जाएगा। मेरा आपके माध्यम से उनसे आग्रह है कि वे हिमाचल प्रदेश के मेरे संसदीय क्षेत्र में स्थित जिला बिलासपुर, हमीरपुर, ऊना एवं कांगड़ा स्थित देहरा की औद्योगिक प्रशिक्षण संस्थाओं के उन्नयन हेतु विशेष रूप से घोषणा करें।

महोदय, देश में आज काले धन और सामानान्तर अर्थव्यवस्था का बोलबाला है जिससे गरीब लोग सबसे ज्यादा प्रभावित होते हैं। टैक्सों की चोरी कर जो धन बचाया जाता है उस काले धन को निकालने एवं टैक्स-चोरों के खिलाफ किसी भी प्रकार के कठोर कदम उठाने के लिए कोई प्रयास नहीं किए गए हैं।

महोदय, अन्त में मैं माननीय वित्त मंत्री जी का कुछ अच्छे कार्यों के लिए बजट प्रस्तुत करने हेतु धन्यवाद करता हूँ, वहीं बजट का घोर विरोध करते हुए अपना स्थान ग्रहण करता हूँ और महोदय, आपको मुझे बोलने का समय देने के लिए धन्यवाद करता हूँ।

*Speech was Laid on the Table.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): Mr. Speaker, Sir, I am grateful to the hon. Members for the very wide-ranging discussion that took place on the Budget proposals lasting late into the night, I believe, and especially the hon. Member, Prof. Vijay Kumar Malhotra who initiated the debate from the Opposition benches.

The Budget Speech over the years has �sesses beyond an accountant's report. No Finance Minister is an accountant. Especially, the Finance Minister presenting a Budget in the first year of a new Government is not a mere accountant. It is my duty, I believe, to interpret the mandate to the best of my ability, to interpret it not only for the hon. Members of this House but also for the people at large who voted us, and to convince this House as well as the people that we are truthful to the mandate.

What is the mandate? It is a complex mandate. It is a mandate very different from the mandate, say, we got in 1991. It is different from the mandate which the BJP and its allies got in 1998 and again in 1999. The mandate of 2004 is a complex mandate which has sent to this Parliament a number of political parties. There are core constituencies for each political party, and I have to, therefore, make an effort to address these core constituencies or core �sesses�

I believe that this is a mandate to take another look at the reform process and ask ourselves the question, whether any section of the people feels that they have been left behind. If the Government is the engine of change, that engine must take with it, not only the bogies of urban India, but also a number of bogies which contain or carry the people of rural India.

I believe that the electoral mandate that we have got a couple of months ago also requires me to re-visit some of the priorities of the reform process and re-arrange those priorities. I believe that the mandate requires me to protect and promote that part of the public sector which has created wealth and made India stronger, and at the same time create greater space for the private sector. I also believe that the mandate requires me to consider people as a key resource in any process of economic or national development.

Most of my task is already directed by the NCMP. The NCMP was not a pre-election manifesto. The NCMP is a considered document, which was put together by the political parties both inside the Government and those supporting from outside. Therefore, much thought, much reflection and much debate has gone into the making of the NCMP. It is not my business to second guess the NCMP; my business is to be faithful to the NCMP. But the NCMP is a roadmap for five years. All of us are indeed impatient; all of us would like everything to be done as early as possible. Let me reiterate that it is a roadmap for five years. And this Government, I am confident, would remain in office for five years to deliver its promises in five years. If there is any section of this House which has not understood this mandate and has not come to terms with its defeat, it is, Sir, I am afraid, my friends on the opposite side.

Perhaps, they thought that they would come back to power; perhaps many friends on this side also did not expect to come to power. We have come to terms with the fact that we are in office, but they have not come to terms with the fact that they are in the Opposition. ...(*Interruptions*) I can see that in the confusion amongst their ranks and their careful avoidance of key issues in the TV bites that they give and in their body language. By the time they travel from Manali to Ahmedabad, I can see the change that takes place; by the time they travel from Ahmedabad to Delhi, another sea change takes place.

Be that as it may, let me deal with the philosophy behind this Budget. Firstly, people are the most important resource, and that is why, this Budget emphasises education, health, nutritious noon meal scheme, drinking water programme, universal health insurance scheme targeted towards families below poverty line, a new insurance scheme for self-help groups, upgradation of 500 I, education loans, etc. All of these treat all the people of India as a resource.

Second, investment is the key. Investment in agriculture, investment in industry and investment in services is the key to growth. It is the key to employment. It is the key to incomes; and it is the key to maximise the welfare of the people.

The third cardinal point is, delivery systems are extremely important. We cannot throw good money after bad. Nor can we create, in our enthusiasm, bottomless pits and pour money into it in the mistaken belief that spending is investment. Spending is not investment.

The fourth is – we can debate on this and I am sure we will debate this on many occasions – while we do not want to be fiscal fundamentalists, we certainly must observe fiscal prudence. The economic laws are harsh and hard laws. They do not bypass India. If these laws have worked well in over a hundred countries in the world, why should we assume that these laws will not work in India?

It is, in this background, Sir, I would urge the House to look at the Budget that I have presented on behalf of the UPA Government. Let me quickly, in the space of a few minutes, deal with each of these sectors. There is a slim book which has been circulated as part of the Budget Paper. This is called, 'Key Features of Budget 2004-05' and much of what I say is already in that book. It brings together under convenient heads what we have done to each sector. Let us look at agriculture as I think that is fundamental to understanding the nature of India's economy.

Look at growth rates. Since 1991, in the three years when agriculture did badly, growth rates declined. In the years in which agriculture did well, growth rates soared. If you net out agricultural GDP growth, you will find that the trend of growth rate is more or less flat. It is agriculture which takes you to high growth rate or takes you to below normal growth rates. Secondly, the bulk of the people of India are still dependent on agriculture and allied activities. How can you ignore that cold fact? Therefore, agriculture occupies a pride of place in this Budget as well as in the allocation of funds. It is possible that many hon. Members did not have time to plough through these volumes and pool these numbers together. It is my job to do it for this House and I will do it to the best of my ability.

In agriculture we have made a bold beginning by addressing the key question of credit. There are some aspects which need to be attended to. I have repeatedly pleaded, let us give ourselves a fair trial for three or four months and we will re-visit the matter. Credit was the key issue and we have addressed it on the 18th of June. If we can raise credit this year from about Rs.80,000 crore to Rs.1,05,000 crore, we will find the difference in agricultural production next year.

The Accelerated Irrigation Benefit Programme is again an investment-oriented measure. Micro Irrigation and Watershed Programme through NABARD to create one hundred thousand watershed structures is an investment-oriented measure. Please remember the words I said: 'spending is not investment'. Investment requires spending but not every spending is investment. Look at the areas where we are spending. AIBP is investment-oriented and Watershed Programme is also investment-oriented. RIDF with Rs.8,000 crore is again investment-oriented.

PROF. VIJAY KUMAR MALHOTRA (SOUTH DELHI): What about the plan allocation? Have you reduced the plan allocation or not? We are just asking for the banks.

MR. SPEAKER: Please allow him to complete. I will give you an opportunity to seek clarifications at the end but not in between. Keep your arsenal ready.

SHRI P. CHIDAMBARAM: Have I come to the end of my speech? I think you should take a lesson from your Leader who is listening patiently.

Every initiative that we have taken in agriculture is investment-oriented. Now, people have asked me what are the new initiatives I have taken. The new initiatives are in the area of agro business. There were several sub-Sections to Section 80 IB but no one thought of giving an exemption to agri business under Section 80 IB. For the first time, we have given tax exemption to agri business. That is a change of direction. You were looking at urban India, we now look at rural India. You were looking at non-agro business and we also look at agro business. We have launched a National Horticulture Mission. Someone asked me what is the difference between the Technology Horticulture Mission and the National Horticulture Mission. The Technology Horticulture Mission is confined to four of the new and smaller States. The National Horticulture Mission encompasses the whole country. There are farmers all over India, not only in these four States.

We have announced a major programme for restoring water bodies. A criticism was made that we have selected

only five districts. Factually, it is in- correct as I had said, 'at least five districts'. But let me take it as five. As I said, I do not believe in creating a huge bottomless pit and pouring money. Of Japanese, it is said that they take two years to design and implement it in one year. We take one month to design, we promise to implement it in two years and we take 20 years. As men of science and as men and women who must imbue a scientific temper, everything must be designed, tested and validated before you put money. This is where delivery systems are important. I must know how I am going to deliver the promise that water bodies in a district will be completely renovated. We must test it out in five parts of the country. Maybe in ten districts. We will test it this year. We will record the results, we will validate it and then we will launch it all over India. I believe, the time spent on reflection, planning, designing and testing is time well spent before you throw money after a scheme and ten years later you discover that the scheme has not delivered the results that you intended it to deliver.

We have given exemption for tractors, for dairy machinery and for agricultural hand tools. Why? All these are investment related. If more tractors are used, if more dairy machinery is imported or bought and installed, and if more agricultural hand tools are used, that improves productivity. Then, we have announced risk mitigation. I have candidly said that I do not know which of the three schemes will succeed. Without much fore thought, the previous Government plunged into one kind of scheme that is completely unsustainable. There is what the report said. So, another scheme was tried last year and the third scheme is being tried this year.

Hopefully, one of them will succeed. This is again a mistake of not testing and validating your design and plunging headlong into a scheme. But surely, one of the schemes, with modifications, will succeed and we will have, as I have promised, a proper farm insurance scheme. For agricultural research we have raised the allocation from Rs. 775 crore to Rs. 1,000 crore.

Sir, I wish to assure this hon. House that throughout this year and the next and the next, agriculture will remain at the centrestage and at the centre of this Government's focus. Year after year you will find that we will expand and strengthen these programmes.

Sir, there are some disturbing facts which hon. Members must note. There is a growing divide between rural and urban India. If you look at per capita consumer expenditure, in rural India it rose from Rs. 486 per month per person to Rs. 531 per month per person. In urban India it rose from Rs. 854 to Rs. 1,011. The ratio which shows this divide went up from 1.76 to 1.90. If you look at enrolment of children, the difference between rural India and urban India, for the children in the age group between six years to 11 years, is 22 per cent; and for the children in the age group between 11 years to 14 years, it is 21 per cent. If you look at the human development index – the last figure is available for 1991, let us assume things have improved, – in rural India the index is 0.34 and in urban India, it is 0.51. Gross capital formation in agriculture has stagnated at about 1.3 per cent of GDP throughout the period when the NDA Government was in office. I am not blaming the NDA Government. I am not saying that they caused the decline. But it has stagnated. There was no additional investment in agriculture. It stagnated at about 1.3 per cent of GDP. That is why, I said, in the three years in which agriculture performed badly, namely 1997-98, 2000-01 and 2002-03, the GDP growth rate was only 4.8 per cent, 4.4 per cent and four per cent respectively. In the years in which agriculture performed well, the GDP growth rate soared to new heights.

SHRI VIJAYENDRA PAL SINGH (BHILWARA): Can you relate it to monsoon?

SHRI P. CHIDAMBARAM: Obviously we have to relate it to the monsoon. But then, in order to make agriculture reasonably monsoon-proof, we must attend to irrigation; we must attend to restoring our water bodies. Therefore, in my scheme of things, in any investment in agriculture, the key aspects are: AIDP programmes and restoration of water bodies.

Sir, in regard to industry I would like to say that like in any other country, industry provides the real motive force for growth because it is technology driven; it is also human resource driven, we have the highest quality human resources. It is science driven and it is also driven by markets. Therefore, we must pay attention to industry. As everyone knows, there is a gap between savings and investments. This gap between savings and investments can be left as a gap, in which event there would not be any investment. A powerful case has been made out all over the world that foreign direct investment fills the gap between the savings ratio and investment. I do not think anyone quarrels with FDI investment. The quarrel is, into what sector should the FDI flow and under what conditions should it flow. Some friends think that I am under pressure from my Left friends. Frankly speaking, it is a great pleasure to work with my Left friends. I have no problem with them. (Interruptions) I am reminded of what Thiruvalluvar, my favourite guide, said 2000 years ago. I will say it in Tamil first and then translate it.

"Ennporulla vaagach chelachchollith thanpirarvaay

nunporull kaanba dharivu "

It means, "Say what you want to say sweetly and in a manner that will convince your friends....(*Interruptions*) Listen to what your friends will say with great attention, take both into account, and arrive at a decision which will be the decision of a king." I intend to do exactly that. I will say sweetly and in a manner that will convince my friends. I will listen to my friends. But, eventually, the Government will have to take a decision in the best interest of the country...(*Interruptions*)

What are we doing? Firstly, we are making investment as the key stone to growth. So, we are setting up an Investment Commission. For too long, this country was bogged down in a controversy and an argument over the Disinvestment Commission. Let us look at the Investment Commission and let us look at it positively. There are domestic investments, foreign investments, public investments and private investments. Every kind of investment must be looked at and every opportunity must be looked at and, under whatever policy that we lay down, all investments must be welcome in this country.

A signal must go not only to our industry but also to every investor in the world that India is open to investment under whatever policy it lays down for attracting investment. This has been the key to growth of every country including China. I do not think that we can afford to lose the race. Indeed, China did start in the early 1980s. It had a ten or eleven year lead. I believe that today China has a lead of about six to seven years. But if we do not absorb the lessons of China and other countries, I am afraid, the gap between a country like China and a country like India may widen rather than reduce.

We are setting up a Board for reconstruction of public sector enterprises. Now, why did I choose the word 'reconstruction'? Public sector has gone through three phases. The first phase is the construction phase started by Jawaharlal Nehru and Shrimati Indira Gandhi. The second phase is deconstruction phase which my friends are responsible for. Now, we have the reconstruction phase. We will have to reconstruct some of our public sector undertakings. That is why, I did not choose the word 'restructuring' but I chose the word 'reconstruction' of public sector undertakings.

A message must also go to all our public sector managers and employees that we will hold them accountable for the money that Parliament gives to them, for the money that people give to them. They cannot destroy wealth. They must create wealth and must share this wealth with the people. As NCMP says, after we try to help them, if they remain chronically sick, as Chief Minister Mr. Buddhadeb Bhattacharya told me a few days ago, then what shall we do? What shall we do with the industries which are chronically sick? The NCMP gives me the guide and I will go strictly according to the NCMP guide.

We are setting up the National Manufacturing Competitiveness Council....(*Interruptions*) Please listen, Mr. Malhotra. I am sure you are listening.

Please remember that we are competing with the world. We are no longer competing among ourselves. Competitiveness is a function of many variables. Our industry has become competitive. But unless we run and keep pace with the rest of the world, we will find that we are left behind. We are setting up NMCC which is an innovative idea. We have found – I repeat the word 'found', – it is no longer a pie in the sky – we have found Rs. 40,000 crores which is available under the Inter-Institutional Group. I would urge the hon. Members to seek the entrepreneurs who can access this fund for setting up new industries in their constituencies and in their States.

This is no longer a pie in the sky programme. This money is available and this money will be invested this year to promote new industries.

On the power sector there were some remarks that I had not made any reference to the power sector. I thought it was not necessary because I had made a reference to it in a speech outside this House. Let me tell you that ten power projects have achieved financial closure with the total capacity of 3472 megawatts. This is an improvement over the six that I had announced in the speech. Seven other projects with a capacity of 8067 megawatts are likely to achieve financial closure within three months. IIG system has worked well and is working well. I am extending the IIG system to other areas, particularly to airports, seaports and tourism.

We have granted initial depreciation allowance. This is the only demand which the industry placed. I am very happy that industry has no wish list any more. Industry only wants an enabling environment in which they can compete with minimum interference from the Government. Industry's one demand was that the initial depreciation allowance of fifteen per cent must not be linked to additional capacity of 25 per cent and that it must be linked to a lower additional capacity. I have accepted this demand and we have given them this. You will find greater and greater investment this year as a result of this measure.

I am surprised that nobody from the Opposition mentioned – although some of my friends from this side were kind enough to mention – about the very radical regime that we have brought in textiles. How did this happen? As I said, it happened because of thoughtlessness. Suddenly, one day you invent the mythical CENVAT chain with forty holes

drilled into it, that is, with forty exemption notifications, starting from fibre to yarn to fabric to garment and then bring in the poor handloom and the poor powerloom and say, "You are now subject to excise regime". I thought the previous Government railed against the inspector raj. But what did you unleash on the handloom and powerloom weavers? You unleashed the inspector raj. The transaction cost went so high that people were forced to close down the handlooms. In district after district in Tamil Nadu, which I am personally aware of and the hon. Members sitting here are aware of, the only demand of the voters from the candidate in the election was, "Will you go to Delhi and abolish CENVAT?" The candidates who said, "I will abolish CENVAT", won by margins of two and half lakh of votes. It happened in Rasipuram, Gobichettipalayam, Tiruchengode, Palani, Coimbatore and Erode. I think the former Deputy Prime Minister must have visited Kumbakonam. Even in Kumbakonam there are weavers. I do not know whether any one from that area met him and thanked him. If they thanked him for cooperating and abolishing CENVAT, please accept that sense of gratitude. If they thanked him, it means they have thanked me and they have thanked the whole House. Abolition of CENVAT will now create a level playing field. Now, you will find that handloom, powerloom and mill sector thriving without being under the control of the inspector raj.

Sir, I now turn to employment. The Food-for-Work Programme is the key to address the immediate problem of unemployment. It is not a lasting solution. Lasting solution is to create regular jobs in industry or agriculture or services. But job creation won't take place overnight. Jobs are created by investment and high growth. But immediately there is a problem of hunger, There is a problem of want. It has to be addressed. Therefore, the NCMP talked about Food-for-Work Programme. Members asked me how much has been allocated for this. Last year the cash component of Food-for-Work Programme was Rs. 3,712 crore. This year, even if you do not take into account the additional GBS of Rs. 10,000 crore, the Planning Commission 'will' – I underline the word 'will' – allocate an additional amount for FWP. As against Rs.3,712 crore last year, we have already allocated Rs.4,050 crore. Please add to that what the Planning Commission will allocate in the next two weeks. It is not that the Planning Commission is going to sit over the issue for six months. In the next two weeks, the Planning Commission will allocate more funds to the Food for Work Programme.

Hon. Members were looking at some figures and said that last year we had an additional Rs.4,888 crore. But this Rs. 4,888 crore was not allocated as cash in the BE stage. It was because of drought-affected areas that a Special Component in the form of foodgrains was done. The value of that foodgrains was Rs.4,888 crore. Surely, it is not your wish that this year also there should be drought. It cannot be your wish. I want you to join me in praying that we will have enough rains. But if there is drought like last year, over which we have no control, we will allocate foodgrains and when that foodgrains allocation is made, it will be reflected in the RE stage and the foodgrains value will be taken into account. But in terms of cash component to cash component, we have already allocated Rs.4,050 crore as against Rs.3,712 crore. Within two weeks from today, more funds will be allocated to the Food-for-Work Programme.

As I said, the additional investment that is being made in agriculture, in industry, the private investment, the public investment – I have already given the figures of equity and loan investment in public sector – all these will create jobs. If we continue to grow at seven to eight per cent, jobs will be created. But that will take time. Until those jobs are created, until those people are absorbed, we will have to persist with the Food-for-Work Programme. You will find that I will make larger and larger allocations year after year depending upon the absorptive capacity and the needs of the States.

Sir, before I go to some of the larger questions, I would touch upon a few other things. Questions have been asked about what have we actually allocated to areas like rural development. Let us compare the BE 2003-04 with BE 2004-05. That is the proper comparison. Anyone who has got some knowledge of and acquaintance with public finance will compare BE and BE. I will also compare the RE if necessary.

In the Ministry of Rural Development, there are several key heads. They are SGSY, Rural Employment, Rural Housing, other Rural Development Programmes, Roads and Bridges, North-Eastern States, Wastelands Development, Land Reforms, Rural Water Supply and Sanitation. These are the broad heads and some minor heads are there. The total BE allocation last year was Rs.14,070 crore. The BE allocation this year is Rs.15,998 crore which represents an increase of 13.7 per cent. The nominal GDP growth - we have assumed – is 12 per cent but the allocation for Rural Development rises by 13.7 per cent over the BE of last year. ...(*Interruptions*)

PROF. VIJAY KUMAR MALHOTRA : You should have the Revised Budget Estimates or the Interim Budget. Compare with both of them. It is much less. ...(*Interruptions*) Sir, he is just taking the present estimates. Please go to the Revised Budget. He is not doing so....(*Interruptions*)

MR. SPEAKER: This is very unfortunate. He is giving his own version. You are not bound to accept everything that he says. But do not correct him. Very well, you may point it out later on. He has a right to an audience. What is this?

...(*Interruptions*)

SHRI P. CHIDAMBARAM: This is a completely unwarranted charge. I said that I would compare RE also if necessary....(*Interruptions*)

MR. SPEAKER: What is going on in the House?

SHRI P. CHIDAMBARAM: I said that I would compare RE also. Either they do not listen to me or they are deliberately playing hard of hearing. I said that I would compare BE and BE and I will also compare, if necessary, BE and RE. I am going to compare that if both of you will kindly listen to me....(*Interruptions*)

Look at the RE now. Rs.4,888 crore, as I said earlier, was not a cash allocation. It was an allocation of foodgrains because there was a drought condition. It is our collective and fervent prayer that there will not be drought conditions this year.

So, if you were to take out Rs. 4,888 crore valuation for the purpose of comparing cash versus cash, allocation versus allocation, if you compare that way, the increase in the BE over RE is 9.8 per cent. The increase in the BE this year over the BE of last year is 13.7 per cent and the increase in the BE this year over the RE of last year is 9.8 per cent. Should – God forbid – there be a drought and should there be a requirement to allocate foodgrains, we will allocate that, and when you add that, the increase will be more than 9.8 per cent. Therefore, Sir, they should do their homework before levelling these charges. ...(*Interruptions*)

MR. SPEAKER: The Finance Minister can look after himself. Please take your seat.

SHRI P. CHIDAMBARAM: Sir, there are outlays for rural development in other Ministries also. We are looking only at the Ministry of Rural Development. There are other Ministries where there are outlays for rural development. Let us look at them now. There are heads like animal husbandry and dairying, agricultural research and education, etc., under the Ministry of Agriculture, there is the AIDP which falls under the Ministry of Water Resources, there are heads like rural electrification, rural family services, agro-rural industries and Panchayati Raj which come under various other Ministries. If you look at the BE in these Ministries in respect of Plan outlays for some of the programmes which have a focus or an impact on rural development, the BE allocation in these Ministries last year was Rs. 11,661 crore. Sir, they will not like the figure that I am going to quote just now. The RE came down to Rs. 10,391 crore. This year, the BE allocation, as against Rs. 11,661 crore, is Rs. 12,923 crore. There is an increase of 10.8 per cent, not just 8 per cent. I know they are very quick in their arithmetic, but they can slip. If you look at BE versus RE, the increase is more than 10.8 per cent.

Sir, there was some criticism as to why did I call the Drinking Water Mission as Rajiv Gandhi Drinking Water Mission. I am not naming the Mission after Rajiv Gandhi. It was named after Rajiv Gandhi in the year 1991. I am simply removing the dust that was put on the name of the Mission. ...(*Interruptions*)

PROF. VIJAY KUMAR MALHOTRA : Mr. Speaker, Sir, we strongly object to this. Dr. Deen Dayal Upadhyay's name was kept. He is referring to his name as dust. It is highly objectionable. It should not have come from Shri Chidambaram. How can he behave like this? ...(*Interruptions*) How can he talk like this? It is highly deplorable. ...(*Interruptions*)

MR. SPEAKER: He has not used any unparliamentary word.

SHRI P. CHIDAMBARAM: Sir, what have I said? Is there anything unparliamentary? ...(*Interruptions*)

MR. SPEAKER: He has only mentioned the name of the Mission.

...(*Interruptions*)

SHRI P. CHIDAMBARAM: Sir, I have not said anything unparliamentary. So, I will not yield to anyone. ...(*Interruptions*)

MR. SPEAKER: The Leader of the Opposition wants to say something. If you yield, I will allow him.

...(*Interruptions*)

SHRI P. CHIDAMBARAM: Sir, let me complete what I was saying. ...(*Interruptions*)

MAJ. GEN. (RETD.) B. C. KHANDURI (GARHWAL): Mr. Speaker, Sir, this is not the way. ...(*Interruptions*)

MR. SPEAKER: He has not taken any other name. Please take your seat.

...(*Interruptions*)

SHRI P. CHIDAMBARAM: Sir, I have not completed what I wanted to say.

MR. SPEAKER: He has only mentioned the name of a Mission. He has not used any unparliamentary word. You may have reservations. I find that the hon. Leader of Opposition wants to say something, depending on whether the hon. Minister yields or not. Therefore, I am asking whether the hon. Minister is yielding or not.

SHRI P. CHIDAMBARAM: Sir, I want to finish this part and then I will yield to the hon. Leader of Opposition...(Interruptions)

अध्यक्ष महोदय : इन्होंने किसी का नाम नहीं लिया, राजीव गांधी मिशन बोला है।

â€¦(व्यवधान)

प्रो. विजय कुमार मल्होत्रा : अगर ये हमें बोलने नहीं देंगे, तो हम भी किसी को बोलने नहीं देंगे।â€¦(व्यवधान)

SHRI P. CHIDAMBARAM: I am not yielding to Shri Malhotraâ€¦ (Interruptions)

PROF. VIJAY KUMAR MALHOTRA : I am not asking him to yieldâ€¦ (Interruptions)

MR. SPEAKER: Nothing will be recorded.

(Interruptions) *

***Not Recorded.**

प्रो. विजय कुमार मल्होत्रा : अगर हमारे नेता के बारे में ऐसे शब्दों का प्रयोग किया जाएगा â€¦(व्यवधान)

SHRI P. CHIDAMBARAM: Sir, they are not allowing me to complete this...(Interruptions) This is the Parliament of Indiaâ€¦ (Interruptions)

MR. SPEAKER: The hon. Minister has said that he would yield to the hon. Leader of Opposition after he finishes this part.

...(Interruptions)

MR. SPEAKER: Let us wait for him to finish this part.

...(Interruptions)

SHRI P. CHIDAMBARAM: Sir, I will finish this part and then if the hon. Leader of Opposition wants to say something, I will yield to him.

What did I say in my speech and what I am saying now? The Mission was named in 1991...(Interruptions)

MR. SPEAKER: Nothing will go on record.

(Interruptions)*

MR. SPEAKER: I have not allowed to go it on record. Why are you so upset?

...(Interruptions)

SHRI P. CHIDAMBARAM: I am not yielding to Shri Malhotraâ€¦ (Interruptions)

अध्यक्ष महोदय : यह क्या बँत है। हम उन्हें बोलने देंगे। There is a convention in the House. He says that he will yield to the hon. Leader of Opposition after he finishes this part.

...(Interruptions)

SHRI P. CHIDAMBARAM: After I finish this part, I will yield to the Leader of Opposition.

***Not Recorded.**

PROF. VIJAY KUMAR MALHOTRA : That is not the question (Interruptions) He cannot say like this...(Interruptions)

MR. SPEAKER: All of you sit down please.

...(Interruptions)

MR. SPEAKER: All right, I have requested him to yield to the hon. Leader of Opposition. Shri L.K. Advani, please.

श्री लाल कृष्ण आडवाणी (गांधीनगर) : अध्यक्ष जी, वित्त मंत्री जी जब बोल रहे थे, मेरे कुछ साथी सवाल पूछ रहे थे, लेकिन मैंने कहीं भी (व्यवधान)

श्री पवन कुमार बंसल (चण्डीगढ़) : सवाल नहीं पूछ रहे थे, डिस्टर्ब कर रहे थे। (व्यवधान)

MR. SPEAKER: You must have some patience to listen to the senior leader of the House.

...(Interruptions)

MR. SPEAKER: Nothing else should be recorded except hon. Leader of Opposition's observation.

(Interruptions) * (व्यवधान)

श्री लाल कृष्ण आडवाणी : मैंने अगर चिदम्बरम जी से कुछ कहना चाहा है तो केवल इसलिए कि वे कभी पंडित दीनदयाल उपाध्याय जी से मिले नहीं होंगे, उन्हें जानते नहीं होंगे। मैं कह सकता हूँ कि जो भी लोग उन्हें जानते थे वे उनके बारे में (व्यवधान)

श्री कृष्णा तीर्थ (करोल बाग) : बजट में दीनदयाल जी की बैंत कहां से आ गयी। (व्यवधान)

THE MINISTER OF STATE OF THE MINISTRY OF SCIENCE AND TECHNOLOGY AND MINISTER OF STATE OF THE DEPARTMENT OF OCEAN DEVELOPMENT (SHRI KAPIL SIBAL): Sir, what is this? It is not related to this...(Interruptions)

MR. SPEAKER: Please sit down. This is very unfortunate.

...(Interruptions)

***Not Recorded.**

MR. SPEAKER: Nothing is being recorded.

...(Interruptions)

श्री लाल कृष्ण आडवाणी : जब पंडित दीनदयाल जी की हत्या हुई थी, उसके बाद जो सार्वजनिक सभा रामलीला मैदान में हुई थी, उसमें सबसे अधिक प्रशंसा करते हुए भावभीनी श्रद्धांजलि हीरेन मुखर्जी जी ने दी थी। (व्यवधान)

MR. SPEAKER: This is very unfortunate. Hon. Members, we need not agree with each other on all matters. Of course, there are political parties with different views, different ideologies and if any Member has to say something only to suit everybody's desire, then this House need not function.

...(Interruptions)

SHRI L.K. ADVANI : Sir, he may disagree with my viewpoint. (Interruptions)

MR. SPEAKER: 'Right to say' is conceded.

SHRI L.K. ADVANI : But he has no right to speak about Deen Dayal Upadhyay as such. (Interruptions)

MR. SPEAKER: He has not said it.

...(Interruptions)

MR. SPEAKER: Kindly allow the Finance Minister to speak. Let him finish his speech. I will allow you.

...(Interruptions)

MR. SPEAKER: Advaniji, let him complete his speech.

...(Interruptions)

MR. SPEAKER: I am sure the hon. Finance Minister can look after himself.

...(Interruptions)

SHRI P. CHIDAMBARAM: They have completely misunderstood it. I have not uttered the words 'Deen Dayal Upadhyay'. ...(Interruptions) Please go through the record. ...(Interruptions)

MR. SPEAKER: I beg all of you to kindly listen to him.

...(Interruptions)

MR. SPEAKER: This is very unfortunate. He has not used his name. Let him finish.

...(Interruptions)

MR. SPEAKER: Very well, you have removed the dust.

...(Interruptions)

SHRI L.K. ADVANI : Sir, it is a technical defect. He did not use the words 'Deen Dayal Upadhyay'. I agree. But he said that he was removing the dust. It is very unusual. ...(Interruptions)

MR. SPEAKER: Please listen to him till the end. I do not know what is written there. Can the Finance Minister of this country not give a reply? Is this the way we function?

...(Interruptions)

प्रो. विजय कुमार मल्होत्रा : इन लोगो को गाली देने का कोई अधिकार नहीं है। **â€** (व्यवधान)

अध्यक्ष महोदय : गाली नहीं दिया। गाली दिया होगा, तो रिमूव हो जाएगा।

...(Interruptions)

MR. SPEAKER: This is very unfortunate. Please sit down. Yes, Mr. Finance Minister, you carry on.

Only the Finance Minister's statement will be recorded until I permit anybody else to speak.

(Interruptions) *

SHRI L.K. ADVANI : This is the technical defect. He has said that Rajiv Gandhi Mission was started in 1991. ...(Interruptions)

SHRI P. CHIDAMBARAM: I said the name ...(Interruptions)

SHRI L.K. ADVANI : He said: "All that we have done is to remove the dust." What does it mean? ...(Interruptions)

*Not Recorded.

MR. SPEAKER: Advaniji, let him complete his sentence. If there is any unparliamentary word, I shall remove it.

SHRI L.K. ADVANI : It is not the question of unparliamentary word. ...(Interruptions)

MR. SPEAKER: I understand your point. Let him finish his speech. After that, if you have any questions, you can

ask. Please sit down.

...(Interruptions)

MR. SPEAKER: Please sit down.

...(Interruptions)

SHRI P. CHIDAMBARAM: Sir, I am not yielding to anybody. ...(Interruptions)

MR. SPEAKER: There is the hon. Leader of the Opposition to look after your interest. Please sit down.

...(Interruptions)

MR. SPEAKER: Mr. Goyal, you are crossing the limit unnecessarily.

...(Interruptions)

MR. SPEAKER: Your learned Leader of the Opposition is looking after your interests here. Please leave it to him.

I am requesting the hon. Finance Minister to continue his speech.

...(Interruptions)

MR. SPEAKER: Please give me half a second. After this part, if you find there is anything derogatory to any hon. Leader of this country, I shall see to it that it is removed. What more can I say?

...(Interruptions)

SHRI P. CHIDAMBARAM: I do not understand what is unparliamentary in this.

...(Interruptions)

MR. SPEAKER: It is very unfortunate.

...(Interruptions)

MR. SPEAKER: Let him explain. I am asking him to explain.

Mr. Chidambaram, you please explain. Whatever you wish to say, you go on.

...(Interruptions)

अध्यक्ष महोदय : आप लोग बैठिये।

...(व्यवधान)

MR. SPEAKER: You are not the Speaker. Fortunately for you, you are not the Speaker. Unfortunately, I am the Speaker!

...(Interruptions)

SHRI P. CHIDAMBARAM: Sir, in my Budget speech, I said:

"The Rajiv Gandhi Drinking Water Mission was intended to be implemented in the Mission mode. In recent years, however, new programmes have sprung up obscuring the original mission. More than 75,000 habitations are yet to be provided adequate drinking water. Government intends to bring all drinking water schemes under the umbrella of the Rajiv Gandhi Drinking Water Mission. "

MR. SPEAKER: What is wrong?

...(Interruptions)

SHRI P. CHIDAMBARAM: Mr. Speaker, Sir, I am not yielding.â€¦ (Interruptions)

MR. SPEAKER: He has not yielded.

...(Interruptions)

SHRI L.K. ADVANI : When he made the speech, no one protested. It is only today when he explained what he wanted to say, we protest. What he said was that he was removing the dust....(*Interruptions*)

MR. SPEAKER: He did not say the name, but only said the name of the Mission.

...(*Interruptions*)

MR. SPEAKER: Please carry on with your next point.

...(*Interruptions*)

SHRI L.K. ADVANI : He has to apologize. ...(*Interruptions*)

We are sorry. ...(*Interruptions*)

MR. SPEAKER: You have made your point.

...(*Interruptions*)

14.58 hrs

At this stage, Shri L.K. Advani and some other

hon. Members left the House.

...(*Interruptions*)

MR. SPEAKER: Wait a minute. Please sit down. Nothing is being recorded. Why do you bother? What do you want me to do? Shall I take them out? आप फाइनेंस मिनिस्टर की बेंत सुनिये। मेहरबानी करके आप अपने फाइनेंस मिनिस्टर को सुनिये। आप लोग बैठ जायें।

...(*Interruptions*)

MR. SPEAKER: Please sit down.

...(*Interruptions*)

MR. SPEAKER: Mr. Harin Pathak, if you are going out, then do not disrupt the proceedings. You are boycotting.

...(*Interruptions*)

15.00 hrs.

MR. SPEAKER: Hon. Members, I am requesting you to come back to your seats and listen to the speech of the hon. Minister of Finance.

...(*Interruptions*)

MR. SPEAKER: Hon. Members, please take your seats. Please preserve your enthusiasm for other occasions.

...(*Interruptions*)

SHRI P. CHIDAMBARAM: Sir, I wish hon. Members tune in to the BBC to listen to the debate between the Prime Minister of the United Kingdom and the Leader of the Opposition there. Nothing unparliamentary was said. All that I said was that the Rajiv Gandhi Mission was obscured. All that I did was to bring all water missions under the Rajiv Gandhi Mission umbrella. I said and I say it. I said in the mildest of terms that I was just trying to remove the dust that was put on top of the Rajiv Gandhi Mission's name. Now, what is unparliamentary? ...(*Interruptions*)

Let me say it for the record, there is in the Government, in the Ministry of Social Justice and Empowerment, a Deen Dayal Upadhyaya Disabled Rehabilitation Scheme. Nobody has tried to remove that. Why are they getting touchy? I never uttered the name of any other leader. I think, they were looking for an excuse to leave the House and they have left the House. ...(*Interruptions*)

MR. SPEAKER: Shri Raghunath Jha, I am sure, everybody's performance is being watched by the Prime Minister for future.

...(*Interruptions*)

SHRI P. CHIDAMBARAM: I just want to make a few more observations. The first is on fiscal consolidation. Please remember that I am a servant of this House. This House passed the FRBM Act. The FRBM Act was passed in August, 2003 but the Government did not notify it. As long as the Government did not notify it, it could do whatever it liked. So, the Act was there but the Act was not in force. This Government, fully alive to its responsibilities, notified the Act on the 5th July, and presented the Budget on the 8th July. I urge hon. Members to kindly read a very important document circulated for the first time in the history of independent India called 'Medium-term Fiscal Policy Statement', which gives the roadmap as to how the revenue deficit and fiscal deficit would move over the next three to five years. It also obliges us to restructure schemes and to control expenditure. The restructuring of schemes is being taken up with all seriousness by the Planning Commission. Many of the schemes will indeed be restructured.

The NCMP requires us to transfer all Centrally-sponsored schemes to the States. All this is part of a new federal philosophy. There must be a Central sector and there must be a State sector while all Centrally-sponsored schemes must be transferred to the States except a scheme of national importance like family planning. All these would be attended to and when we attend to all these things and control expenditure, we would be on the road to fiscal consolidation.

Two important pilot projects have been announced. I have already mentioned about the one on water bodies. I want to mention the other one on food stamps. Let me make it very clear that the public distribution system would be strengthened. There is no going back on the public distribution system. All that we are doing is, since some very eminent people have recommended that we must experiment whether food stamps would serve the objective better, we have simply chosen one State and three contiguous districts. We want to make an experiment with food stamps. If the experiment succeeds, we can extend the experiment because an experiment would give us new insights. After all, we must develop a scientific temper. We must not be afraid to experiment. We must be willing to experiment and to see what new ideas and new methods could be tried to make the public distribution system stronger and more reliable, to serve the objectives of the public distribution system.

Finally, I am mandated to present a paper on subsidies. I have asked the National Institute of Public Finance and Policy to prepare the paper. I will present the paper. When that paper comes and after the hon. Members have had an opportunity to read the medium-term fiscal policy statement, I hope there will be another opportunity to have a wide-ranging discussion on fiscal consolidation and fiscal reform.

Sir, I want to take a few minutes to talk about States' finances. We have done a lot for the States in this Budget. The biggest step that we have taken is to reduce the interest on loans to States from 10.5 per cent to 9 per cent. This reflects lower cost of borrowing for the Central Government which we are passing on to the States. If our cost of borrowing comes down, we will pass on the benefits to the States in the future also.

We have also got a target of Rs. 40,000 crore in debts swap. Debts swap is a win-win for everybody. It is a gain for the States and it is a gain for the Centre. The target is Rs. 40,000 crore, but my office has told me that this year we will do better than the target of Rs. 40,000 crore. As I said in my Budget Speech, I propose to consult the States and allow them to borrow more so that they can depend less on the Central loans. The cost of intermediation will come down. If they borrow more directly from the market and not depend so much on Central loans, their interest cost will come down. This is a long-standing demand of the States' Finance Ministers and Chief Ministers. We are looking into it and we are trying to operationalise it this year.

Now, I would like to say a word about the Rashtriya Sam Vikas Yojna. I thought the Budget Speech made it very clear. I did not claim to have introduced the Rashtriya Sam Vikas Yojna, but after having introduced the Rashtriya Sam Vikas Yojna what did Bihar get last year. That is the question? The Rashtriya Sam Vikas Yojna has a Bihar component, has a component for three districts of Orissa – Kalahandi, Bolangir and Koraput and a backward district initiative. Nobody has tampered with that scheme. But what are the facts? During the last year under Rashtriya Sam Vikas Yojna, only Rs. 1,073 crore was released, out of which Bihar got only Rs. 445 crore. This year we have made a Budget allocation of Rs. 3,225 crore, three times that of last year. I wish I could give more to these poor districts of India, but we have made an allocation three times more than that of the last year. We have asked the Planning Commission to make an allocation after receiving programmes from the Bihar Government. I am confident that Bihar will get a much improved and substantial package this year, surely several times more than the measly sum of Rs. 445 crore they got last year. As I said in my Budget Speech, Rs. 3,225 crore is the initial allocation and if more funds are required, we will allocate more to the Rashtriya Sam Vikas Yojna. Koraput, Kalahandi and Bolangir will also get more money and the backward districts and some other districts will also get more money. It all depends upon the States presenting viable and fundable schemes to the Planning Commission.
...(Interruptions)

श्री राम कृपाल यादव (पटना) : अध्यक्ष महोदय, मुझे एक निवेदन करना था कि मंत्री जी आपने बिहार के लिए जो पैसा आबंटित किया है, वह स्पेशल पैकेज है

या राष्ट्रीय श्रम विकास योजना के अंतर्गत दे रहे हैं। यह क्लियर नहीं हो पाया है। (ब्यवधान)

MR. SPEAKER: Please let him reply to your question.

...(Interruptions)

SHRI P. CHIDAMBARAM: Hon. Members must also note that this is something we are doing in the middle of the year. But there is another major initiative announced in the Budget based on the NCMP to which everybody including the RJD and other Parties are parties, namely, we are setting up the Backward States Grant Commission and a Backward States' Grant Fund. We are going to allocate Rs. 25,000 crore over the next five years. Which are the States which will get it? (Interruptions) Let me be very candid. Is Tamil Nadu going to get it? (Interruptions)

श्री देवेन्द्र प्रसाद यादव (झंझारपुर) : मैं आपसे एक क्लेरीफिकेशन चाहता हूँ।

SHRI P. CHIDAMBARAM: No, I am not yielding. (Interruptions)

MR. SPEAKER: He is not yielding. He cannot reply regarding every State now. If the hon. Minister does not yield, then nobody will be allowed to speak and nobody's statement will be recorded.

...(Interruptions)

SHRI P. CHIDAMBARAM: Which are the States which will get it? The Backward States will get it. (Interruptions)

Sir, within the backward States and some other States there are backward districts, they will get it. Surely, this is not going to go to the Southern States and the Western States. (Interruptions)

SHRI P.K. VASUDEVAN NAIR (THIRUVANANTHAPURAM): Why?

SHRI P. CHIDAMBARAM : It will not because they are not classified as backward States. Some districts may.

SHRI P.K. VASUDEVAN NAIR : Mr. Minister, the classification should be very carefully done.

SHRI P. CHIDAMBARAM : The Commission will do that. (Interruptions)

MR. SPEAKER : For that, the Commission is appointed.

SHRI P. CHIDAMBARAM : The Commission will look into it. The point is that the bulk of it will go to these States which are poor and backward where a bulk of the poor of India live. Let us be candid. (Interruptions)

MR. SPEAKER : Everything is not being completed in July, 2004.

SHRI P. CHIDAMBARAM : The bulk of the poor of India – please understand my brothers and sisters – live in Bihar, in Orissa, in Chattisgarh, in Jharkhand, in U.P., in parts of Rajasthan and parts of Maharashtra. This is where the bulk of the poor live and they will get the money.

MR. SPEAKER : Also India's policy of 'Look East' also.

श्री देवेन्द्र प्रसाद यादव : पहले हमें अलग से मेमोरेण्डम देने की बात की गई थी, लेकिन अलग से फाइनेंशियल मेमोरेण्डम नहीं दिया गया। जब झारखण्ड से बिहार अलग राज्य हुआ था तो बिहार की आर्थिक स्थिति के लिए, वहां के लोगों में सतता बनाए रखने के लिए पिछली सरकार के दौरान फाइनेंशियल मेमोरेण्डम नहीं दिया गया था। मैं यह जानना चाहता हूँ कि 25 हजार करोड़ रुपया जो पिछड़े राज्यों के लिए है, उसमें बिहार में पिछड़ेपन को देखने का क्या क्राइटीरिया होगा? (ब्यवधान)

अध्यक्ष महोदय : अभी डिटेल कैसे दूँगे।

श्री देवेन्द्र प्रसाद यादव : यह 100 जिलों की योजना है। इन 100 जिलों में आतंकवाद के नाम पर भी लोग मर रहे हैं। (ब्यवधान) यह तो हमारे हक का सवाल है।

MR. SPEAKER : He has said that.

...(Interruptions)

MR. SPEAKER : You have got a very competent Ministry there to look after this.

SHRI P. CHIDAMBARAM : Sir, for infrastructure I have already mentioned about the Inter Institutional group and I want to specially mention about Sethusamudram and Vallarpadam. I visited Tuticorin. The responsibility of drafting the DPR has been given to the Tuticorin Port Trust. The Chairman of the Port Trust has told me that he will have the DPR prepared by the end of November. If the DPR comes by the end of November, we have an opportunity to make a major announcement about Sethusamudram even before the year is over. (Interruptions)

SHRI N.N. KRISHNADAS (PALGHAT): What about Vallarpadam?

SHRI P. CHIDAMBARAM : Please wait. What is this? The same thing about Vallarpadam. For Vallarpadam, when the project report comes, when the DPR comes in this year the announcements, will be made this year.

...(Interruptions)

There was some talk about the Golden Quadrilateral and that I have failed to mention it. Well, I support the Golden Quadrilateral. We are very happy that the four major metropolitan cities are being connected. We are happy about the East-West corridor, the North-South corridor. But let me give you some facts about the programme. The Golden Quadrilateral was approved for 5,846 kilometres and the original target date was 31st March, 2004 a date which is now behind us. The target was extended to December, 2004 which is five months away. So far, as on 30th June, only 46 per cent work has been completed – 2,692 kilometres.

What have we done? We have not obliterated the Golden Quadrilateral. As against the amount of Rs. 3,442 crore allocated last year, we have allocated Rs. 5,058 crore for the Golden Quadrilateral. We are not looking at it as a partisan programme. We think this is important. Our highways must be made world-class. The attempt to connect the metropolitan cities was started long before the NHAI. In fact, it was the United Front Government which created this fund and the NHAI was given the money. It was the United Front Government which started it. They came and called it Golden Quadrilateral. It is very good; we are very happy. Let it be golden, let it shine, let it do whatever it can. ...(Interruptions) But the point is we have allocated Rs. 5,058 crore as against Rs. 3,442 crore.

...(Interruptions)

I want to say a word about defence capital expenditure. It is a very serious matter. The defence capital expenditure, if you look at the figures of the last two years, has stagnated leading to an accumulation of bills. The hon. Minister of Defence is here. I want to take the House into confidence to the extent possible. Certainly leaders can meet the hon. Minister of Defence for further clarifications. We have provided an additional amount of Rs. 11,000 crore for defence capital expenditure. Why?

We had committed liabilities as on the 1st of April, 2004, long before this Government came into office. Out of the committed liabilities, Rs. 8,493 crore are required for three major contracts. These contracts were approved immediately or shortly after the Interim Budget was presented in February, but no money was provided. We have to pay these bills. We have to honour contractual obligations. In fact, without providing money, an amount of Rs. 4,396 crore was actually spent in the month of April and, therefore, when I came into office in the end of May, 2004 and the Defence Minister brought this all for discussion, as a nation, which is obliged to honour contractual obligations and pay its bills, we had to provide Rs. 11,000 crore. This is really ...(Interruptions) I will not make any charge against anyone. It is poor Budget management. Let me put it that way. Mildly, this is poor Budget management. Having left us this legacy of bills ...(Interruptions)

DR. SUJAN CHAKRABORTY (JADAVPUR): Since the expenditure is said to be borne in April, 2004, there is ample reason to doubt about what actually happened. The details of this amount of Rs. 4,396 crore must be known to the House. That must be arranged. ...(Interruptions)

SHRI P. CHIDAMBARAM: Therefore, the Defence Minister constantly reminds me that even this amount of Rs. 11,000 crore, which I provided, may not be enough. But I have been able to provide Rs. 11,000 crore. This is absolutely necessary to �ssesses� our Army, to keep it in fighting-fit condition and, above all, to honour contractual obligations which we have incurred as a sovereign Government on account of these contracts.

...(Interruptions)

श्री रामदास बंडु आठवले (पंढरपुर) : क्या आप एमपीलैड का पैसा बढ़ायेंगे ? â€¹(व्यवधान)

MR. SPEAKER: We are constituting MPLADS Committee. You make your observations there.

...(Interruptions)

SHRI P. CHIDAMBARAM: Sir, finally, I want to say ...(Interruptions)

MR. SPEAKER: Please sit down. You must have somebody to target. They are not there. Therefore, you are targeting the Finance Minister.

...(Interruptions)

MR. SPEAKER: Shri Ramdas Athawale, you have made your point and you have made your presence felt since morning.

SHRI P. CHIDAMBARAM: Finally, I want to say a word about the tax proposals and the revenue assumptions that we have made.

MR. SPEAKER: I thought you said that it is your final point.

SHRI P. CHIDAMBARAM: Yes, this is my final point.

Sir, we have not under-estimated expenditure. Plan expenditure for 2003-2004 was Rs. 1,20,974 crore and the BE for the current year is Rs. 1,45,590 crore. There is a jump of Rs. 25,000 crore in Plan expenditure. Similarly, Non-Plan expenditure was Rs. 3,17,821 crore and we have now estimated it at Rs. 3,32,239 crore. Now, capital expenditure is higher by 27 per cent and Plan expenditure is higher by 20 per cent.

We are not a tax-and-spend Government. Nobody suggests that tax-and-spend is a good policy. We have provided for expenditure. It will be my endeavour to keep expenditure within what has been provided. Adequate funds have been provided. We have not under-estimated expenditure.

Likewise, we have not over-estimated revenue. I have simply taken the projections made in February, when they are usually made having regard to historical growth rate and buoyancy, and added to that the transaction tax, the cess and the arrears of tax revenue. I want to say a word about arrears of tax revenue. These arrears of tax revenue have remained arrears and why they have remained arrears is a mystery to everyone. Why are they not being collected? Now, we have collected the figures. The figures show the undisputed recoverable arrears are very large. I am not revealing those sums because if I reveal those sums, then my target will become known to everybody. A tidy sum can be collected and I assure this House that we are going to collect that sum using every weapon in our armoury. We are going to collect these arrears because these arrears belong to the Treasury.

My only appeal to individuals and corporates on these arrears is that last year was a good year for corporates, last year was a good year for income-tax assesses, and they have the capacity to pay. I will try to collect the arrears like a bee draws honey from a flower. But before the bee stings, I want the flower also to yield honey to the bee.

MR. SPEAKER: Well said and good conclusion.

SHRI P. CHIDAMBARAM: Lastly, on the tax proposals, I have got an announcement to make about the Security Transaction Tax (STT). The Security Transaction Tax is a neat, efficient and easy to administer tax. Above all, it has the great advantage of virtually eliminating tax avoidance. People have to come into the tax net and they will leave behind them a tax trail.

There are two sets of intermediaries in the capital market. The first is a category which is subject to capital gains. The second is a set which is subject to only income-tax on business profits. After hearing every intermediary in the market and consulting with SEBI, I am satisfied that while the STT should stay, we should treat these two sets differently. So, these are my revised proposals now.

- For those who are now paying capital gains tax on delivery based trade in equity, the rate is being maintained at 15 basis points on the purchase price, but I will split the levy equally between the buyer and the seller.
- For unit holders holding units in equity-oriented mutual funds, I propose to treat such units as security and extend the benefit of the new capital gains tax regime to such unit holders. However, like any other equity traded in the stock exchange, they would now have to pay STT at 15 basis points on the purchase price of such units.
- The second category, those who are now paying income-tax, like day traders and arbitrators, the rate for these categories will be 1.5 basis points on the purchase price. They will be allowed to take the credit of STT against business tax on profits.
- Derivative traders, futures and options, the rates for these categories will be 1.0 basis point on the value of the transaction as defined in the Finance Bill. They will also be allowed to take credit for STT against business tax on profits. Credit for STT against business income-tax will also be allowed in cases where business profits are declared on delivery-based transactions.
- Buying and selling debt securities or bonds including Government bonds will exempt from STT. We want to deepen the market.
- Similarly, units and mutual funds, other than equity-oriented funds, will be exempt from STT. Where STT is attracted, the long term capital gains will be zero; short term gains will be 10 per cent.
- Where STT is not attracted or exempted, the normal capital gains tax regime will apply.

I am sure, this revised package, while we maintain STT at differential rates, will satisfy every intermediary in the market.

With these words, I would commend this Budget to the House. I thank the hon. Members for the broad support that they have given.

MR. SPEAKER: Now, I will allow two or three Members to seek clarifications. First, Shri Mohan Singh will get the chance to ask one question; then, the hon. Member from Tripura, which is a backward State, will get the chance.

श्री मोहन सिंह (देवरिया) : अध्यक्ष महोदय, आज का एक महत्वपूर्ण मुद्दा वैल्यू ऐडेड टैक्स का है। वैल्यू ऐडेड टैक्स की मशीनरी इस देश के व्यापारी हैं और सभी व्यापारी संघों ने इस व्यवस्था को मानने से इंकार कर दिया है। क्या भारत सरकार, जो टैक्स वसूलने की एजेंसी है, उसको इग्नोर करके कोई एक नया सिस्टम लाकर वैट को सप्लूततापूर्वक चला सकेगी? होंने इस सवाल को अपने भाषण में उठाया था। इसके बारे में वित्त मंत्री जी को कोई सफाई देनी चाहिए।

सरकार की ओर से इंडस्ट्रीज़ को जो कुछ भी इंसेन्टिव दिया जाता है, वह कंज्यूमर पाइंट पर ट्रांसफर नहीं होता। मेरे कहने का आश्रय यह है कि ट्रैक्टर और ऐग्रीकल्चरल इम्प्लीमेंट्स के बारे में सरकार ने जो छूट दी है, वह ढ़ाक के पाइंट पर उनको ट्रांसफर होगा और ट्रांसफर नहीं होगा तो उसके लिए सरकार क्या व्यवस्था कर रही है, वित्त मंत्री जी को इसे बताना चाहिए।

मैंने स्वर्ण चतुर्भुज सड़कों के बारे में बत कही थी कि आज उसके सभी कंट्रैक्ट्स भाग रहे हैं। उसकी पर किलोमीटर कीमत 8 करोड़ 50 लाख रुपये आती है। मैंने आग्रह किया था कि उससे कम कीमत पर रेलवे का विकास करके, उसकी स्वर्ण चतुर्भुज रेल लाइन बनाकर हम इस काम को कर सकते हैं। इस फंड को रेलवे की तरफ ट्रांसफर करने का मैंने आग्रह किया था। वित्त मंत्रालय इस संबंध में क्या कर रहा है ?

SHRI KHAGEN DAS (TRIPURA-WEST): Has the hon. Minister got any specific proposal for removal of regional disparities? He knows about the North-Eastern States. When he was the Finance Minister in the United Front Government, he must have got an idea about the North-Eastern States. All the North-Eastern States are in debt from head to foot. However, there is no specific proposal for a special debt relief package for the North-Eastern States. I request the hon. Finance Minister to consider this.

SHRI N.N. KRISHNADAS : Sir, I have a point to make.

MR. SPEAKER: No. I cannot go on like this.

SHRI N.N. KRISHNADAS : Sir, I have only one point to make regarding imposition of the new tax on NRI deposits. It is badly affecting the people of Kerala. ...*(Interruptions)*

MR. SPEAKER: I have given chance to three Members. No more requests please. That is enough. You have made your point.

DR. RAM CHANDRA DOME : Sir, I would like to refer to the problem of presence of arsenic and fluoride in the groundwater in West Bengal. This is a major problem in the country. ...*(Interruptions)* Adequate allocation has not been made to combat this problem while a mega-project of desalination has been sanctioned to Chennai. This issue must be taken care of. ...*(Interruptions)*

MR. SPEAKER: No more Members will be allowed.

...*(Interruptions)*

SHRI RUPCHAND PAL (HOOGHLY): Sir, this is a point relating to the small industry. I am not going to ask questions about the steel prices, etc. All those things can be taken up at the time of discussing the Finance Bill. De-reservation of 85 items from the small-scale sector is a matter of serious concern to our countrymen.

MR. SPEAKER: Nothing more. I have been liberal. I have allowed Shri Mohan Singh because he had asked for it. Shri Khagen Das was allowed because he represents a backward State. If you misuse this indulgence, what can I do?

...*(Interruptions)*

MR. SPEAKER: Nothing will be recorded. I would not allow this. There is too much of indiscipline. Let the hon. Finance Minister speak now.

*(Interruptions)**

MR. SPEAKER: That is not being recorded.

Mr. Finance Minister, you have not heard it either.

SHRI P. CHIDAMBARAM: Sir, on VAT let me assure the hon. Members that we have an Empowered Committee. The Empowered Committee has since been expanded to include Finance Ministers of all the States and it is chaired by the

*Not Recorded.

West Bengal Finance Minister. In order to assist the Empowered Committee, I have appointed a Technical Experts Committee three days ago under Dr. Govindrao. The Technical Experts Committee and the Empowered Committee of all Finance Ministers are drawing up a roadmap towards VAT.

Just look at what Haryana has reported today. Haryana today has reported in the first quarter of this year a 32 per cent increase in VAT collection over the corresponding quarter last year. Nevertheless, in order to allay the apprehensions of some States, particularly Uttar Pradesh, I have said I will personally visit Uttar Pradesh, hold talks with the Chief Minister. I said Finance Ministers of States can visit Haryana. We are not going to force anything down anybody's throat. I am confident that if all of us walk hand in hand, we will be able to implement VAT from 1st of April. If one or two States want to join us after three or four months, let them join us after three or four months. We will deal with the apprehensions of traders; we will satisfy everybody that VAT is a modern and efficient tax.

On the North-Eastern States, Rs.5823 crore is the size of the North-Eastern allocation this year. It is the highest
...(Interruptions)

MR. SPEAKER: No running commentary please.

SHRI KHAGEN DAS : I have asked about a special debt relief package for the North-Eastern States.

SHRI P. CHIDAMBARAM: Every North-Eastern Chief Minister who meets me and meets the Prime Minister – he may get a not so kind response from me but the Prime Minister always gives a kinder response – comes back to me with an *aadesh* and goes away very happily.

Why are you now adding more to the situation? No Chief Minister goes away empty handed. Let us leave it there.
...(Interruptions)

MR. SPEAKER: You invite him.

The only place he has not mentioned is West Bengal.

SHRI P. CHIDAMBARAM: Sir, on NRI, deposits, this was creating a distortion in the tax rate. All that we have done is – please look at the facts - we have made it subject to withholding tax. Today, the NRI does not pay tax here but pays tax in the host country under the DTAA. Anyone who pays tax here under the DTAA gets credit for the exact equivalent amount. Therefore, he is not paying more tax. What is more interesting is if he pays withholding tax, he is entitled today under the existing tax law to an exemption up to Rs.62,000 a year under the basic exemption and under 80L, which means up to Rs.5,000 a month, the interest earned in these accounts is free from income-tax. I think when I write back to the Chief Minister of Kerala explaining these provisions, much of this will become clear.
...(Interruptions)

MR. SPEAKER: Everybody seems to be satisfied.

I shall now put the Demands for Grants on Account (General) for 2004-05 to vote.

The question is:

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the third column of the Order Paper be granted to the President out of the Consolidated Fund of India, *on account*, for or towards defraying the charges during the year ending on the 31st day of March, 2005 in respect of the heads of Demands entered in the second column thereof against Demand Nos.1 to 34, 36, 37, 39 to 63, 65 to 73, 75, 76, 78 to 105."

The Motion was adopted.

MR. SPEAKER: I shall now put the Demands for Excess Grants (General) for 2001-02 to vote.

The question is:

"That the respective excess sums not exceeding the amounts shown in the third column of the Order Paper be granted to the President out of the Consolidated Fund of India, to make good the excess on the respective grants during the year ended 31st day of March, 2002 in respect of the demands entered in the second column thereof – Demand Nos. 12, 25 and 80."

The Motion was adopted.
