

and staff here. Due to which development works pertaining to Deptt. of Telecommunication are being adversely affected and the development works which were likely to be carried out and being hampered.

Hence, I urge upon the Union Government to provide sufficient officer and staff strength for the office of the General Manager, telecommunication so that the development works initiated by the Deptt. of Telecommunication could be taken up smoothly.

**(viii) Need for early creation of separate 'Bodoland' State**

[English]

SHRI SANSUMA KHUNGGUR BWISWMUTHIARY (Kokrajhar) : I would like to strongly reiterate my long-standing and genuine demand for creation of a separate State of Bodoland out of the present Assam while implementing the Government of India's move to grant statehood to backward regions of Uttaranchal (Uttarakhand), Jharkhand and Chhatisgarh without any further delay in the greater national interest.

Immediate separation of the Bodoland Territory measuring 25,478 sq. kms. areas on the Northern Bank of Brahmaputra river from the present geo-political boundary of Assam State in the form of a separate State of Bodoland on the foothills of Bhutan and Arunachal Pradesh starting right from the Assam-West Bengal border in the west and upto Sadiya (Arunachal Pradesh) in the east, has been a must, and it is the only amicable as well as appropriate answer to the burning 'Bodoland Question'. The location of the Bodoland territory is most strategic from national security view-point, because it is the gateway of the entire North-Eastern India.

I, therefore, strongly urge upon the Union Government of India to take a concrete and positive policy decision to create separate State of Bodoland through the introduction of the requisite Bill during the on-going Parliament Session itself.

12.54 hrs.

**DEMANDS FOR SUPPLEMENTARY GRANTS—GENERAL**

[English]

MR. DEPUTY-SPEAKER : The House will now take up Supplementary Demands for Grants in respect of Budget (General) for 1998-99, for which two hours have been allotted for discussion and voting on these Demands.

with the recommendation of the President.

Motion Moved :

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the fourth column of the Order Paper be granted to the President out of Consolidated Fund of India, to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1999, in respect of the heads of demands entered in the second column thereof, against Demands No. 5, 6, 9, 16, 24, 25, 26, 30, 31, 35, 38, 40, 44, 45, 48, 49, 50, 51, 52, 54, 55, 59, 62, 63, 67, 69, 76, 77, 78, 79, 80, 81, 82, 85, 87, 89, 99, 100, 101, 102 & 103."

MR. DEPUTY-SPEAKER : Shri G.M. Banatwalla and Prof. Saifuddin Soz have tabled cut motions to the Supplementary Demands for Grants (General). I would like to know if they are present here and desire to move their cut motions.

(Interruptions)

DR. T. SUBBARAMI REDDY (Visakhapatnam) : Mr. Deputy-Speaker, Sir, regarding enhancement of Local Area Development Fund from one crore rupees to two crores of rupees, yesterday I told the Speaker. We would like to mention a point that the Government has agreed in principle to raise it to two crores of rupees but till date it is not yet communicated.

The entire House wants Rs.2 crores...(Interruptions)

MR. DEPUTY-SPEAKER : Dr. Reddy, this is not the time. We have taken up the next item.

(Interruptions)

MR. DEPUTY-SPEAKER : This will not go on record

(Interruptions)\*

*List of Supplementary Demands for Grants (General) for 1998-99 submitted to the Vote of the Lok Sabha*

No. and Title of Demand	Amount of Demand for grant submitted to the vote of the House	
	Revenue Rs.	Capital Rs.
1	2	3
<b>MINISTRY OF CHEMICALS &amp; FERTILIZERS</b>		
5. Department of Chemicals & Fertilisers		36,84,00,000
6. Fertilizers	1720,83,00,000	

\*Not Recorded

1	2	3	1	2	3	
		Revenue Rs.	Capital Rs.		Revenue Rs.	Capital Rs.
<b>MINISTRY OF FOOD &amp; CONSUMER AFFAIRS</b>			<b>MINISTRY OF INDUSTRY</b>			
9. Department of Consumer Affairs		9,00,00,000	1,00,00,000	52. Industrial Development and Industrial Policy and Promotion	2,00,000	
<b>MINISTRY OF COMMUNICATION</b>			54. Heavy Industry			
16. Department of Tele-communication		2,20,00,000		55. Department of SSI & Agro and Rural Industries	2,00,000	180,00,00,000
<b>MINISTRY OF ENVIRONMENT AND FORESTS</b>			<b>MINISTRY OF LAW AND JUSTICE</b>			
24. Ministry of Environment and Forest		2,00,000		59. Law And Justice	2,00,000	
<b>MINISTRY OF EXTERNAL AFFAIRS</b>			62. Department of Company Affairs			
25. Ministry of External Affairs		1,00,000				2,08,00,000
<b>MINISTRY OF FINANCE</b>			<b>MINISTRY OF MINES</b>			
26. Department of Economic Affairs		1,00,000		63. Ministry of Mines	6,48,00,000	3,05,00,000
30. Transfer to State & UT Governments		855,00,00,000	136,00,00,000	<b>MINISTRY OF PETROLEUM AND NATURAL GAS</b>		
31. Loans to Government Servants			100,00,00,000	67. Ministry of Petroleum and Natural Gas	34,00,000	
35. Audit		59,11,00,000		<b>MINISTRY OF PLANNING &amp; PROGRAMME IMPLEMENTATION</b>		
38. Indirect Taxes			2,00,000	69. Department of Statistics	8,10,00,000	
<b>MINISTRY OF HEALTH &amp; FAMILY WELFARE</b>			<b>MINISTRY OF SCIENCE &amp; TECHNOLOGY</b>			
40. Department of Health			1,00,000	76. Department of Science & Industrial Research	103,32,00,000	
<b>MINISTRY OF HOME AFFAIRS</b>			77. Department of Bio-technology			
44. Cabinet		23,00,000				1,22,00,000
45. Police		440,90,00,000		<b>MINISTRY OF STEEL</b>		
<b>MINISTRY OF HUMAN RESOURCE DEVELOPMENT</b>			78. Ministry of Steel			
48. Department of Education		2,00,000				1,00,000
49. Youth Affairs & Sports		3,00,000		<b>MINISTRY OF SURFACE TRANSPORT</b>		
50. Department of Culture		6,41,00,000		79. Ministry of Surface Transport	1,00,000	
51. Department of Women & Child Development		2,00,000	12,00,000	80. Roads	52,41,00,000	1,00,000
				81. Ports, Lighthouses & Shipping	28,05,00,000	488,39,00,000

1	2	3	
		Revenue Rs.	Capital Rs.
<b>MINISTRY OF TEXTILES</b>			
82. Ministry of Textiles.		73,00,000	20,00,00,000
<b>MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT</b>			
85. Public Works		1,60,00,000	
<b>MINISTRY OF WATER RESOURCES</b>			
87. Ministry of Water Resources.		1,77,00,000	
<b>DEPARTMENT OF ATOMIC ENERGY</b>			
89. Atomic Energy		12,22,00,000	
<b>U.Ts' WITHOUT LEGISLATURE</b>			
99. Andaman & Nicobar Island		14,34,00,000	13,83,00,000
100. Chandigarh			7,18,00,000
101. Dadra & Nagar Haveli		50,00,000	2,30,00,000
102. Daman & Diu			2,43,00,000
103. Lakshadweep		2,85,00,000	1,07,00,000
<b>GRAND TOTAL</b>		<b>3331,65,00,000</b>	<b>995,56,00,000</b>

12.56 hrs.

**CUT MOTIONS**

SHRI G.M. BANATWALLA (Ponnani) : Sir, I beg to move:

"That the Demand for a Supplementary Grants of a sum not exceeding Rs.52,42,000,00 in respect of roads (page 34) be reduced by Rs.100."

[Need for early completion and improvement of portions of National Highway No.17 passing through Kerala. (1)]

"That the Demand for a Supplementary Grants of a sum not exceeding Rs. 52,42,000,00 in respect of roads (page 34) be reduced by Rs. 100."

[Need to link North-South and East-West corridors of Kerala with National Highways. (2)]

MR. DEPUTY-SPEAKER : Now, the discussion will take place.

*[Translation]*

13.00 hrs.

SHRI RAJO SINGH (Begusarai) : Mr. Deputy-Speaker, Sir, I would like to express my views on the Supplementary Demands for the year 1998-99 presented by the hon'ble Finance Minister to the House.

Sir, while preparing the Budget the Government should take into account the approximate expenditure to be incurred by their Department. It does not look nice to bring Supplementary Demands again and again to the House. There are 46 demands in their Supplementary Demands, seeking the approval for an expenditure of rupees 449.76 crores. Why they should be given grants, this is a point to be considered by the House.

Mr. Deputy-Speaker, Sir, they have not taken up the construction work of the National Highway in Bihar after 1970 even for a single inch. In reply they will say that there was a Congress Government at that time. This is not a question as to which party is in power. The question is what is the policy of the Government. The National Highway in Bihar has not been extended after 1970s whereas the population of the State is 1/10 of the total population of the country.

I would like to say about their demand regarding medical facilities that it is just like the same as had been said by a Poet, Gopal Singh Nepali and on what occasion it was said, the Finance Minister might be knowing. He said—

"Phir bhi esthiti wahin ki wahin reh gai.

Din gaye, baras gaye. yatana gai nahin.

Rotiyan garib ki prathna bani rahin.

Shyam ki bansi baji, Ram ka Dhanush chadha

Budh ka bhi gyan badha, nirdhanta gai nahin."

Mr. Deputy-Speaker, Sir, I would like to say to the Finance Minister that the Government of India had decided to construct a six bedded hospital for per 40,000 population and the Government of India had allotted quota to every State only one time. I don't know in which circumstances it was stopped. Bihar as well as other States did not get that quota due to which the rural areas could not be able to get the medical facilities which they would have get from the nearby areas. I would like to say to the Finance Minister through you that he himself belongs to that area and his constituency is Hazaribagh. Though a proposal of constructing a six bedded hospital there has been approved by the State Government and inspite of providing grants by you, the building of a hospital could not be constructed whereas two and a half acre land was provided by the villagers for the purpose. Then you discontinued providing funds too. So I would like to urge you to restart this scheme as this scheme is very essential for the poor people, tribals and also for the backward areas.

I would like to state that the effect of the disaster of flood in Bihar is so strong and it causes so much damage that the Government of India cannot provide enough grants for that. The situation of other States is different from Bihar because all the rivers originating from the Himalayas flow from Bihar, therefore, then is a need to pay special attention on this, and Government of Nepal and Government of India should interact to chalk out a plan so as to avoid losses and damages in Bihar. Today, during the questionnaire, when the Minister for Agriculture was replying to a question we could not get a chance to ask a Supplementary from him at that time. Today the State Government cannot compensate the entire loss of paddy, houses etc. Therefore, the Government of India needs to provide funds later on. It is often said that a compensation will be given for the damaged houses in Bihar through Indira Awas Yojana but even the grants allotted to the State Government for that purpose are not enough. If it is necessary to increase this amount, it should be increased so that the problems faced by the people of Bihar could be solved.

Mr. Deputy-Speaker, Sir, it is in national agenda to provide pure potable water to all. I would like to know about the steps taken by the Finance Minister in this regard. There was a rural water supply scheme which was to be implemented by the Rajeev Mission. There was a coordination between the Union and the State Governments in that scheme. You have included only six or seven cities, having a population of 10-15 thousand, of the States, whether it is located in Uttar Pradesh or in Bihar under this scheme causing difficulties to the people of remaining areas for potable water. They cannot get pure drinking water. It is also included in your National Agenda, therefore, you should kindly implement this scheme and provide maximum grant to Bihar for this purpose.

There is a scheme for constructing roads and bridges through NABARD. Our Bihar Government has also sent a scheme to the Government in this regard. The proposal and scheme for construction of long roads and bridges on the big rivers, whether it is located in adivasi or in a backward area or in northern area of Ganges or in Bihar, by REC through NABARD have been sent but till date no funds have been provided by the Government of India for that scheme. I would like to request the Finance Minister to see as to why this scheme is not being implemented by the NABARD. The second scheme of the NABARD was to install tubewells in the rural areas for providing facilities to the people and the farmers in cultivation. The scheme was also approved but till date the Government of India and NABARD have not released the funds for installation of State tubewells due to which out of about 600 State tubewells which were to be installed in Bihar in March, not even a single tubewell has been installed. I would like to make a submission that though your scheme is lying pending, still you are forcing us to approve the Demands for Grants in this way. Despite having got the approval, you have

not provided them funds. You are requested to allocate the funds so that the farmers could be able to get benefits.

My sixth point is that after cutting of paddy, farmers cultivate wheat in our Bihar. There is a scarcity of water and we are not getting fertilizers. I have just come today after visiting my constituency. I was very much disturbed when people told me that they don't get fertilizers in the shops and on the other hand, it was replied by the hon'ble Prime Minister in the Parliament that there is a plenty of fertilizers and urea in the country and we are ready to provide fertilizers to all the State Governments as per their demands. I would like to know from the Finance Minister through you whether it is Bihar or Uttar Pradesh or Bengal, how much Urea has been provided to them by you. When their requirement will be fulfilled? When in the month of 'Magha', the crop of wheat will be ready for harvesting, you will send Urea at that time, then it will be sold in the black market and the traders will supply it to other place. Therefore, fertilizers should be provided to the people at the earliest.

Mr. Deputy-Speaker, Sir, before concluding my speech, I would like to say two more things. The funds for Jawahar Rojgar Yojana and Employment Assurance Scheme should be increased. All the roads, primary schools and the small hospitals of the villages are constructed through Employment Assurance Scheme and Jawahar Rojgar Yojana. Therefore, this amount should be increased. This parameter is quite the same as the rates of tickets in the Railway or Aeroplane where everyone has to pay equal amount for the ticket, irrespective of his weight. Under these employment schemes, an equal amount of rupees 12 lac-14 lacs is provided to all on the basis of blocks whereas it should be given on the basis of population so that the villagers could get maximum benefits and schools and hospitals etc. could be constructed in the villages.

Mr. Deputy-Speaker, Sir, the Finance Minister is in-charge of the banks. Whatever lending percentage has been fixed by the Reserve Bank of India for the Nationalised Banks for providing loans to the unemployed youths under the Prime Minister Rojgar Yojana, has not been given to the unemployed youths till date. I have so many times requested Shri Yashwant Singhji in this regard. When he was a Member of Parliament, Member of Assembly and also a member of opposition and when he used to visit his constituency and attend the meetings of DRDA then this question was the main issue in the frequent meetings. I think this question arise in the entire country. The banks do not spend the entire money given to them by the RBI for providing loans to the needy and unemployed persons. It means that the Ministry of Finance does not have control over banks. I would like to request you that you should adopt strict measures to have a control over them, only then the poor and the unemployed people will be provided employment. Otherwise the people do not get the money meant

[Shri Rajo Singh]

for them. The people should get their share. With this, I would like to say that whatever the important suggestions I have made, the hon'ble Finance Minister surely will consider these suggestions. With these words I oppose this Budget.

DR. LAXMINARAYAN PANDEY (Mandsaur) : Mr. Deputy-Speaker, Sir, though the amount stated in the Supplementary Demands submitted by the Government is very negligible, I would like to state in brief as to how much amount is required for the various Demands for Grants. It is right to consider it properly at the time of Budget proposals. In the very first page of the Budget, it is proposed to have an increase of rupees 14450.96 crores in voted provision, however, out of this amount an added amount of rupees 13159.96 crore will be recovered from the receipts by the concerned departments. As such, this proposal includes a net expenditure of rupees 1279.73 crore.

But in respect of the Demands for Grants in this regard, First of all, I would like to attract your attention on NAFED as there is a mention of giving some amount to NAFED. It is stated that NAFED should be provided money for the import and export of onion. An amount of rupees 4 crore and 2.61 crore were sanctioned from the contingency fund of India to meet the immediate requirement of providing Grant-in-aid for the losses incurred by the National Agriculture Cooperative Marketing Federation NAFED due to supply of onion at the subsidised rates by it, this amount will be refunded after the approval of Supplementary Grants. I would like to request you that earlier the situation was not assessed and later on though it was assessed but in a wrong way which has brought the Government into a peculiar situation and it was all due to the fault of NAFED. You must have remembered that once NAFED had earlier imported Sugar in the same way and due to that import of Sugar, there was a loss of foreign exchange worth crores of rupees. It is very necessary to pay attention on the way in which the NAFED is working unsystematically. I would like to attract the attention of the Hon'ble Minister that though the demands put forth are very few, however, he will pay specific attention on them so that the working of the NAFED can also be improved properly.

Mr. Deputy-Speaker, Sir, I would like to mention here about another thing, which our honourable member has raised, that the chemical fertilizers are not made available in time. Recently, it was discussed in the House that chemical fertilizers are not made available in time, affecting our agriculture badly. I would like to attract the attention specially towards Madhya Pradesh where the chemical fertilizer is not available easily even today. There is a peculiar situation in M.P. Though, the Urea is available in time on reasonable prices in whole of the country but the M.P. is such a State, where Urea is not made available in time by the State Govt. This restriction has

been imposed by the State Government that the Urea can be distributed through Cooperative societies i.e. controlled cooperative agencies, the Urea cannot be distributed in open market. Though, the honourable Finance Minister is not directly concern with this matter, however, I would like to request through him that the Government should look into this as to how the Urea could be made easily available to the farmers of M.P. because we are considering to give funds to Hindustan Fertilizers. The farmers should not be worried about the chemical fertilizers.

SHRI RAJO SINGH (Begusarai) : Honourable Minister, presented here 45 demands which will be guillotined. So please take other demands also.

DR. LAXMINARAYAN PANDEY : Honourable Deputy-Speaker, Sir, the funds have been required for Namroop unit of Hindustan Fertilizer Corporation. I, therefore, have put my views by taking the benefit of reference of this subject. I would like to draw the attention of the Hon'ble Minister towards one other thing through you. I would like to put my views in brief. The additional funds have been required under these demands of Grants for National nutrition programme. I would like to draw the attention of the honourable Minister that this programme is not being operated satisfactorily. It has become a fun. There is lot of bungling in this. The children do not get food in time and if at all they get it, they do not get it properly. Due to this the people have started questioning about this nutrition programme; this has become a source to earn the money through unfair means.

Mr. Deputy-Speaker, Sir, there is also the packages for the revival of some undertakings and among them the National Instruments Limited and Nepa Limited are there and the industry in Nepa-nagar Unit was producing news prints and the quality of this paper was very fine. Today it is running in loss, and as a result thereof thousands of workers have been rendered jobless. I would like to request the honourable Minister that it is an indigenous undertaking and is a good paper producing undertaking. If it requires some more money, you may please give it so that the industry can survive and the workers who have become jobless can get the employment. This industry has such machineries as are better than the modern foreign equipments. The reason for this loss is, that we are importing news prints from foreign countries because import of news prints cost us less. I would like to request that it should be saved from loss and it should be made operative so that a better situation can emerge.

Mr. Deputy-Speaker, Sir, I would like to mention about other undertakings alongwith this. The Cement Corporation is also facing chaos and mismanagement, it should be set right. The reference was made about National Textile Corporation here. Much have been said here about cotton industry. The discussions have been made here time and again about this. I do not want to go in its details but I would like to draw your

attention towards the today's crisis of our cotton industries. Time and again the declarations are made here that we are going to formulate a new cotton policy and through that policy thousands of workers who have been rendered jobless, will again gets employment and the capital invested therein which is going waste, will be protected. But these two things are not taking place. I would like to tell the honourable Minister through you that it is a wise step to provide funds for the protection of textile industries, as well as all the N.T.C. operated industries and including, all other industries. In this way you should try to give them protection and make them potential so that we can approve your supplementary demands after considering them properly. The import has been increased and the export has been decreased. It is not a good sign for our economy.

Mr. Deputy-Speaker, Sir, with these words I am going to conclude my views that while supporting the demands presented by you. I would like to request that you will try to overcome all the shortcomings so that we can give pace to progress and we can overcome all the shortcomings. Thanks, for allowing me to speak.

SHRI MOHAN SINGH (Deoria) : Honourable Mr. Speaker, Sir, it seems very unfortunate to present the General Budget in monsoon session before two months back and the supplementary budget in winter session. It is very easy to say that the Government should prepare the details of atleast one year expenditure and keeping in mind the possibility of future expenditure, the annual budget for the whole year should be prepared so that in between we may not face the necessity of supplementary demands. But practically it has become difficult because whatever is happening in the Government, generally it is happening under regional pressure. Now it has become a tradition to make announcements by passing the Parliament and its orders as was being done by ancient rulers in olden days in this country; which is condemnable and sad. I will hope that the honourable Finance Minister would try to avoid it. The funds released for most of such demands either has been exhausted or it has become essential to spent these funds in public interest. Therefore, being a responsible opposition, there is no justification into opposing it but on this point I would like to tell few things to honourable Minister as a suggestion.

Today, the way in which the financial discipline is on the increase in the States, that is a very critical situation and a dangerous indication for the economy of our country. Whatever money is going in the States in the form of Central grant from the Government of India or the funds being provided by the World Bank and International Monetary Fund on the basis of the guarantee given by the Government of India or the amount released for the sanctioned items by Yojna Commission is being misutilized on one side the State Government does not put its share and as the other, whatever amount have been allotted to State, the tendency to spend this amount on its

administrative work is on the increase in the States, I am unable to explain as to what type of discipline the Finance Minister will impose on the States, because the Finance Minister and the Government of India always adopt some special aggressive position about Bihar but the condition of Uttar Pradesh is very bad the Finance Minister should think seriously in this regard. Thus an amount of Rs. 50,000 crores are going to be spent there whereas all the development works are paralised. They do not have money for the payment of salary, this is the fact. The Honourable Finance Minister should try to think seriously on this.

Secondly, we would like to say that it is being published in newspapers that the pace of inflation is decreasing. The prices of essential commodities are increasing. Since this Government faced a defeat, it is seen that the number of commodities is decreasing but the people have increased the prices of its bi-products. Since last April, May, June till today the cost of tea has been increased. Due to shortage of food products whatever rates have been fixed by the hotel owners in Hotels, there is no reduction in the rates. The manner, in which the cost of medicines is increasing, the medicines will become out of reach of ordinary man in India, for this the Government of India should come forward. It is the need of the hour to reduce the prices of a number of bi-products whose prices have been increased during this period so that the consumers could get some relief. I would like to request the honourable Minister that this year we have faced the severe flood and faced many natural calamities. Just when your Government came into power why the God has become so annoyed, this is a serious question. Due to these natural calamities the Government of India has provided Central assistance to the various States to face the situation but it has adopted dual norms in giving/providing assistance to the States, I think that it is a question of regret. Due to political reasons whatever help the Government of India has given to small States for their hardships, Uttar Pradesh as a big State could not get that type of assistance. I would like to mention it as a criticism and a gentle complaint. The same party is ruling at both the places and the Prime Minister of India has been elected from Uttar Pradesh.

Perhaps, the Government of India is in confusion that since they are ruling on the base of the 52 members of Lok Sabha elected from Uttar Pradesh, so they are not bothered whether the people of Uttar Pradesh may face any amount of difficulties but they will not give any assistance to Uttar Pradesh. I would like to quote an example, time does not permit, I do not want to say but whatever assistance you have given to small States, whether same ratio was maintained for providing relief and in the field of natural calamities in such a big State as Uttar Pradesh is; I would like to know clearly? It is my complaint that Uttar Pradesh has been neglected and the Prime Minister has said clearly there that we have not received any demand

[Shri Mohan Singh]

in the month of Sept. from the Chief Minister of U.P., it was Prime Minister's statement. He went to all the States to see the flood and calamities but he did not have the time for Uttar Pradesh. The honourable Prime Minister did not have even a single minutes to visit the flood affected Uttar Pradesh...*(Interruptions)*. He did not go. It is my complaint that he did not go. You tell us, which district he has visited.

THE STATE MINISTER IN THE MINISTRY OF FOOD AND CONSUMER AFFAIRS (SHRI SATYA PAL SINGH YADAV) : He had visited Gorakhpur.

SHRI MOHAN SINGH : When the flood situation was over, at that time he went to Gorakhpur. After the end of flood situation, he went to aerodrome of Gorakhpur for a little while by aeroplane and after one hour he went back. He talked for few seconds with public representatives, I was present there. But he did not go at the time of flood and he did not go during the flood. My point is that it is unnatural whether any representative of the Prime Minister and the Government of India may visit or not but the Uttar Pradesh Govt. has sent the request to the Government of India however it is delayed, should be acceded to and the ratio of assistance should be given to Uttar Pradesh as is being given to other States. This is my complaint I would like to demand that this assistance should be given.

The other point which I would like to say that the Government has said time and again that the prices of all the commodities have been gone up and the prices of rice and wheat did not increased, their prices were under control. This thing may be correct some how and there are two important factors behind this. The first reason, there was a scheme to provide ration on fair price shops to the people, living below the poverty line and the others, there was a scheme to provide Lunch in the schools to poor students. I am reading in newspapers, that the Government of India has not given the subsidy to these corporations and as a result thereof the food corporation is not in a position to provide such a cheap rate food-grain, at present. It is the newspaper's report, whether it is a fact or not, I do not know, but I would like to urge the honourable Finance Minister that these both the schemes should not be stopped in any circumstances. If you like to provide amenities to common men, there is no justification to close down these schemes, these scheme should continue.

The State Governments are running their own schemes and further increasing the participation of their Legislators in the existing development schemes of the Government of India such as Assured Employment Scheme, Jawahar Rojgar Yojna etc; and thus depriving the Member of Parliament of their participation in these schemes. I would like to request to the hon. Minister of Finance that the participation of Members of Parliament, their involvement, their contribution and their advice be treated as essential in the Assured Employment Schemes

and Jawahar Rojgar Yojna, and these Central Schemes regarding development at village level, should be operated through them and under their supervision.

Mr. Chairman, Sir, with these words I thank you for giving me a chance to express myself and to give some proposals in this discussion on demands for Grants.

KM. MAMATA BANERJEE (Calcutta South) : Mr. Chairman, Sir, I support the Supplementary Demands for Grants.

But at the same time I would like to tell the Minister of Finance that the inflation rate has come down to 6.8 per cent.

[English]

The Government has to maintain this tempo and keep the inflation rate at six per cent.

[Translation]

Only then our inflation rate can come down to the single digit and it's good for the country. The phenomena of price-rise occurred earlier, has now been stopped and it is almost stable. The Bill to make an amendment in the Essential Commodities Act which was sent to the Select Committee, has sent a wrong message in public so the said Act should not be considered. But I want that this Act should be utilised and should be strengthened.

[English]

It is because the black marketeers and the hoarders should not take any advantage of this for hoarding or anything else.

[Translation]

I would like to draw your attention on one point.

[English]

The Central Government is releasing funds to the State Governments. This money is public money. I would like to draw the attention of the House to the C&AG Report for the year 1996-97 on West Bengal. This report was submitted in the State Legislative Assembly of West Bengal in March, 1997. It was submitted to the Central Government also. You will be surprised to see certain observations made in the C&AG Report. Why is the Central Government still releasing money in spite of the fact that the State Government is not utilising this money? The Government in the State does not care to see as to how much money is spent and how much of it is left unspent. This money is not being utilised and being misappropriated.

On page 36, para 2.06, the Report refers to irregular exemptions, incorrect determination of gross turnover, transfer

of land without realisation of revenue and execution of lease deeds, etc. Such references can be seen on every page of the Report, I could have gone through all these things if I had had more time. On the MP LAD Scheme, from 1993 to 1997, while an amount of Rs.125 crore was sanctioned by the Central Government, most unfortunately, only Rs.16 crore have been utilised. Where has the rest of the money gone?

The District Magistrate of South 24 Paraganas District, Shri Syed Zakir Hossain, wrote a letter to the Municipal Commissioner of Calcutta Municipal Corporation that the work had not yet started. He is not our man. He was deputed by the State Government. I have a copy of his letter with me. You can see that there was no shortcoming on our side. We had submitted the list of schemes but even after three to four years, no work is done. Can a CBI inquiry not be ordered into this? While the Central Government is giving money for the MP LADS, out of Rs.125 crore, only Rs.16 crore have been spent. What about the rest of the money? Where has the interest on that money gone?...*(Interruptions)*.

SHRI PRAMOTHES MUKHERJEE (Berhampore) (WB) : My. Deputy-Speaker, Sir, does this issue come within the purview of the Supplementary Demands for Grants?

KUMARI MAMATA BANERJEE (Calcutta South) : I am pleading this on behalf of you also.

*[Translation]*

SHRI LAL MUNI CHAUBEY (Baksar) : Rs.125 crores are not being spent and we are discussing only Rs. two crore here...*(Interruptions)*.

*[English]*

KUMARI MAMATA BANERJEE (Calcutta South) : Sir, I am ready to place the documents before the House.

MR. DEPUTY-SPEAKER : Shri Pramotes Mukherjee, Kumari Mamata Banerjee is well within her right to speak.

*[Translation]*

SHRI LAL MUNI CHAUBEY (Baksar) : Out of Rs.125 crores only Rs.16 crores have been spent. What is the amount of interest on Rs.109 crores, where would it go and who will take it...*(Interruptions)*.

*[English]*

MR. DEPUTY-SPEAKER : Nothing except what Kumari Mamata Banerjee has to say, will go on record.

*(Interruptions)*

*[English]*

KUMARI MAMATA BANERJEE : Sir, these are not my views. I am quoting from the C&AG report. C&AG's is a financial audit which is very much relevant in this issue. I

was submitting the report of C&AG regarding the irregularities committed. The report mentions also the instances where the scheme has been fulfilled.

I request you to please go through the C&AG Reports from 1985 to 1998 and see as to how much money has been diverted to different types of work. I am giving you the documents. This is not my letter, this is the letter of the District Magistrate of the District. Not only I, but other Members are also facing this problem.

So, I request the hon. Minister that if they sanction the money from the Central Government Fund, that money should be utilized in a proper time and in a proper manner. The concerned State Government should send you the audit report. They are not sending the audit report. From the PIL Accounts Funds, they are diverting the money like anything.

The most unfortunate part is that you give money for the Nehru Rozgar Yojna Scheme and Jawahar Rozgar Yojna Scheme but these schemes are not being implemented. Even there is no audit of money given for such schemes. Same is the case regarding Employment Assurance Scheme. There is no audit of the money given to them. So, why should it not be within the jurisdiction of the Central Government? The Central Government can ask for investigation if there is something wrong. When the CAG is involved here and it comes under the jurisdiction of the Central Government, the Central Government should ask for inquiry. So, I want a CBI inquiry to be held in this matter regarding the irregularities, misappropriation of funds and corruption. Do you not think that it is a corruption? It is a corruption. People do not get employment and the money meant for them is being utilized for their party funds! So, I demand a CBI inquiry into this matter. The CAG report has given all this.

Sir, if you see the CAG Report, there is a big scandal from the land scandal to the PIL account scandal. So, I do not want that the Government should prop up as a weak Government. The Government should prop up as an important Government and an effective Government. Even, sometimes, the Government has to be assertive. If there is any misappropriation, the law has to work accordingly.

*[Translation]*

I, therefore, would like to request you to take action on this and if you would not take any action then the public is bound to think that the money which has been provided for them is not being utilised properly. For that I request you that a C.B.I. inquiry be conducted.

*[English]*

You can do it. Sometimes, you say, yes, you can ask for the CBI inquiry if the State Government asks. Otherwise you cannot.

*[Translation]*

Mr. Lalu Prasad Yadav himself had said for a CBI inquiry.



[Kumari Mamata Banerjee]

[English]

Their State Government asked. In some cases, the Supreme Court or the High Court orders or the other Courts give order. But in some cases when the Central Government agencies are directly involved, when the Central Government is giving the money directly and is not getting the utilisation certificate in proper time, I think, the Central Government can order for CBI inquiry. So, I ask the Central Government to do it.

[Translation]

The unemployment is having increasing in our country. The condition of unemployment has become such acute in our country that about four-five days ago a question had come to the House. I saw that there are Bengali unemployed youth even in the states like Tamilnadu, Maharashtra, Andhra Pradesh and Madhya Pradesh.

[English]

But in Bengal the number of unemployed youth is the highest. There are 57 lakhs unemployed youth in Bengal... (Interruptions).

[Translation]

There are in Bihar also. I don't want to say more but the Bengali unemployed youth are there.

[English]

But Bengal stands highest in the list in regard to unemployment youth. I have seen the list showing the number of unemployed youth in other States also.

[Translation]

It is in U.P. also, but the unemployment in Maharashtra, Andhra Pradesh, Madhya Pradesh, Bihar and U.P. is greater. So, I appeal that a comprehensive scheme for the unemployed youth should be prepared for the year 2000 so that they may be able to get some kind of employment in the days to come. They don't get the jobs and the problem is that the Postal Order fee is required to be paid and sometimes they even cannot afford to pay the Postal Order fee. In the process they become overaged.

[English]

I am fighting for their causes for the last 10 years. So, may I appeal that

[Translation]

there should be an alternative that Postal Order fee should be waived.

[English]

There should not be any postal order, at least, for applying the job. I know that how some State Governments are collecting money like anything in the form of postal orders. But the unemployed people have nothing to get. They are facing this trouble like anything.

So, I appeal to the hon. Minister. Firstly, there should be a comprehensive plan of action for the unemployed youth and secondly, the postal order fee should be waived.

Sir, the women employment comprises only two per cent and the minority employment comprises only one per cent in our country. So, I request the hon. Finance Minister to kindly see to it so that these deprived people come out with great importance.

Sir, you were kind enough regarding disinvestment of public sector. Eight sick industries have been closed in West Bengal from MMC to Cycle Corporations, from Tapco to National Instruments and some other industries.

There is a proposal that Government is about to close those industries. We cannot discuss all these matters right for want of time. After Parliament is over, if you can give us time, we can sit with you. I told you that whatever money was given for VRS, that money can be sanctioned by you. Then these companies may be revised and the employees may be saved.

Regarding NTC, it is a very important matter. It is located in States like Andhra Pradesh, Gujarat, Maharashtra, Bengal and everywhere. NTC are also facing the same problem. MAMC is also facing the same problem. We are happy that because of your intervention, IISCO is going to be modernised. I appreciate the performance of the Government regarding IISCC modernisation. If I am not wrong, it is going to be signed within two or three days. This was the demand for our Bengal package also. I request you to do it as early as possible.

As Shri Mohan Singh and Shri Rajo Singh have stated, fertiliser is not available in different parts of the country. It is a fact that the farmers have to purchase fertiliser from black-market. If you have the machinery, please find out which are the States and discuss in which places fertiliser is not available. Please see that the farmers should get fertiliser in proper time.

There are 14 subjects related to essential commodities. If you can distribute these essential commodities through the public distribution system, the people will get them in proper time. Though it is lying with the State Government, the Central Government can give instruction that these 14 essential commodities should be supplied from the ration shops.

Regarding PDS, it is very important system. I have already sanctioned that this should be the main area of the Government.

I request you that wherever corruption is there, whoever it may be, please take stringent action so that the corrupt people should not run a parallel economy in this country.

With these words, I thank you very much and I am grateful to the hon. Deputy-Speaker for giving me this opportunity. I request you to take these matters seriously so that people will not be put to sufferings.

[Translation]

SHRI RAGHUVANSH PRASAD SINGH (Vaishali) : Mr. Deputy-Speaker, Sir, speaking on the Supplementary Demands for Grants, I would like to draw the attention of the Government on two-three points. The hon. Minister of Finance, while presenting the Budget, had claimed that it was a balanced Budget and the prices would not increase after its implementation. But after this Budget the prices have started increasing on which Mamataji has tried to seek a break on it. She has resigned but I don't know, whether she has withdrawn or not....

KUMARI MAMATA BANERJEE : When we people give then we don't take it back.

SHRI RAGHUVANSH PRASAD SINGH : She is still adamant. It shows that there should be brake as the price-rise. When the alliance parties start obstructing\* the Government withdraws. Sometimes the alliance parties act properly...(Interruptions)

PROF. RITA VERMA (Dhanbad) : What type of the Government ... should a Senior Member speak like this. Does this suit to the dignity of the House...(Interruptions).

SHRI RAGHUVANSH PRASAD SINGH : Just see the proceedings it is Parliamentary for the Government but it is unparliamentary for an individual. It has been decided several times.

(Interruptions)

PROF. RITA VERMA : Is this word is Parliamentary? ... (Interruptions).

[English]

Sir, this is my point of order...(Interruptions) What is your ruling on my point of order?... (Interruptions)

[Translation]

SHRI RAGHUVANSH PRASAD SINGH : Sir, the prices have gone up...(Interruptions) The fate of the Government has been decided.... (Interruptions).

PROF. RITA VERMA : You keep quite, first I want ruling.

[English]

MR. DEPUTY-SPEAKER : I expunge it.

(Interruptions)

[Translation]

SHRI RAGHUVANSH PRASAD SINGH : The word... is Parliamentary about the Government and when it is correct in the precedents then it is correct.... (Interruptions)

PROF. RITA VERMA (Dhanbad) : Sir, again he has said the same thing.... (Interruptions) This is the limit.... \* (Interruptions) He does not have manners.... (Interruptions)

[English]

MR. DEPUTY-SPEAKER : Hon. Members, I am on my legs. Please sit down.

[Translation]

I have expunged that word and you are again speaking. You know that we don't have so much time then why do you do like this?

[English]

You should not do that.

(Interruptions)

[Translation]

SHRI LAL MUNI CHAUBEY : Sir, this is my point of order. My point is that he sits on the Chair and his name is on the Panel. If he were on Chair and someone else would have used this word then had he not expunged that word. ... (Interruptions) Sir, this should be treated as my point of order.... (Interruptions)

MR. DEPUTY-SPEAKER : If you are raising the point of order then quote the rules.

SHRI LAL MUNI CHAUBEY : Sir, you are competent of all. I just want to say that his name is on the Panel. If the word... would have been said at the time.... (Interruptions)

PROF. RITA VERMA : He speaks the language using such a words.... (Interruptions) Such people have downgraded the Parliament.... (Interruptions)

[English]

MR. DEPUTY-SPEAKER : I have already expunged that word. Why are you unnecessarily wasting the time of the house?

(Interruptions)

[Translation]

PROF. RITA VERMA : Sir, he should be removed from the post of Chair.... (Interruptions)

[Prof. Rita Verma]

[English]

He is provoking us deliberately.

[Translation]

SHRI RAGHUVANSH PRASAD SINGH : Sir, you have expunged the word mentioned by me and even then they are going on speaking....(Interruptions) I have doubts about the Government, claim to bring an Essential Commodities Act with stringent law, why it has not come up till now?...(Interruptions) They are repeatedly saying that this Bill would be brought. It has been returned by the Joint Select Committee saying that they are unable to do anything on that. Now the Government is required to bring the Bill with stringent law. If you are not favouring the hoarders then bring this Bill. I feel that you will not bring the Bill by which profiteers, hoarders and black-marketeers would go down....(Interruptions)

MR. DEPUTY-SPEAKER : Sir, thirdly I have to speak on non-banking. We hear about non-banking institutions. I don't know as to how many fake financial institutions are allowed by the Minister of Finance and the Reserve Bank in this country. Pearl India, J.V.G and many other companies are there about whom we don't know.

PROF. RITA VERMA : You might be knowing the Healins Company that whose company is this?

SHRI RAGHUVANSH PRASAD SINGH : The poor people, cutting their needs, deposited crores of rupees in these companies. Earlier, the people used to deposit in Post-offices but when they deposited in these companies, they ran away taking their money. Now, the poor people are fearing whether they will get the money back or not. The hon. Minister of Finance should take a legal action against these fake firms so that the poor men may be saved from looting. Even if these institutions are non-banking or otherwise. How much amount have been looted by the J.V.G., how many people have been looted?

PROF. RITA VERMA : I agree with him but it will be got to investigate the Healins Company alongwith the J.V.G.

SHRI RAGHUVANSH PRASAD SINGH : You are also saying the same thing. It means that you know. Mr. Deputy-Speaker, Sir, it has been a heavy loot, so the Government should take strict action against them. These fake institutions have grabbed crores of rupees of poor people. One girl came to me. She is unmarried. Her father was in service. She said me to help her in getting her money back, and to plead for her. We even don't know these companies. What to do now. Mr. Deputy-Speaker, Sir, now I would like to mention about Bihar. Since this Government came to power, it has been working against the interest of 10 crore people of Bihar. We have the Federal structure. Sometimes the Government is

against it and sometimes it is in favour. This Government wants to send the 10 crore people of Bihar in the hell, it wants to make them poor, it wants to finish them. it's my charge against the Government. Due to the negative attitude of this Government, the lines of 10 crore people of Bihar have become hell. If we calculate fully then an amount of Rs. 22 thousand crore of the Government of Bihar is due against the Government of India....(Interruptions)

SHRI LAL MUNI CHAUBEY : Nothing has been done in Bihar and now they say that the amount is due....(Interruptions)

MR. DEPUTY-SPEAKER : Mr. Chaubey, please. Mr. Raghuvansh Prasad Singh, making some points in brief, you conclude.

SHRI RAGHUVANSH PRASAD SINGH : Mr. Deputy-Speaker, Sir, if I will not speak on behalf of the population of 10 crore then who will. When India became independent, it was at third placed as per the per-capita income, but today it is third from the bottom. I had written a letter to Mr. Jaswant Babu...(Interruptions)

SHRI LAL MUNI CHAUBEY : The Government and these people are concerned about it now.

SHRI RAGHUVANSH PRASAD SINGH : These people are taking revenge and did not take care....(Interruptions)

I want to prove this by giving an example. They have never consulted the people as to what should be done in Bihar. When I said that Rs.22 thousand crore payable to Bihar is due against the Union Government. Some people started saying that Fodder Scam, this scam and that scam. I want to ask whether the Government of Bihar is your enemy?

MR. DEPUTY-SPEAKER : Now you conclude.

SHRI RAGHUVANSH PRASAD SINGH : Why the factories of Government of India located in Bihar are not started to serve the interests of the people of Bihar? Barauni and Sindri in Bihar are lying closed. The N.T.C. is nearly ruined over there. You can at least start these factories. They did not do a single task. They consider the 10 crore people as their enemy. They don't consider them as their own.

Mr. Mohan Singhji was angry with the Prime Minister on the issue of flood because he went to Uttar Pradesh late, but the Prime Minister did not even peep in Bihar. About 40 per cent damage is done every year in Bihar just because of floods and natural calamities. The international rivers and particularly those rivers which flow from Nepal affect the Bihar every year causing flood. This time about one crore 40 lakh people have been affected by the flood in Bihar, but the Prime Minister neither tried to peep there and nor he cared about that. The Union Government boast of national integration and corruption, but they have been exposed by their policies.

The people of my constituency used to say that this time we want to see Atalji and want to give him a chance to come to power, but their aspirations have not been fulfilled. What the Congress did in last 50 years, they have done in a few months. Now the villagers are worried. They say to us that the communal Government like BJP should be removed through an agitation. This Government is not in the interest of Bihar. The 10th Finance Commission has suggested that the Panchayat funds should be given, but the Govt. is not giving that fund. The Parliament have incorporated the 73rd Constitution Amendment and made a provision that the reservation be provided in Panchayats. The Government of Bihar has made such law but the High Court has rejected it. Now that law does not exist by which the Panchayat elections can be held. The Union Government have withheld that money because of elections are not being held there. What is the fault of the Government of Bihar and the public in it? Why are you not giving the money?

MINISTER OF FINANCE (SHRI YASHWANT SINHA) : Mr. Deputy-Speaker, Sir, Raghuvansh Babu has raised a very specific point. This case is pending in the Supreme Court. The Supreme Court has not issued any such order that the elections may not be held. I want to say with full responsibility that if Panchayat elections are not held in Bihar, it would amount to unabated violation of the constitution there and Bihar would not get that money.

SHRI RAGHUVANSH PRASAD SINGH : Hon. Minister of Finance has said that the Supreme Court has not given any such stay against the decision of the High Court, but the High Court has rejected it. So, there is no law as such. Under what law elections can be held there. You are an intelligence man. You know everything in this regard.

SHRI YASHWANT SINHA : There is a provision in the Constitution in this regard.

SHRI RAGHUVANSH PRASAD SINGH : The Supreme Court stays the decision of the High Court. Thus the previous law automatically ceases from the Constitution. New law has already been scrapped out by the High Court. Now the Supreme Court is taking care of it. That appeal is still pending, therefore, there is no such a law at the moment. It makes the Government intention clear that it will not release the funds unless there is election in Bihar.

SHRI LAL MUNI CHAUBEY : There is no law in Bihar at all....(Interruptions)

SHRI RAGHUVANSH PRASAD SINGH : Your Minister of Finance stood up and you started supporting him. The royalty on Coal is given on the basis of Ojal and not on the basis of price. If coal is Rs.100 per kilogram the royalty will be given Re.1 per kilogram in Ojal basis.

The Government have a Committee in this regard. That Committee has decided a year ago that the amount should be obtained on the basis of ad-valorum. Bihar suffers the loss of crores of rupees every year for obtaining the Royalty on the basis of Ojal. Rita Vermaji, comes from the Coal region.

MR. DEPUTY-SPEAKER : Now you wind up

SHRI RAGHUVANSH PRASAD SINGH : He does not think of the interests of the people.

PROF. RITA VERMA : Why your Minister of Coal didn't do anything about it?

SHRI RAGHUVANSH PRASAD SINGH : The Minister of Coal was Mrs. Kiri Singh. She had decided only after setting up a Committee. Your Government is sitting over that report. ...*(Interruptions)* Bihar should be kept in special category. Due to this Bihar condition has gone to worse. They are not bothered about it. They did not pay the dues to the Bihar Government. So, I am saying that development and not diversion of Bihar should be done. They want to divide Bihar in two sections. Keeping in view the interests of the people of Bihar, the Government of Bihar has rejected that Bill. Even then they want to bring it again. They don't want to do anything for the development of Bihar. They want to bring the Bill for destruction and division of Bihar. When we talk of agitation against it they talk of Article 356....*(Interruptions)*

SHRI LAL MUNI CHAUBEY (Baksar) : What developmental activities were done by them from 1990 to 1998?...*(Interruptions)*

*(English)*

MR. DEPUTY-SPEAKER : Nothing will go on record.

*(Interruptions)\**

*(Translation)*

MR. DEPUTY-SPEAKER : Now, you conclude. Your party have got two minutes.

SHRI RAGHUVANSH PRASAD SINGH (Vaishali) : We are the one tenth of the whole Hindustan....*(Interruptions)*

SHRI LAL MUNI CHAUBEY (Baksar) : They have wasted Billions of Rupees of Bihar. Smuggling is going on openly there and he is talking of development....*(Interruptions)*

*(English)*

MR. DEPUTY-SPEAKER : Please allow me to control the House.

*(Interruptions)*

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\*Not Recorded.

MR. DEPUTY-SPEAKER : Nothing will go on record.

*(Interruptions)\**

*[Translation]*

MR. DEPUTY-SPEAKER This is Supplementary Demands.

SHRI RAGHUVANSH PRASAD SINGH : These people may not be speaking like this within the party. They don't have the courage to raise the point of public interest within the party. I am raising the point of the people of Bihar in this House. He is speaking like this to please the losses of the party....*(Interruptions)* I will speak in the interests of the public of Bihar....*(Interruptions)* They cry on us for fodder scam but a person involved in Hawala scam has become the Minister of Finance....*(Interruptions)*

*[English]*

MR. DEPUTY-SPEAKER : I have already called Shri Chetan Chauhan.

*[Translation]*

PROF. RITA VERMA : Mr. Deputy-Speaker, Sir, I am on a point of order.

SHRI RAGHUVANSH PRASAD SINGH : Mr. Deputy-Speaker, Sir, I could not conclude my point due to the interruptions made by them?

MR. DEPUTY-SPEAKER : You were told to conclude several times but you didn't wind up.

SHRI RAGHUVANSH PRASAD SINGH : Only for one minute.

SHRI LAL MUNI CHAUBEY : Mr. Deputy-Speaker, Sir, he is making noises, he will not finish easily.

*[English]*

MR. DEPUTY-SPEAKER : Shri Chaubey, let me control the House.

*[Translation]*

SHRI RAGHUVANSH PRASAD SINGH : I will take only one minute.

MR. DEPUTY-SPEAKER : Conclude in only one sentence.

SHRI RAGHUVANSH PRASAD SINGH : Mr. Deputy-Speaker, Sir, in the interest of the people of Bihar I demand that for 9 lakh hectare land affected with water logging....

*[English]*

MR. DEPUTY-SPEAKER : Nothing will go on record.

*(Interruptions)*

*[Translation]*

PROF. RITA VERMA : Mr. Deputy-Speaker, Sir, the Supreme Court has given its judgment on the Hawala scam and hon. Minister of Finance has been declared innocent, but Shri Raghuvansh Prasad Singh is making a charge in the House that he is involved in Hawala scam. Mr. Deputy-Speaker, Sir, now you see that despite the judgment of the Supreme Court, allegations are being made by him against the hon. Minister of Home or Minister of Finance or the Members of the Cabinet, then I want a ruling on my point of order. He has blamed the whole Cabinet.

*[English]*

MR. DEPUTY-SPEAKER : This is not a point of order. ...*(Interruptions)*

PROF. RITA VERMA : But I want your ruling. If even after the judgment of the Supreme Court somebody makes an allegation, what is the ruling of the Chair?

MR. DEPUTY-SPEAKER : He has not alleged.

*(Interruptions)*

*[Translation]*

PROF. RITA VERMA : Mr. Deputy-Speaker, Sir, he has made an allegation by saying him an accused of Hawala scam.

*(Interruptions)*

Mr. Deputy-Speaker, Sir, can he allege anybody like this?

*[English]*

MR. DEPUTY-SPEAKER : There is no point of order. This is not connected with the Supplementary Demands.

*(Interruptions)*

*[Translation]*

SHRI YASHWANT SINHA : Mr. Deputy-Speaker, Sir, hon. Member Shrimati Rita Verma has raised the point of order, what would be the ruling on that? I just want to say that Shri Singh has mentioned about the Hawala scam and said that the Minister of Home was an accused and the Minister of Finance was also an accused. I would not like to say anything to him in this regard, but I just want to say that on the same day, on which this charge-sheet was filed, hon. Advaniji had resigned from the membership of Lok Sabha and I had resigned from the membership of the Bihar Legislative Assembly. That

was our conduct and it's before the whole world as to what is their conduct.

*(Interruptions)*

*[English]*

MR. DEPUTY-SPEAKER : Nothing will go on record.

*(Interruptions)\**

MR. DEPUTY-SPEAKER : Whatever you wanted to say, you have said it and we have heard it.

*[Translation]*

SHRI CHETAN CHAUHAN (Amroha) Mr. Deputy-Speaker, Sir, it looks as if the discussion is going on in connection with Fodder Scam....*(Interruptions)*

*[English]*

MR. DEPUTY-SPEAKER : Shri Raghuvansh Prasad Singh. I am on my leg.

*(Interruptions)*

MR. DEPUTY-SPEAKER : Shri Chetan Chauhan, do you want to participate in the debate?

SHRI CHETAN CHAUHAN : Yes. I want to participate.

MR. DEPUTY-SPEAKER : Then, you start speaking. Otherwise, I will call somebody else.

*[Translation]*

SHRI CHETAN CHAUHAN : Mr. Deputy-Speaker, Sir, I was feeling as if the Fodder Scam was being discussed

*[English]*

MR. DEPUTY-SPEAKER : Again, you are repeating it and inviting all troubles.

*[Translation]*

SHRI CHETAN CHAUHAN (Amroha) : Mr. Deputy-Speaker, Sir, the hon. Minister of Finance has brought the Demands for Grants (General) Bill and I stood up to support it. This is not a new thing and as it was told that the hon. Minister of Finance had presented the Budget and after that he has come with the Supplementary Demands. The Budgets are prepared every year and when some money is left out in Mid-Session or when money falls short at some places and when any Ministry needs the money then the Government has been coming with the Supplementary Demands. This is not being done by our Government only, but all the previous

Governments have been doing like this. I would like to submit one or two points

Hon'ble Deputy-Speaker, Sir, I would like to congratulate the hon. Minister of Finance that as the apprehension were expressed by the people that foreign money inflow would end up after the Pokharan tests and our industry would get affected badly, but it didn't happen. I want to congratulate the Government that the foreign investment will increase up to 4 billion dollar this year and I believe that with the money, coming from abroad, an industry friendly atmosphere will be created in our country and much development will take place. The hon. Minister of Finance had said in his Budget speech that industrial growth would be 10 per cent in our country but as the whole world is witnessing a global recession, the effects of the same are being experienced in our country also. Nevertheless, the industrial growth is going to be 5 to 6 per cent this year. I, therefore, would request the hon. Minister of Finance to take a little more hard steps and some more encouragement be given to the industry. The hon. Minister of Finance had called upon a meeting of industrialists, wherein it was discussed to take some more hard steps. So, it is requested to take those steps urgently because as you have told that it was going to be 10 per cent industrial growth, and we may be able to achieve that.

Mr. Deputy-Speaker, Sir, I would say two-three points about the industry. Some 15 days ago 10-15 Members of Parliament belonging to Uttar Pradesh collectively had a meeting with the hon. Prime Minister. Discussion was held upon the import of Sugar from Pakistan. 5 per cent duty is going to be charged on it. Due to this reason there are apprehension in the Sugar industry of Uttar Pradesh and they are afraid of it. I am concerned about the farmers because the Sugar Mills, which are running in Uttar Pradesh will find an excuse and they are delaying in making payments to the farmers. In this regard I would like to make two demands from hon. Minister of Finance.

Firstly, if it is possible and there is not any international agreement between India and Pakistan, this import should be immediately stopped. If import cannot be stopped and there are any hurdles therein due to some agreement between both of you, I urge upon you that at least duty should be increased from 5% to 40%. Though there are apprehensions that the price of sugar will increase, I would like to say that to increase or to reduce duty is in your hands. If price of sugar increases in coming days, you can import sugar from Pakistan or other countries and can reduce duty too. Thus, sugar can be imported within seven days.

Secondly, I would like something about paper industry. This industry is also in the worst condition, as it comes in

[Shri Chetan Chouhan]

core sector and an amount of about Rs. 50 thousand crore has been invested in it. Most of the papers are being imported due to which our industries are not running well. Most of the industries specially those are in Govt. and public sector, have been closed, and those which are functioning, are utilising only about 40-50% of their capacity. I urge the hon. Minister of Finance and I suggest that since in WTO agreement, there is provision of imposing duty, I am not talking about raw material which help industries to run and create employment, but duty should be increased on finished products which are being imported. There is such provision in it and it is believed that we can impose 45% duty up to 2003 A.D. So, we can increase duty to the possible extent. I am not saying that it should be imposed up to 45%, but it has two advantages. First is that our industries get protection and when commodities become costly, they can compete. Second thing which I am seeing is that as per figures provided by the Minister of Finance, the import duty is on decrease and the collection is also coming down.

[English]

"Indirect tax collection during April-September 1998 fell short of the first year target by 13 per cent; Excise collections at Rs. 21,957 crore was 15.9 per cent short of the target; while Customs collection at Rs. 19,503 crore was 11.7 per cent short of the target. In fact, the shortfall in Excise and Customs collection has so far outweighed the 22.5 per cent higher collection on the Direct Tax front."

[Translation]

There has been good collection in the direct taxes. I congratulate the Minister of Finance for that. Due to introduction of Kar Sammadhan Yojna and simplification thereof, the direct tax has been increased about 10% and collection is also increasing. I would like to express some concern about money supply. It has increased up to 20%, though it is due to investment of about Rs.17,000 crore which came through Resurgent India Bond. You should control it. If you control it up to 15% or 15½%; there will be no price hike.

I would like to say another thing that the amount of Rs.17,000 crore which you have collected through Resurgent India Bond, may become a burden, because it is to be returned after 5 years. I urge upon you not to keep it for a long time. It should be invested at the earliest and should be utilised for productive purposes only. When I talked to some chartered accountants and economists in this regard, they also gave the similar suggestions that the Government should spend the amount on infrastructure at the earliest. You have controlled inflation, which had increased and now it has come down. My request is that it is very much necessary to contain this inflation which is just 8% now.

The Commercial Banks have large amount with them. This year their gain is Rs. 66,563 crores. There has been an increase of about 11% in Bank Deposit and this amount is being kept with Reserve Bank. They are not getting good borrowers and therefore, they are not able to lend money or to provide loans properly.

You must consider about the areas where money can be spent. Since on the one side, industries require money specially as working capital and on the other hand commercial Banks have large amount with them. As I said that their gain is Rs. 66563 crores, so you must consider about it.

Mr. Deputy-Speaker, Sir, in the meantime, there was some increase in the prices. The Government have controlled prices. I congratulate the Government for this. The inflation which was about 2%, you have increased it up to 8%. I would like to congratulate the Government for this too. But it must be controlled. I would like to say to the Government that some decision had been taken in the meeting of State Governments to control the prices. Therefore, action should be taken from time to time against hoarders, black-marketeers and anti-social elements under Essential Commodities Act, 1955. There is need to make amendment in Prevention of Blackmarketing and Maintenance of Essential Commodities Act, 1980. It has been forwarded to Select Committee, it should be brought back at the earliest so that you can take action on it.

14.16 hrs.

[SHRI RAGHUVANSH PRASAD SINGH *in the Chair*]

Mr. Chairman, Sir, I would like to say to the Minister of Finance about the problem of onion and potato. Arrangement of cold storage should be made for potato. There is much shortage of cold storage in our country. Two years ago, farmers in U.P. were destroying their potatoes crops, they were not interested in cultivating potato crops. They even ploughed their field alongwith potatoes. I, therefore, want to say that the Government should make arrangement of cold storage immediately and as it has been said that arrangement of cold storage would be made in every block, it should be made at the earliest. There is 33% irrigated land in our country and remaining part of the land depends upon rain. As we know that this year there was less production, many places faced the flood and experienced more rain. Therefore, keeping in view of these factors, we should make arrangement of cold storage.

Mr. Chairman, Sir, lastly, I would like to say about the industries to the Minister of Finance that he should pay attention to it too and the Prime Minister has taken steps to boost the economy separately.

[English]

The 20 point medium term economic agenda outlined by the Prime Minister at Economic Summit.

[Translation]

The 12 points which you have outlined, should be implemented at the earliest so that proper arrangement can be made. I conclude with these words.

DR. SHAFIQR RAHMAN BARQ (Moradabad) : Mr. Chairman, Sir, about 50 thousand non-technical staff of Railways are demonstrating in Delhi today. I would like to draw the attention of the Minister of Railways towards the pay disparity between technical and non-technical staff and he should solve their problems.

[English]

SHRI VARKALA RADHAKRISHNAN (Chirayinkil) : Sir, I rise to oppose the Supplementary Demands for Grants (General) 1998-99. I have certain reasons to be at variance and to support my argument.

The policy followed by the Central Government in respect of financial matters is detrimental to our interest. When I think of the State of Kerala, I will have to definitely emphasise certain traditional industries which are the monopoly of the State of Kerala. We all know that Kerala is one of the foremost States producing rubber. Nearly 90 per cent of the total production of natural rubber is from Kerala. The economy of Kerala is dependent mostly on rubber production.

From time immemorial, Kerala was producing cash crops, plantation crops. We, in Kerala, know that Kerala is a consumer State which is deficit in production of rice. Well, we are only producing 40 per cent of the State consumption while 60 per cent we have to import from other States. That is the position. We are lagging behind in production of rice for the simple reason that most of our land is suited for cash crops, and rubber is one of the major cash crops being produced in the State of Kerala on the mountainous regions.

For the last so many years, the production of rubber has increased and we as the State of Kerala claim that we are able to meet the needs of the entire nation. But unfortunately, the situation has developed that no encouragement is coming from the Centre with regard to increased production of rubber. The policy adopted by the Central Government is quite detrimental to the interests of growers of rubber in Kerala.

Recently, the Central Government had decided to import natural rubber from abroad. There are two competing agents in the world. One of them is Malaysia. Malaysia is the main contenders so far as Kerala is concerned, and they are importing rubber. So, the natural rubber produced in Kerala is out of the market and its consumption has come down to a considerable extent. Sir, there is no stability with regard to the price of rubber in the market. Always, there will be fluctuation which will be detrimental to the interests of the rubber growers in the State. We were clamouring that something should

be done by the Central Government but unfortunately, no step has been taken by the Central Government towards encouraging rubber production in the State.

So, our State is facing a very acute crisis so far as the production of rubber is concerned. There are about 27 lakh small growers of rubber in Kerala and they are more or less put to starvation. They cannot pull on their lives because of the fall in the price of natural rubber. Moreover, to be precise, I may put it that the recent import of tyre from abroad has also added insult to the injury. That is the present situation.

Sir, so far as our State is concerned, coconut is our monopoly crop. There are about 32 lakh small growers of coconut in Kerala. But none of them is getting any price in the market. Apart from Kerala, there are other States also like Tamil Nadu, Karnataka and West Bengal which are engaged in production of coconut. But the situation has come to such a level that it is very very difficult for the coconut growers to pull on because of the policy followed by the Central Government.

Similarly, the coir industry there also is facing a very acute crisis because of the policy adopted by the Government. It is very detrimental to the interests of the people involved in coir industry.

Sir, these are some of the traditional industries there. Most of them are now put to starvation. The people who are engaged in these traditional industries are put to starvation because of the recent import policy of the Central Government.

Here I must make a mention about the Fertiliser and Chemical factory of Travancore which is established in Alwaye near Cochin. The situation has come to the extent that the FACT will have to be closed down. Sir, this factory was started even before our Independence. This factory was founded when the Travancore King was reigning the State. It was established some 55 years back.

It was running into profit till recently so far as the State is concerned. Now it is running on a loss. One of the main reasons for the loss of production and for the loss of industries is that the import duty on capro lactum has been reduced and they cannot compete with the international market. Moreover, there is an ammonium sulphate project which was started near Cochin. But the High Court of Kerala has given a direction to remove that ammonium plant and they were compelled to put another plant closing the original one. For this they had to invest an additional expenditure of Rs.150 crore. That also led the factory to a crisis. If I remember correct, there are about 5,000 workers engaged in the industry. All of them are put to starvation. Until and unless the Central Government come to their rescue, it will not be possible for them to continue. Recently the Central Government took a decision to let in a multinational company in the rare earth



[Shri Varkala Radhakrishnan]

in the coastal area. Zircon limonite and all the other rare materials are available on the coastal side of Kerala from North to South. They are useful for atomic production. There are two important public sector undertakings in Kerala owned by the State of Kerala. They are Chavara Minerals Ltd and Travancore Chemicals. They will have to be closed because the Central Government had given a global tender allowing multinational companies to come into the picture. The State concerns will be put to closure because of the recent policy of the Central Government. This had led to an economic crisis in the South.

Lastly, the neglect of Cochin port has led to another difficulty and they are not giving sufficient help required from the Central Government for the development of Cochin port. That is also one of the reasons for the crisis facing the State.

So, I would request the Central Government that until and unless they take definite steps with regard to improvement of home industries, we will be facing crisis to crisis and the State will be put to difficulties.

I request the Central Government to consider all these aspects and to review the policy. The policy that is followed is quite detrimental to our State's interests.

About the sugar policy, I will have to say that Kerala is the only State where there is public distribution system which is very effective and it has been successful throughout these years in spite of the fact that political combinations may change but the public distribution system will continue without interruption. The sugar policy of decontrol has adversely affected our public distribution system. Unless the sugar policy is changed, the entire public distribution system will be wrong. I request the Central Government to give sufficient quota as promised earlier for distribution through the public distribution system.

With these words, I oppose the Supplementary Demands for Grants.

DR. SAROJA V. (Rasipuram) : At the outset, I support the Supplementary Demands for Grants. I stand before you to analyse where is the necessity for the Supplementary Demands and where we went wrong.

We are going to analyse and debate the corrective steps that we are going to adopt.

It is understood that the Non-Plan expenditure for the Department of Fertilizer alone is Rs. 600 crore. So also, in all the other Departments, this is the case with regard to Non-Plan expenditure. There should be strategy to monitor it and also for allocation of funds.

The next point that comes to my mind is that there is an element of subsidy in all the Departments. I am not against giving any subsidy but there should be a proper monitoring of the subsidies that are given to the States. In this regard, I would suggest that there should be a monitoring committee involving the local MLAs and MPs. The Government of India should formulate and set up a monitoring committee to monitor the allocation of funds to the States as also the Local Area Development funds.

I urge upon the Government of India the importance of revamping the public distribution system. We talk about the people below the poverty line. We are yet to demarcate the strategies. We have not yet confirmed the number of beneficiaries belonging to below poverty line State-wise. It is of utmost importance that we have to concentrate on demarcation of those below the poverty line and identifying the beneficiaries so that the revamping of the public distribution system can be done effectively.

There should be a constant monitoring of production and demand and supply. Whenever there is an increase in supply, we fail to store what we produce. Consequently, when there is a demand, there is an increase of the prices of essential commodities. It is not that the availability of the essential commodities alone should be regulated but the production also has to be monitored. There should be a monitoring committee to monitor the production and availability of the essential commodities at least every three months and to tell us what exactly is happening in the public distribution system. The punishment for hoarding should not be diluted; it should be maximum.

As far as fiscal deficit is concerned, we should definitely keep a watch. It should not exceed 5.6 per cent.

As far as the economic empowerment of woman is concerned, after carefully going through the Annual Report for 1997-98, I understand that the Mahila Samridhi Yojana was there from 1993 to 1997. There were 2.46 crore beneficiaries and there was a saving to the tune of Rs. 265 crore. For the economic empowerment of women, the Planning Commission has set up a committee to monitor this. This particular scheme can be extended to all the States and the money we have accrued through this scheme can be utilised for the economic empowerment of women.

At the same time, we have to keep in mind one important aspect when it comes to any scheme. I am a doctor and I believe in the dictum: 'Prevention is better than cure', whether it is natural calamities or health problems or rising prices of essential commodities. There should be an analysis of the cost-benefit ratio, the demand and the supply. There should also be proper planning before we execute any scheme. The programmes should be time-bound. This has to be borne in mind before we finalise the schemes and the Budget allocation is made.

Before I conclude, I would like to quote what my leader, Dr. Puratchi Thalaivi said. Yesterday, she has urged the Prime Minister of India, the Leader of the Opposition and also all other leaders to hold a Special Session and I quote :

"In short, we are the precipice, looking down into the abyss below. Unless strong and corrective action is taken now, the country will plunge into economic depression."

I urge upon the Government to move in that direction to have a Special Session as my leader Dr. Puratchi Thalaivi has suggested. I look forward from the hon. Finance Minister to give a positive reply in this regard. Thank you.

SHRI G.M BANATWALLA (Ponnani) : Mr. Chairman, Sir, I thank you for calling me.

Supplementary Demands have to be taken up as seriously as the main Budget. This is because huge Supplementary Demands for additional funds detract the significance of the main Budget. Large sums of money being asked for through Supplementary Demands render the budgetary exercise meaningless. Therefore, we have to apply ourselves seriously to the Supplementary Demands.

I am, as you know Mr. Chairman, Sir, a staunch opponent of this Government. Yet however, when there is a point to be appreciated, I frankly come forward to appreciate, and therefore, I must state that this first batch of Supplementary Demands is within reasonable limits. Additional sanctions are required for a sum of Rs.14,000 crore plus; and we are told that a sum of Rs.13,000 crore plus will be adjusted and do not require net cash outflow because they will be adjusted by matching savings or through other enhanced receipts. Therefore, the net cash outgo is to the extent of Rs.1,279.73 crore which, I feel, is within reasonable limits for which the hon. Finance Minister must get the necessary credit.

Mr. Chairman, Sir, it is necessary to emphasise that the items for which Supplementary Demands are being made should be of urgent nature and should be of a nature which could not be envisaged at the time of formulation of the Budget. Here, we have as many as 46 Grants of which a large number of them do not satisfy this criteria.

I will not take much time of the House by giving you the examples. It is also surprising to find that even the capital restructure of a public sector unit is being sought to be made which I do not take objection to, through the mechanism of Supplementary Demands. These are the items that require considerable time and application of mind. I feel that it is better to be taken up at the time of the Budget, so as not to detract the significance of the Budget. Several items are there which could have been envisaged at the time of preparation of the Budget. But then there was no application of mind and if I try to analyse all those items, it will take up the time of the

House. I will restrict myself only to urge upon the hon. Finance Minister to enforce budgetary discipline strictly on various Departments and various Ministries.

Mr. Chairman, Sir, I have moved two cut motions and I will try to focus on the subject matter of these two cut motions.

Mr. Chairman, Sir, the Demand No.18 relates to additional funds for national highways. We are not opposed to this Demand. But I must point out to the situation which exists in the State of Kerala. The National Highway-17 passing through Kerala is a sad example of neglect by the Government. This Highway was sanctioned eighteen years ago. Still one does not see any concrete steps to complete the works of the National Highway from Edappally to Mangalore. Even the final alignments of the road have not yet been finalised. We have a situation that the alignments thought of two decades ago need to be revised, particularly in the case of the town Valanchery which has made considerable improvement during the last two decades. These are the points that will have to be considered

Mr. Chairman, Sir, in the portion of National Highway-17 between Kuttipuram and Puthanathani, between kms. 302 and 320, there are two ghat portions which are accident-prone by the name of Moodal and Vattappara. During the last two years, nearly 200 accidents have taken place at Vattappara and about a hundred lives have been lost. Therefore, there is a need to take this factor into consideration.

There is a state road from Moodal to Kanhipura connecting kms. 305 to 315 of the National Highway. This is used as a bypass when the accidents occur at Vattappara. If this road is taken over by the National Highways Authority and developed as a bypass to avoid the accident-prone two ghat portions, then there will be no need for a bypass at Valanchery.

Mr. Chairman, I shall conclude by making one more point. This point is reflected in my cut motion also. The hon. Prime Minister has been pleased to announce an express way corridor from Kashmir to Kanyakumari. We are grateful to him for that. But a doubt persists that the State of Kerala has been neglected. This doubt arises because steps are being taken to take up the civil work connected with the project and the National Highway Authority of India has invited pre-qualification tenders. The advertisements that have been released by the National Highways Authority of India refers to the States of Punjab, Haryana, Delhi, Uttar Pradesh, Rajasthan, Madhya Pradesh, Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh, Gujarat, Bihar, West Bengal and Assam. But there is no mention of Kerala. It is a great disappointment. The State of Kerala should not be ignored or avoided. I urge very strongly upon the Government that Kerala must form part of the proposed North-South Corridor Highway.

Sir, there are a few more points to be placed before this august House. But in view of the constraint of time, I would

[Shri G.M. Banatwalla]

like to conclude by thanking you for giving me an opportunity to speak by once again emphasizing that Supplementary Demands that come before us should relate to items of urgency and should relate to items which could not be envisaged at the time of formulation of the Budget.

This Budgetary exercise should be properly enforced. Otherwise, it is a commendable fact that the first Supplementary Budget, that has come, is within reasonable limits and we are seeking this phenomenon after a long time.

[Translation]

SHRI K.D. SULTANPURI (Shimla) : Mr. Chairman, Sir, I rise to speak on Supplementary Demands. My friend has just stated that the Prime Minister had mentioned in his statement that the Government would try to construct an express highway from Kashmir to Kanyakumari. I would like to say that Himachal Pradesh has been ignored in it. They are in power in Himachal Pradesh. An amount of Rs. 300 crores was provided by the Union Government to them which was spent by the State Government on the pay of their employees. I think Bhartiya Janta Party is in power in Himachal Pradesh. It has asked for funds from the Union Government because there has been great loss of life and property during the last heavy rain in the State in which cattle and cattle sheds were washed away and people had suffered a lot. But the Union Government did not pay any attention to it. If the Government will not show sympathy towards the small States, how they, specially hilly areas can make progress. If you would have tried to boost Himachal Pradesh, it would have made progress. The coalition Government was formed there but you could not strengthen its Chief Minister, then how the Government will become strong.

The Government did not announce the support price of potato which is produced in Himachal Pradesh. You say that you are considering to announce support price of both Onion and Potato. You have given Rs. 9 crores to NAFED, and not to Himachal Pradesh. I urge upon the Minister of Finance that heavy rain in Himachal Pradesh that causes loss to U.P. and Punjab too. All nullahs are filled with rainy water and they became restless. Due to this, not only Himachal Pradesh, but other States too have to suffer a lot. Himachal Pradesh has a capacity to produce 20,000 MW power. The Government should be given more amount for hydro electricity. If private companies want to do it, let them do it and State Government should be asked to see to it. Haryana, Punjab and U.P. may be asked to pay outstanding amount to us. When Punjab was divided and Punjab and Himachal Pradesh became two separate States, then it was decided that we will get 7.19% royalty on power. But Himachal Pradesh did not get any amount. Himachal Pradesh went to the Supreme Court in this regard but I am sorry to say that when Congress was in power, then

our Prime Minister did not take any step in this regard and even your Government has done nothing so far in the matter. Once a person becomes Minister, he looks after his own constituency only. One person from our area was made Minister but you did not allow to continue him and created a tumult here due to which the proceeding of the house was disturbed for 13 days. But now you have formed the Government with his help.

The excesses being committed against Himachal Pradesh should be stopped, attention should be paid to fulfil its demands. You have stated to provide amount for many heads. I also say that budget should be balanced. Budget means to remove difficulties of the people and to provide them guidance.

You have made efforts. But excess is being committed against small States. People of our Garhwal are crying. Garhwal is becoming Uttaranchal. Udham Singh Nagar will be separated from it. In this way the committees are being constituted, now this hypocrisy will not be tabulated. It should be made clear that you are forming state along with the areas which fall in it so that the hilly people, who are facing problems, can enjoy freedom. They do not have the servant. You have reserved so much amount for employees, they should be given loan.

Loan should be given to the employees for whom it been kept reserved. I know what is loan.

In Bihar, an amount of Rs. 6.7 lakh is given to an M.P. But what is here, only one lakh is earmarked. The status has been lowered. All the M.Ps think that all the programmes which you have given to State Governments, are not being monitored. Kumari Mamata Banerjee has raised this issue here. Monitoring should be done. You should look into the remarks made by the Accountant General. You should check misuse of amount by the State Government anywhere. You have mentioned about the industries. You want to do more for industries, but what is happening there. I will only say that the industries in our country are not running properly. Many buildings have been constructed for them and banks have given loan after constructing buildings. They are closed now. They get loan again in Haryana and U.P.

You have experience of financing and they have experience of making money. They misappropriate the Government's money. They do not have their own vehicle and the poor and the labour class are suffering. Today, the people belonging to working class, are facing problems. It has become difficult for the poor to earn even for two square meals.

Wherever your work is going on that should be monitored. Moreover, you are not even claiming the outstanding amounts. There are thousands such income tax cases in which no recovery is being made. They take recourse to the court and take stay order. I think that there is only one way of running the Government. If we would have money, then the State Government will automatically be strong and then this country

can do better. You should pay attention especially to the poor. You should pay special attention in regard to the implementation of the schemes which are being launched for them. You have fixed salaries for members of Parliament like an officer. The provision of pension has also been made for them on the line of I.A.S. officers and the same was done in Himachal Pradesh. You offer loan of one lac rupees on 15 per cent and the same is offered there on four per cent. You should take care of all officers and employees. Whatever is offered to one, will also be the same for purchasing vehicles. I think that these amounts are very little. It would be better if you ponder over it and take proper steps.

The amount outstanding against us is pertaining to electricity and your Government is there, which has been granted a loan of rupees three hundred crores and our people were told that a great help was provided and the elections in Himachal Pradesh were held on this issue. We were left with no option except ring the bells and praise you. You should take this matter very seriously because the Government which is not balanced, cannot be called a proper Government. The Government which does not ensure equality, cannot be a fit Government and ultimately, I hope that you will pay heed to the State of Himachal Pradesh particularly. There are several issues before the country and wherever any shortcoming is noticed, the same will be removed. I thank you for giving me this opportunity.

DR. RAMKRISHNA KUSMARIA (Damoh) : Mr. Speaker Sir, I stand in support of the Supplementary Demands. I extend my thanks to them for the achievements made as result of the economic reforms. I would like to draw your attention to some of the points. When a farmer does not get remunerative prices for his crops, he feels dejected. With the result he sows less seeds during the oncoming season. Later, the condition gets worsened. My suggestion is that the farmers should get the remunerative price of their crops for this purpose they should have more participation in price determination Committee as well as they should get more opportunities as members so that they could be able to put up their views in the Committee. Even after the lapse of 50 years since our country achieved freedom. The persons who are present there, have not done nothing for the welfare of the farmers. Even today, there is no arrangement of cold storage and warehousing on Tehsil level to store crops. This has also been a cause of price-rise. Proper arrangement should be made for cold storage and warehousing on Tehsil level so that farmers can store their crops there and could accrue its benefit by selling their crops at appropriate time.

Here, the priorities stated in regard to the demands of the departments have been received. I would like to appreciate the hon'ble Minister of Finance. So far as the position of electricity in Madhya Pradesh, Bihar or Uttar Pradesh is concerned it has by and large worsened today. To improve

this situation no new projects are being taken up. You should make arrangements to ensure that the new power projects are taken up, farmers could be able to get electricity on time and even for more period so that works pertaining to irrigation and farming could not suffer. Today, the farmer is facing a lot of problems due to shortage of electricity. He does not get electricity for irrigation purpose. There should be a provision to provide subsidy on generators so that in case of non-availability of electricity lands can be irrigated and pumps can be operated with the help of generators. There has been no provision of subsidy for generators so far. There have been long discussions in the House on big rivers. Hon'ble Minister of Finance made provisions for the same but there should also be some provisions for this purpose.

Sir, I would like to talk about the small rivers. Tulsı Dasji has stated in a verse "KSHUDRA NADI BHARI CHALI UTRAI, JAS THOREOO DAN KHAL BAURAI."

15.00 hrs.

It means the small rivers flow with great speed and during floods some of the rivers in my area gather to much momentum that they swept away several villages with them and the people belonging to those villages did not received any compensation so far. This jury of floods has not only destroyed their crops but also swept away their houses. Thus farmers have to face several problems we have submitted our demands in this regard on several occasions but no relief has yet been provided. I would like to draw your attention regarding those places where such natural calamities have occurred and would also urge that a provision should also be made to provide assistance for this purpose.

Mr. Chairman, Sir, our Government have given priority to the drinking water scheme in their national agenda. Even after 50 years of independence there are several such districts in the country where no drinking water is available. I have come across any such drinking water scheme in my constituency Damoh and Panna. The condition is such that the people hardly get drinking water in 3-4 days. Now, this scheme has been finally formulated and has been submitted to the Union Government for its approval. I urge upon the Government to give priority to the drinking water scheme. The main root cause of all the diseases is non-availability of pure potable water. I would like to request the Government that this scheme should be given priority as well as quick action should be taken on it.

At the end, I would only like to say that the Members of Parliament are being granted an amount of Rs. 2 crores for the development of their respective areas. When we go to the villages, the people ask us about it and we feel sorry. We request the Government to sanction this amount as early as possible so that all the works in regard to public interest could be undertaken.

[English]

SHRI T.R. BAALU (Madras South) : Hon. Chairman, Sir, at the outset, I would like to oppose the Supplementary Demands for Grants because of the reasons that I may deliberate during the debate.

Mr Chairman, Sir, I cannot support the Supplementary Demands for Grants proposed by the hon. Finance Minister, Shri Yashwant Sinha. I am sorry to say, Shri Sinha, that the money that you are having in your pocket has fallen short by 16 per cent within 16 months and you are not maintaining the fiscal discipline and you have failed to contain the fiscal deficit.

Mr. Minister, before I go into the subject, first of all, the question that you have to ponder over is how to control the damage. The integrity of the rupee itself is being challenged today in North Bengal, where the Bhutanese currency is being freely circulated. Is it a good signal? You have failed in all these aspects. Under the influence and involvement of external agencies, the Bhutanese currency 'Nu' is being freely circulated in the district of Coochbehar, Jalpaiguri, Darjeeling and elsewhere.

15.05 hrs.

[DR. LAXMINARAYAN PANDEY *in the Chair*]

It is not a good signal. It is high time that the situation is realised and some damage control measures are taken.

The Ninth Plan target of fiscal deficit is four per cent average to the GDP. In 1997-98, it exceeded six per cent. In 1998-99 it slated to six per cent. The hon. Finance Minister, Shri Sinha, has been saying, again and again, that he is going to peg it at 5.6 per cent, that is, at Rs. 91,000 crore. To achieve the target of fiscal deficit of four per cent to GDP, the hon. Finance Minister should ensure that it does not exceed three per cent successively in the coming three years.

The target fixed for gross borrowing is Rs. 79,375 crore. Now, it is beyond the target fixed as it will be more than Rs. 81,000 crore. So, the hon. Minister failed to adopt fiscal discipline. Previously, the Government used to borrow money through *ad-hoc* treasury bills. Then came special securities. Then came what are called marketable securities. Then they found a new nomenclature, that is, ways and means advances. Then comes the special ways and means advances. After that comes the overdraft. After overdraft, if the Government fails to bring it to the nil account, RBI say that it will be kept in private placement. Here arises the problem. Are we in a federal set up? I want to know through this august House. Here the blow comes on to the States. What is it?

As per article 292, the Central Government can borrow money on the securities of the Consolidated Fund of India.

As per article 293, the respective State Governments can borrow money on the securities of Consolidated Funds of the particular States. Constitution, as per articles 292 and 293, gives equal opportunity to the States and the Centre. At the same time, as far as the States are concerned, they can adopt ways and means advance and they can draw overdraft. Here, in the case of a State, the Reserve Bank of India does not permit the overdraft over and above 10 days. Within 10 days, the State Government should see that the overdraft account is brought to nil. After ten days, the cheque that is issued will be dishonoured. But this is not so in the case of the Central Government. Here, in a clandestine manner, the Central Government in collusion with the Reserve Bank call this account as private placements. What is a private placement? If it is public debt, it has to be issued to the public. But, here, the Reserve Bank itself comes to the rescue of the Central Government to see that it is funded and it is kept in a separate account as private placement.

It is a private placement, Sir? We know, what is a private placement? If it is a private placement, invariably the Reserve Bank of India should have distributed to the public. It is not like that. So, now, the time has come that the Reserve Bank of India should have the power. The authority should be vested with the Reserve Bank of India. It should not be pressurized by the Central Government, whatever the Government may be. So, once again I say that full autonomy should be given to the Reserve Bank of India.

Sir, what is the position of exports? In the past seven months, the import has gone up to eight per cent. Import is going up and up but the export is not going up for the reason best known to them. During 1996-97, the growth rate of export was four per cent in dollar terms. During 1997-98, it was 2.6 per cent. For the past seven months or rather eight months, what was the rate of export growth? I want to ask the hon. Finance Minister as to what the export growth is! It is - 5.1 per cent. I know that the Finance Minister may say that 'there is a general recession in the global market throughout the world.' All right, I agree. But I want to point out something. During the first quarter of 1998-99, India's export to China declined by 28 per cent; export to Malaysia declined by 32 per cent; export to Indonesia declined by 78 per cent; export to Philippines declined by 44 per cent; export to Singapore declined by 31 per cent; export to Thailand declined by 19 per cent; export to Taiwan declined by 32 per cent; and export to South Korea declined by 54 per cent. This is the position of India's export during the first quarter of 1988-89 to these countries.

Even during 1997-98 — because recession started in June 1997—the export to the same countries had dropped to 1.2 per cent.

MR. CHAIRMAN : Hon. Member, please conclude.

SHRI T.R. BAALU : Yes, Sir, within two to three minutes, I am concluding.

I once again repeat that in spite of recession in the Asian countries that has taken place, during 1997-98, the growth rate of our export was 2.6 per cent. It was not—5.1 per cent.

Now, I want to know the reasons. Have we failed to integrate Indian economy with the world economy to synchronise the pace of change? Has any substantial structural transformations taken place in Indian export sector since past seven years when reforms started?

Sir, globalisation is nothing but a policy. To achieve a policy, the mechanism is liberalisation. To achieve this policy, the strategy is liberalisation. Before liberalisation, the export to GDP in 1979-80 was 5.49 per cent. The export to G P during 1989-90 was 7.62 per cent. Within these 10 years, the increase was 39 per cent. But after globalisation what is the position? The increase in export to GDP between 1979-80 and 1989-90 was 39 per cent. But after liberalisation for the past seven years, it is 36 per cent. It is three per cent less. Then after the liberalisation, the rate of export growth was declined by three per cent. Where are we going wrong? That has to be pointed out in the globalisation whether the strategy itself was wrong.

The export is diminishing day by day. Why? We are far behind our commercial intelligence. We have failed in terms of getting commercial intelligence from our embassies. Our embassies, throughout the world, have to help us. They have to find out as to what are the commodities or goods that can be exported to the respective countries from India.

MR. CHAIRMAN : Please conclude now.

SHRI T.R. BAALU : Our embassies should come forward and they should see that help is rendered to India so that the exporters can make use of their services and see that export is increased and export further goes up.

Thank you for giving me this opportunity.

[Translation]

SHRI KALPNATH RAI (Ghosi) : Honourable Chairman Sir, I have stood here for supporting the supplementary demands for grants presented by the Minister of Finance. I would like to draw attention of the Government to this fact that if we ought to strengthen the economy of our country then we will have to look it in the present context of the state of economy of our country. Today, the position of the country on this front is so grave that our agricultural production is going down continuously and population is increasing day by day. Hence, keeping in view of the future crisis, we will have to look into the financial position of our country in national perspective

and also that the policy framed and fixed in this regard should be in right direction.

Hon'ble Dy. Speaker Sir, the Minister of Finance hails from Bihar. He is a very able Minister and we hope that in the next budget he will take care about the villages and the farmers as well so that this country does not prove to be weak at least on the food front. You are well aware that due to mismanagement of policies of our Government, sometimes there is lot of commotion about it in the country. After formation of this Government, we exported onions at the rate of six rupees per kilogram and imported the same at the rate of 30 rupees per kilogram. In spite of this, there was a much hue and cry for onions in the country and we had to bear heavy loss. Moreover, the common people had to face a lot of difficulties for getting onions. I request that policies should be framed in such a manner that the common man of the country might be able to get relief.

Hon'ble Dy. Speaker Sir, I would like to draw attention of the hon. Minister of Finance on two points. Today, in our country and particularly in Uttar Pradesh, the largest Sugar producing belt is the Ganga & Jamuna Valley. At present we have 450 sugar mills out of which 125 sugar mills are in Uttar Pradesh, alone. In India the largest sugar producer is Uttar Pradesh. Just five year ago, Maharashtra was the largest producer of sugar but now, Uttar Pradesh has become such a State where the largest sugar producer. Today in Uttar Pradesh, the sugar industry, is facing crisis. As per the report of the Ministry of Agriculture of our country, the sugar production in the country is expected to be 155 lakh ton and we already have a stock of more than 50 lakh ton of sugar at present in our country. If both are taken together than the total sugar available would be 205 lakh ton and sugar consumption is also not more than 150 lakh ton. Thus, we already have more than 55 lakh ton of sugar stock in the country, even then we have imported sugar worth Rs. 1500 crores from abroad and are still thinking of importing more sugar in future. The Prime Minister of our country Shri Atal Bihari Vajpayee had made an announcement on T.V. that there will not be any import of sugar in this country, now. The Minister of Parliamentary Affairs Shri Madan Lal Khurana had said in a statement in the Parliament that there will not be any import of sugar from the next week. The Minister of Commerce Shri Hegde had also said that no sugar will be imported. Despite that, the sugar is being imported by the Government. Hence I would like to know that how sugar is being imported in the country even after the Prime Minister, Minister of Commerce and the Minister of Parliamentary Affairs who are the component of this Government and are jointly responsible for each and every thing have issued similar statements in this regard. Why different versions from different Ministers are coming in on this issue. You have already imported sugar worth Rupees 1500 crores and this amount has been paid in Pakistani foreign currency.

[Shri Kalpnath Rai]

It is uncertain as to how many lakh tons of sugar is likely to be imported. Here, the Minister of Food and Consumer Affairs has stated that now, the Government is considering to impose 40 per cent custom duty, whereas at present, the five per cent custom duty is being levied. There is no country in the world which levies so less custom duty. What will be its outcome? Neither the co-operative mills nor the private mills can pay for the cost of sugarcane of farmers during the oncoming days. As a result, there will be a tumultuous situation in this area. The farmers whose cash crops is sugarcane, will stop sowing it and as a result thereof sugarcane production will come down in our country. Consequently, the sugarcane industry will be ruined and in future, this country and the Government will have to face a big crisis. I want that this Government should formulate such policies which can keep a balance—so that the farmers are benefited and industries do not get ruined, the industries remain intact and the goods are available to the customers on cheap prices also. When there will be an adjustment on all these three fronts, then only we can carry out a proper policy in our nation.

Hon'ble Chairman Sir, I would like to draw attention of the Minister of Finance towards one another point. In this Parliament, a resolution was passed under the Chairmanship of the Hon'ble Speaker, that the Government will mobilize money for central road fund by levying five per cent duty in petroleum products for repair the roads in the country so as to improve the condition of roads. This resolution was unanimously passed in Lok Sabha as well as in Rajya Sabha. When Shri Devegowda was the Prime Minister in 1997, the Cabinet had decided that a heavy amount would be given to central road fund by imposing 5% duty on petroleum products and this amount would be spent on construction of roads of the country. The development of any country needs infrastructure and in which roads play a great role. The condition of the roads of the country is worse, than the roads of any other country of the world. The hon'ble Minister of Finance, the people in your State generally speak that there is no difference between pits and roads in the State. The entire Bihar is in that condition. Fortunately, you are the Minister of Finance from Bihar and are a capable person. You are a representative of the people as well as the Minister of Finance. The Ministers of Finance who held this post in the past, had not relation with the people, but you have been elected by the people and such persons have field knowledge and good common sense. When these two knowledge will mingle at one place, this country will get an intelligent Minister of Finance. The proposal has been passed by the Parliament and not by me. It was moved five year back. It was passed by the Cabinet in the regime of Shri Devegowda that sufficient funds would be arranged by imposing 5% cess on petroleum products so that roads of the country could be developed.

Lastly, I would like to urge upon you that you should try to implement them by considering these two points. With these words, I support the Supplementary Demands of Grants which have been placed by you.

[English]

SHRI PRAMOTHES MUKHERJEE (Berhampore)(WB) : Thank you, Mr. Chairman. I thank you for calling my name even at the last stage of this discussion.

Before I enter into the subject, I shall clarify the position of the Government of West Bengal in respect of the Report of the Comptroller and Auditor-General of India, which has been referred to in this House by one hon. Member. The Comptroller and Auditor-General of India has a high position and I have the highest regard for this Constitutional dignitary.

The West Bengal Government is fully aware of the situation and fully aware of the C&AG's report and findings. As a responsible Member of this House from West Bengal, I can assure the House that West Bengal Government is always ready to face any kind of inquiry within the constitutional parameters in respect of the C&AG's report.

Sir, I do not generally refer to any items appearing in the Press. But today I saw two valuable statements appearing in *The Statesman* of today. With your kind permission I would like to refer to them here. A leader of the Trinamool Congress Party has severely criticised this Government headed by the BJP and its combine as a weak Government. I also saw in *The Statesman* that the AIADMK supremo has severely criticised this Government for the economic ruins done by them during this period and also urged them to convene or to summon a Special Session in the month of January to discuss this scenario.

Sir, I would like to place it on record that these two statements, as published in *The Statesman*, clearly indicate the inner contradictions of the Government which is suffering from instability. In a parliamentary democracy, it is a fact that a stable Government means a stable economy, good politics means a good economy. But I am sorry to mention that this Government headed by the BJP and its combine have neither any stable economy nor good politics. That is why, we see confusion, chaos and volatility of the economic life of the country. This Government was committed to *swadeshi*, But today we see that this Government has shifted its attention from the principles of *swadeshi* to the policy of globalisation. This policy of globalisation in our economic standard of life means nothing but a complete surrender to the dictates of Euro-American imperialism. I see a policy of globalisation based on the policy of privatisation and liberalisation is nothing but a handing over of the country's economic sovereignty to the multinational corporations.

May I draw the kind attention of the hon. Finance Minister to the situations in Indonesia, in Malaysia, in South Asia and in South-East Asia? It is completely a debacle, a debacle of the currency and the debacle of the Third World countries. They had followed the principles and policies of globalisation and liberalisation. But what we see today is that they are caught in the debt trap of the World Bank; they are caught in the debt trap of the International Monetary Fund. The debt trap of the World Bank is nothing but the debt trap which is haunting the life of India.

MR. CHAIRMAN : Please conclude.

SHRI PRAMOTHES MUKHERJEE (Berhampore)(WB) : I am the only speaker from my party. So, kindly allow me. I will complete it within a very reasonable time.

MR. CHAIRMAN : Your party has got only one minute.

SHRI PRAMOTHES MUKHERJEE : Very kind of you, Sir. Please add one more minute.

MR. CHAIRMAN : Kindly wind up.

SHRI PRAMOTHES MUKHERJEE : Thank you, Sir.

I cannot support the Supplementary Demands for Grants in general because of the fact that there is no Demand for the revival of the public sector undertakings and there is no demand for the revival of the sick public sector undertakings. They are given only idle wages and there is no scope for the revival of IDPL, for the revival of the closed industries, for the revival of the National Textile Corporation mills. Hundreds and thousands of workers are going to be thrown on the streets. This is the scenario. We see high prices, we see job reduction, we see unemployment, we see industrial closure, we see a negative growth, we see the falling of rupee value and we also see the falling of export and revenue collections.

This is the economic scenario. I have the documents to show what the hon. Prime Minister has said. Since there is a time constraint, I am not able to refer to all that he has stated. I would like to urge upon the hon. Finance Minister to go through the statements given by the hon. Prime Minister on 24th and 29th October. In the Indian economic summit of the World Economic Forum of Confederation of Indian Industries held in New Delhi, he said that he was anxious about the foreign investment in our country. ...*(Interruptions)*

Sir, I would like to raise a problem which pertains to my area. Our district suffers from natural calamity, and the erosion of banks of rivers Ganga, Bhagirati and Padma. The then Prime Minister, Shri Deve Gowda, visited this area. The hon. Minister of Defence, Shri George Fernandes, also visited the district of Malda. They have seen with their own eyes the terrible loss that this district suffered due to flood and

erosion. But I am very sorry to mention here that there is no demand in the Supplementary Demands for Grants for the implementation anti-erosion programmes. That is why I cannot support the Supplementary Demands for Grants.

SHRI SAMIK LAHIRI (Diamond Harbour) : Sir, thank you very much for giving me an opportunity to speak here. I will confine my speech to only seeking clarifications from the hon. Finance Minister.

During the Budget speech, the Minister of Finance had made a claim that the main objectives of his Budget is checking inflation, increasing export, reducing trade gap, increasing the tax collection and achieving the overall growth etc. Now let us take stock of this Government's performance after seven or eight months of its functioning. So far as the inflation is concerned, the hon. Finance Minister had assured us that it would be restricted within six or seven per cent. But I am sorry to say that during the period between April to September, 1997, the inflation rate was 4.3 per cent, but during the period April to September, 1998, the inflation rate was 8.2 per cent. Regarding exports, I do not want to repeat what my hon. friend, Shri T.R. Baalu, has said. In the export front, the growth is negative. It may be due to recession which is there in our country. As far as the trade gap is concerned, it has doubled. In the year 1997 the trade gap was minus US \$ 2495 million, but in the current year, the trade gap is minus US \$ 4995. This is a question of great concern which the entire Finance Ministry should look into. So far as the industrial growth is concerned, it was around six per cent in 1997 but this year it went down to 3.5 per cent, though the target fixed by the Finance Minister was quite high.

Now, let me be allow to go to the revenue side. It is because this is a very important part of the Budget. In his budget speech, the hon. Minister assured us that there would be an overall growth of 17 per cent in the revenue side. His estimate of inflation was six to seven per cent. It means there would be a real growth of 10 to 11 per cent in the revenue side. But, Sir, I apprehend that the targeted growth in the revenue side will not be achieved, if not any miracle take place. The Government could achieve an overall growth so far as collection of direct taxes is concerned. It was much higher than even the previous year. But, Sir, everybody knows that so far as direct taxes are concerned, they are only 15 per cent of the total tax collected by the Government. So, collection of indirect tax is very very important so far as the revenue side is concerned.

Sir, so far as collection of indirect tax is concerned, the projection for the corporate tax was Rs. 26,550 crore. If we calculate prorata realisation per month then it should have been Rs. 2,112 crore but for the first five months the realisation has been Rs. 10,350 crore only leading to a shortfall of Rs. 7,000 crore. So far as excise duty is concerned, the Budget



[Shri Samik Lahiri]

estimated to collect the excise duty as Rs. 55,910 crore which means the prorata realisation per month should have been Rs. 4,660 crore. Realisation for the first five months should have been Rs. 23,300 crore whereas the actual collection was Rs. 18,000 crore only leading to a shortfall of near about Rs. 5000 crore. According to the data which is available from the Finance Ministry, in the first half, the excise collection was 15.9 per cent short of the target. Same is the case with the customs collection. There is 11.7 per cent shortfall in the customs collection. I think the shortfalls in excise and customs collections have been far out-weighted. 22.5 per cent higher direct tax collection. Therefore, Sir, I apprehend that with these miserable failures, the revenue generation will lead to a huge fiscal deficit and the Finance Minister, as per his assurance, will not be able to contain the fiscal deficit within 5.6 per cent of the GDP.

On the one side, revenue collection is low and on the other the Finance Minister is again proposing further allocation which will increase the fiscal deficit and will lead to a gap between the Budget estimates and the Revised Estimates. If gap between the Budget Estimates and the Revised Estimates increases then the first blow will come on the social sector. As you know, no nation can forge ahead without improving the situation of the social sector. What is the situation of the social sector, the situation of our education, health or infrastructure? The entire social sector is in a deep crisis. So, I think this Supplementary Budget which is being proposed by the hon. Finance Minister will lead to another fiscal mismanagement, increasing the gap between the Budget Estimates and the Revised Estimates and the social sector will get a severe blow.

So far as liberalisation policy is concerned, I would like to know from the Finance Minister as to what we could achieve after liberalisation? Whether there is an overall growth or growth in the social sector or not. No growth has taken place. So, the Government has to review the situation. I do not know why the hon. Minister has shifted from the earlier *swadeshi* slogan and why is he hobnobbing with IMF and the World Bank lobby leading the country into a total jeopardy. So, I accuse this Government for leading the economy of this country to disaster. With these words, I oppose the Supplementary Demands which have been placed before the House by the hon. Finance Minister.

Thank you for giving me this opportunity.

PROF. P.J. KURIEN (Mavelikara) : Sir, I thank you for calling my name. The hon. Finance Minister must have seen a statement in the press by none other than the leader and the supremo of one of their supporting parties, Kumari Jayalalitha who has said that our economy is on the brink of disaster. Not only that, Kumari Jayalalitha also feels that many economists are also saying that we are heading for a

disaster. The economic indicators are not presenting a very rosy scenario. If you take BoP, its position is worsening day-by-day. I do not want to do a jugglery of statistics. All these statistics are known to you. I do not want to waste time on that.

Our exports are on the decline and the imports are increasing. My friend Shri Baalu has said that the growth of export is negative. I think, in 1991 when you were about to leave—of course, it is no fault of yours—our export was negative in dollar terms. Our industrial production was also not picking up. It was zero or slightly less than one per cent. From that lowest position we have gone a long way and the country was put into the correct economic track. But unfortunately, we are now back to square one. This kind of scenario is alarming. I think no Finance Minister can sleep with this kind of a scenario. I do not know whether you are sleeping without any problem. Kindly tell us in a convincing way whether it is a fact that we are heading towards an economic disaster. Are we getting into a situation similar to that existed in 1991 when we had to pledge our gold? You are an expert in quoting the BoP position or any other indicators. You take the House into confidence and tell us. This is a fear which many economists say and we are puzzled in this scenario. I want you to categorically allay the fears of public if it is not so. If you fear that there are some such signals in the economic scenario, please take corrective measures in a convincing way. I am sorry to say that that is not happening.

There is a decline in Foreign Direct investment. I know you are trying your best and subjecting yourself to pressure from outside to some extent bowing your head before the multinationals and World Bank, etc. and are trying to bring certain legislations also. I am not opposing all this. But with all this, are you getting investment in a concerted way? Unfortunately, you are not. When compared with any other country in this region, we are at the lowest portion with regard to Foreign Direct Investment. But leave alone Foreign Direct Investment, what about investing from within? That is also not there. There is nothing like that. There is a total decline in the economic activity in the country. This is my first point.

Sir, no new investment has been done in infrastructure and no new investment has been done for additional employment generation, except in the schemes which were existing earlier. Unemployment is on the increase. This is something the Finance Minister should be concerned about. The total investment in the infrastructure sector has declined. Our total investment especially in the power is also less. He says that many of the projects are in the pipeline and private investment is coming, but what is the actual investment in this sector, on ground? It is not much.

I have to come to my State and constituency because

the time is limited. There is a power plant in my constituency, at Kayamkulam. That is a thermal plant. It is supposed to be a super thermal power plant, but it is generating only 350 MW. At present, it is a normal thermal plant, but the proposal is for making it a super thermal power plant. I would like him to consider giving financial sanction for setting up a super thermal power plant there. It has got other clearances, but what is pending is the clearance from Finance Ministry.

Sir, the Government of India announced a new scheme of Express Highways, starting from Kanyakumari to Kashmir, from South to North. It is a very good scheme for national integration also, but I am sorry to point out as to how anybody can reach Kanyakumari without touching Kerala. It is a disappointing thing that Kerala is not included in it. A deviated route has been taken deliberately so that Kerala is excluded. I would like him to consider this point also.

Another thing which I mentioned during the last Budget speech was about rubber growers' problem in Kerala. I mentioned that rubber growers were really suffering for lack of adequate price. I also wrote to the Finance Minister about duty imposed on the liberal import of polyurethane. He gave me a reply also. I had mentioned in my letter that polyurethane foams were cheaper than rubber foams, and therefore, the people were preferring polyurethane foams. He replied me saying that a sample survey showed otherwise. I am disputing his reply saying that the sample survey was wrong and not in conformity with the facts.

Sir, I will quote the prices prevailing in New Delhi markets. A latex foam mattress, manufactured by MM Foam, the largest rubber manufacturer, costs Rs. 239.84 per square foot whereas a polyurethane foam mattress manufactured by Sleepwell, a leading manufacturer, costs only Rs. 85 per square foot. Where is the amount of Rs. 239 and where is the amount of Rs. 85?

MR. CHAIRMAN : Prof. Kurien, please conclude now.

PROF. P.J. KURIEN : Sir, please bear with me.

MR. CHAIRMAN : Please conclude now. There are two or three more speakers and the Finance Minister has also to reply.

PROF. P.J. KURIEN : Our Party has got more time left. We have 30 minutes. We have not taken 30 minutes. I know that.

MR. CHAIRMAN : I have not said that.

PROF. P.J. KURIEN : That is what I am saying.

MR. CHAIRMAN : But the Minister has also to reply.

PROF. P.J. KURIEN : This is correct, but our Party's time should be given to us. You cannot curtail that.

MR. CHAIRMAN : I am not complaining, but he has to reply also.

PROF. P.J. KURIEN : Let me complete. I will complete within two or three minutes.

His officials misled him in writing to me that rubber foams were cheaper, whereas rubber foams are costing Rs. 239 per square foot and polyurethane Rs. 85 per square foot. This is the position. This shows how the officials connive with the importers. I do not know why they do that. I want him to please take note of it and conduct an inquiry about how they have misled him. I am requesting the hon. Minister again that rubber growers' product cannot compete with imported polyurethane and therefore, give some protection to the growers either by increasing duty on polyurethane or by decreasing excise duty on rubber foam products.

Furthermore, I would like to give you this information that polyurethane is banned in some developed countries because it is environmentally hazardous. Since it is banned there, those countries are dumping it here, which we are welcoming and supporting. I would request you to take note of this and take some steps in order to help the rubber growers. Please also take to task the officers who have misled you in this regard. This is the information available with me and with the best of my knowledge, I am giving this data to you.

Sir, at the international level, the crude oil prices have come down. But you are selling the petroleum products at the administered prices. Why do you hesitate to reduce the prices of petroleum products in India? You should consider this aspect also.

Even though I have a few more points and more time, since the Chair is insisting, I am concluding my speech with these words. Thank you.

SHRI V.V. RAGHAVAN (Trichur) : Mr. Chairman, Sir, the hon. Finance Minister is asking for an augmentation of Rs. 14,000 crore, out of which, he expects Rs. 13,000 crore by way of savings and more revenue collection. I want to know in what manner he expects to collect Rs. 13,000 crore. I feel that if he asks various departments not to spend the already budgeted money, then he gets the savings. The Finance Minister can do that. It can ask various departments not to spend the remaining money and that way you will have savings. Otherwise they cannot save anything because every department is in need of money. So, I do not think that this expectation of saving will materialise.

Another thing is about more revenue collection. How will you get it? What about your Samadhan Scheme? Now-a-days, in the television, I see various advertisements in regard to this Samadhan Scheme. This Scheme is going to end on 31st of December, this year, and a few more days are left. Will the hon. Minister give us some information as to how far he has been successful with this Samadhan Scheme? How much money has been collected under this Samadhan

[Shri V.V. Raghavan]

Scheme? The way the advertisement goes, I get the impression that this Samadhan Scheme has not given us much. So, how will this amount of Rs. 13,000 crore materialise?

I feel that this augmentation of Rs. 14,000 crore through these Supplementary Demands for Grants will put the Finance Minister in more trouble. I sympathise with him. From the day he took over as the Finance Minister, there is a tussle between the Petroleum Ministry and the Department of Revenue. You want to push something, but you have been embarrassed by your own Party. Under these circumstances, how will the Finance Minister and the Finance Ministry manage things?

I would request hon. Finance Minister, for heaven's sake, not to push the country towards imperialism. If you push through the Patents Bill and give exclusive marketing rights to the multinationals and if you push through the IRA Bill, the fate of 98 crore people will be doomed. The nation will not forgive you for this. Mr. Minister, you should assert yourself because you are being pulled by two wings, that is, those in favour of *swadeshi* and those in favour of globalisation.

Please assert and save this country from these multinational companies and imperialist forces. Look at them. How uncultured, how uncivilised. ...*(Interruptions)* manner they act are there these days. If you look at America and Britain in the international sector, you cannot believe them... *(Interruptions)*

MR. CHAIRMAN : Please conclude now. I have called Shri Ramdas Athawale.

SHRI V.V. RAGHAVAN (Trichur) : I have not finished. But, since the Chairman insists, I conclude.

*(Translation)*

SHRI RAMDAS ATHAWALE (Mumbai North-Central) : Mr. Chairman, Sir, the hon'ble Minister of Finance has presented Supplementary Demands before the houses for discussion and approval. While discussion on Budget and Supplementary Demands, I want to say that the hon. Finance Minister should examine as to what extent the SC/ST people have made progress. I would like to say that the hon. Finance Minister should consider to allocate Rs. 5000 crores in the plan for the economic development of Scheduled Castes and Scheduled Tribes.

Similarly, Mumbai is the economic capital of the country. Therefore the Government should consider to allocate Rs. 500 crore each to slum development and for other development. If you allocate this amount, I will consider to support your demand. The Finance Minister is laughing and therefore, I hope that the amount will be allocated for the development of Mumbai and for Scheduled Castes and Scheduled Tribes. With these word, I conclude.

SHRI MITRASEN YADAV (Faizabad) : Mr. Chairman, Sir, I thank you for giving me an opportunity to speak even at the last stage of this discussion. The Minister of Finance is the only person who holds the entire economy of the country. If you look into the past, you will see that the Minister of Finance plays a great role. He is a budget specialist and as Sri Kurien was saying, we understand that all the policies which we have adopted towards liberalisation, foreign borrowings and commercialisation have neither mitigated our problems nor have been able to remove the poverty as well as have not reduced the number of unemployed in the country, it has neither been instrumental in containing the price rise nor has been able to fulfil the basic needs and to solve the basic problems of the common man as well. There is no need to mention the figures. I want to make some suggestions in regard to supplementary budget presented by the Minister of Finance. He has presented it in time for which I thank him. However it is not being utilised to the extent it should be but on the contrary it is being misutilised. You do not have any criteria to find out that how our Supplementary Budget will be utilised properly. Education, water, power and medicines all are our basic needs. These are the basic needs of common people of our country. The rich people keep sufficient medicines in the fridge here, while even "Churn" is not available to the poor in the villages. Have you provided treatment and medicines in the villages? The Prime Minister had stated that first of all potable water would be provided to all. Stratum of water is going down daily, there is no plan to store rainy water, rainy water goes waste. There is problem of drinking water, so what to talk of irrigation.

Mr. Chairman, Sir, I would like to say one-two things more. J.R.Y. and Employment Assurance Scheme have been formulated to provide employment to the people living in rural areas.

16.00 hrs.

Mr. Chairman, Sir, there is no participation of MPs in the plans being implemented in Uttar Pradesh. MLA Funds and Poorvanchal Funds have been handed over to the MLAs and even in plans which are funded by the Union Government, MPs are not getting complete participation. I request through you from the Minister of Finance that complete participation of the MPs should be ensured in the Union Government funded schemes and for the purpose, proper steps should be taken on priority basis and the amount of Rs. One crore under Member of Parliament local area development scheme should be made double...*(Interruptions)*

MR. CHAIRMAN : Hon'ble Minister of Finance.

SHRI MANORANJAN BHAKTA (Andaman and Nicobar Islands) : Mr. Chairman, Sir, the Minister of Finance has not made any special provision for our Andaman and Nicobar Islands...*(Interruptions)*

[English]

Sir, I want to submit before the hon. Minister replies.

MR. CHAIRMAN : I have already called the hon. Minister now.

Let him complete. At 4.00 p.m. we have also to take up discussion under rule 193.

(Interruptions)

[Translation]

SHRI MITRASEN YADAV : Mr. Chairman, Sir, please give me one minute more. I will conclude my speech in one minute....(Interruptions)

MR. CHAIRMAN : Shri Mitrasen, please sit down. I have already called the hon. Minister. He is going to speak.

[English]

Shri Bhakta, you can raise your point during the Appropriation Bill.

SHRI MANORANJAN BHAKTA : All right, Sir.

16.00 hrs.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : Mr. Chairman, Sir, I am extremely grateful to the hon. Members who have taken part in this discussion. I am also grateful to them for having raised here a number of issues which are of local, national and international importance. I shall try, Mr. Chairman, Sir, at the time at my disposal to...

[Translation]

MR. CHAIRMAN : Since we have to discuss other matters at 4.00 p.m. therefore, if House permits, the hon. Minister of Finance may conclude his speech and we can pass demands for grants pertaining to Ministry of Finance.

SEVERAL MEMBERS : All right.

MR. CHAIRMAN : The Minister of Finance, the House permits. You may please continue your speech.

[English]

PROF. P.J. KURIEN (Mavelikara) : You should give a very favourable reply....(Interruptions)

SHRI YASHWANT SINHA : Sir, I am grateful to you and all the hon. Members of this august House for having permitted me to give the reply to the debate now. I was saying that a number of issues have been raised and these are issues of great importance. And, they have to be tackled, they have to be answered. What is the concern of any Finance Minister?

When he is confronted with demands after the Budget for expenditure in various Ministries and Departments? An issue was raised here by an hon. Member Shri G.M. Banatwalla. It was raised by other Members also that if we prepare the Budget properly then the need for Supplementary Demands would not arise. I agree with this that if the Budget is prepared realistically, then except for meeting emerging requirements, there will be no need for Supplementary Demands, and the whole nature and purpose of Supplementary Demands is to precisely meet the emerging and emergency nature of the expenditure. It is my belief, Sir, that I have done exactly that.

Shri G.M. Banatwalla restrained himself from giving examples. I will sit down with him and discuss separately what are the issues that he feels that expenditure could have been anticipated. But as far as I am concerned, I can assure the House that whatever has been provided for in the Supplementary Demands is in the nature of emergency or emergent expenditure which could not have been anticipated at the time the Budget was framed.

Shri Mohan Singh is not here. He has left. This is a point that he was raising that there is a provision in the Constitution and, therefore, they bring supplementary budget before this House for the approval and sanction of this House. It has been my endeavour in this year's Supplementary Demands and I am extremely grateful once again to Shri G.M. Banatwalla who said that despite his tremendous opposition to this Government, he will concede that at least in the Supplementary Demands we have been very reasonable as far as cash outgo is concerned. We have tried our best. I have been extremely strict with the entire machinery of Government as far as additional expenditure is concerned and therefore, wherever a demand for additional expenditure came, I insisted on the concerned Ministry and Department that they must locate matching savings. If they do not locate matching savings, then it will not be possible for me to agree to that extra expenditure and it is as a result of that very strict discipline that we have enforced that it has been possible for us to restrict the cash outgo in this Supplementary Demand to less than Rs. 1,279 crore.

I would like to assure the House that the rest of the demands — Shri V.V. Raghavan might want to know because he raised this issue — are being met out of the savings which have already been located. It is not that I am saying it that these savings will be located in future. (Interruptions) Budgetary provisions will increase somewhere and will decrease somewhere. This is not something which is happening for the first time in the history of this country. This is something which happens every year. I am only saying that in this Government, I have been extremely cautious to ensure that my expenditure does not cross the limits which I have set in the Budget. Why am I concerned? Like the rest of the hon. Members of this House, I am concerned with fiscal deficit. Here I would like

[Shri Yashwant Shina]

to say this because this issue has been raised repeatedly by Prof. P.J. Kurien, Shri T.R. Baalu and Shri Chetan Chauhan. A number of Members have referred to fiscal deficit. It is a matter of great concern. There is absolutely no doubt that fiscal deficit is a matter of utmost concern because the health of any economy is judged by the quantum of fiscal deficit in the Budget of the Government of India and the budgets of the State Governments. But is fiscal deficit a problem which has arisen this year? I have figures here. I do not know whether I have shared that information with this House. Fiscal deficit is the most intractable problem facing this country for two decades. I have figures here from 1980. For the first five years of the decade of 1980 to 1985, what was the average fiscal deficit per annum? The average fiscal deficit per annum was 6.2 per cent of the GDP. What was the average fiscal deficit of the last five years of the decade of 80s? The fiscal deficit of the last five years of the decade of 80s was 8.2 per cent of the GDP. Please note it.

It is projected as if a 5.6 per cent fiscal deficit or a six per cent fiscal deficit is something which is a major figure. It is wrong. We should not even have that kind of fiscal deficit but there have been incidents of high fiscal deficit. In one year, 1986-87, the fiscal deficit was as high as nine per cent of the GDP. It was actually 8.2 per cent.

Prof. P.J. Kurien was referring to the fact that I was the helpless Minister of Finance. He said: 'Is the country going back to 1991?' It is very easy to link Yashwant Sinha with 1991. (*Interruptions*)

PROF. P.J. KURIEN : It is not personal.

SHRI YASHWANT SINHA : I will just complete this sentence and then yield the floor.

The situation which arose in the country in the years 1990 and 1991 was a direct result for the unsustainable fiscal deficit over a period of time which took place in the last part of the 1980s. That is the reason why we had that crisis in 1991.

The whole concept of fiscal deficit, I might wish to remind this House, was introduced in the Budget of the Government of India for the first time by no less a person than me. In the Interim Budget of 1991-92, I said, 'This will be the fiscal deficit of the Government of India' and it became a matter which was accepted by subsequent Governments.

PROF. P.J. KURIEN : Dr. Manmohan Singh was bringing it down every year. That direction has been lost now. This was my point.

SHRI YASHWANT SINHA : It is not lost. I have the figures here. I am coming to them. Even if Prof. Kurien had not intervened, I would have come to them.

In 1991, the fiscal deficit went up to 8.3 per cent. Then, the Congress Government, led by Shri P.V. Narasimha Rao came into office. They unleashed the process of economic reforms and liberalisation and globalisation in this country. One of the very laudable objectives of that Government was to control the fiscal deficit of the Government of India's Budget. What happened then? If you take the period from 1991-92 to 1995-96, the average fiscal deficit during these five years was 6.1 per cent of the GDP. The fiscal deficit refused to go away. It remained at 6.1 per cent of the GDP per annum and in one year, 1993-94—I would like to remind Prof. Kurien because he was a part of that Government—it went up as high as 7.4 per cent of the GDP. Year-wise, it was 5.9 per cent, 5.7 per cent, 7.4 per cent, six per cent and 5.6 per cent in those years. That is why the average was 6.1 per cent.

What happened during the two years of UF Government? In 1996-97, the fiscal deficit was 5.2 per cent. This 5.2 per cent was one of the lowest that was achieved in a long period of time. Unfortunately, in the last year of that Government, in 1997-98, my predecessor in office had put the target—as I have shared that with this House—of 4.5 per cent. Unfortunately, for various reasons, that target could not be sustained. The result was that we ended the year with a 6.1 per cent fiscal deficit of the GDP. If you take the average of both the years, it comes to 5.7 per cent.

It was in that historical context of the fiscal deficit that obstinately refused to go away, to go below five per cent that I thought I will be realistic. Therefore, I did not go for the moon; I did not go for the stars. I fixed it realistically at 5.6 per cent.

What is the struggle now? What is the challenge before me? The challenge before me is to try and hold it at that level. This is the challenge and I want the cooperation of the entire House, of the entire nation in talking this problem. Unless all of us agree, it will not be possible for any Government, not only for me, to get the better of this problem of fiscal deficit.

We are talking of Rs. 90,000 crore. Some hon. Members mentioned here that I have already exceeded the ceiling limit for borrowing by Rs. 1,000 crore. It has gone to Rs. 80,000 crore. It is true.

How does the Government of India make up for the fiscal deficit? How has the Government of India been making up for the fiscal deficits over the years? It has been making up by borrowings. Today if we are all way down by the burden of only the interest payments in every Budget, is it the creation of this year? Is it the creation of last year? Successive Governments have borrowed heavily from the Reserve Bank of India, from the market and from abroad. The result has been an excessive burden of interest on the budgetary resources of the Government of India. It is an unsustainable

situation and I am not blaming one Government or one Finance Minister. It has been coming over a period of time. This is the problem that all of us have to be fully aware of and acutely aware of. Only then, we shall find the wherewithal to get over that problem.

So, in this, let us not trade petty charges across the floor of the House as to who was in charge and when. That is not important. The important thing is that it is a national problem and it was in order to emphasise the national nature of that problem that I have quoted these figures. I would expect that I will receive the support, this Government will receive the support of the entire House and the people of this country. This is in order to tackle this problem of fiscal deficit.

Now what is happening in this year? Prof. Kurien was asking me to give an honest reply. I will give an honest reply. I will give as constructive a reply as possible. What is the problem now? The problem is that the economy has caught in a slow down since the middle of 1996. The Indian economy has been caught in a cyclical slow down. It has nothing to do with the international situation. The East Asian crisis came much later. But because of the developments within the country, the Indian economy got caught in this slow down. We felt the results or the impact of that slow down in 1996-97; we felt it increasingly in 1997-98; we felt it in 1998-99. I am worried at the decelerating rate of industrial production. If it had not been for my colleague Shri Sompal and his Agriculture Ministry, this would not have been possible and I am hopeful that that Ministry will do better than last year because last year, the Agriculture sector's value addition went down by 1.5 per cent; agricultural production went down by 3.6 per cent.

SHRI KALPNATH RAI (Ghosi) : What about this year?

SHRI YASHWANT SINHA : This year, we are hoping that agricultural production will grow by anything between three and four per cent. That is our expectation.

Therefore, despite the fact that industrial production is even slower than the last year, with the help of the services sector, I am hoping that the Indian economy will grow at around six per cent. But that is something which we have to see.

But I would like to tell you that when we talk about the Indian economy today, in what context are we talking of it? We know what has happened. Immediately after the nuclear tests, we know in what way the countries of the world had reacted. I remember, when I came before this House with my Budget, Member after Member got up and asked me as to whether I have factored in the impact of sanctions. They asked me as to whether I have factored in the fact that many of the friendly countries were not prepared to give us any further loans. I did factor that in. But I am happy to tell you that we have weathered that storm and we have weathered it extremely successfully. But what has created problems for us

is not so much the fact that sanctions were imposed after the nuclear tests. What has created problems for us is the fact that the East Asian crisis which erupted in the middle of 1997. That, instead of going away, has deepened and widened. This is what has happened. The East Asian Crisis first enveloped Japan. Japan is in trouble. The East Asian crisis then travelled as far away as Russia; and from Russia, it went to Latin America and South America. One of the major countries which was caught in this crisis was Brazil. Brazil with huge reserves of foreign exchange—75 billion dollars—had to go and knock at the door of the IMF for help in order to sustain their economy. This is the enveloping or developing crisis with which India is faced.

Shri Baalu was asking me as to why our exports went down, what am I doing to raise the exports. I would say, "Yes, exports are coming down."

I am not happy with the rate of imports. In a buoyant economy, the rate of imports should be much more than what it is today. There is a trade deficit. It is a fact that the trade deficit has doubled compared to previous year because our export is not picking up. We have done a great deal in order to promote exports. We have given concessions available which the previous Government had not given. We have gone out of our way to help exports. There are problems because of the East Asian crisis, with our major trading partners like Russia and Japan running into difficulties, with European growth rate sliding down and the American growth not being so buoyant. We are trying our best. Let me tell you that a wrong signal should not go from this House because it will unnecessarily create a panic in this country. That is the concern of not only the Finance Minister but also of the House and the whole country. We have not been caught in the East Asian crisis. We have been able to successfully steer the Indian economy through that crisis. Despite all the unfriendly moves made by some of these friends, we have been able to stand on our own. India has not gone to knock at the doors of the IMF like Pakistan did. When we needed money, when we realised that there could be pressure on our balance of payments, what did we do? We went with our Resurgent India Bonds to the non-resident Indians. The two billion rupees that we could raise from IMF, we mobilised it from brothers and sisters abroad. They responded in full measure. I would like to take this opportunity to place on record our appreciation of the fact that Indians all over the globe and all over the world responded with alacrity and with sympathy and made this contribution.

Shri T.R. Baalu, I would like to tell you that the balance of payments is not under pressure, despite the fact that the trade gap has increased. It is because our invisibles are giving us support. Therefore, there is absolutely no problem. Your Government left a balance of around 26 billion dollars and we are maintaining that, despite all the problems that we are facing. There is absolutely no question of any concerned on

[Shri Yashwant Sinha]

our balance of payments front. In one of the debates, I had responded in this House to the criticism made by my predecessor. I had said that there is absolutely no reason to be concerned about the current account deficit. The current account deficit is not going to go beyond 2.3 per cent. The RBI which watches it very carefully in now saying that looking at the receipts which are coming, it could be around two per cent. So, given the international situation, maintaining the current account deficit at that level is something for which I surely feel that this House should compliment this Government. Despite all the problems, despite all the worsening international situation, we have been able to keep the Indian economy and the balance of payments under check.

Sir, I would like to say that we in the Government of India take no advantage of the fact that RBI is the Central Bank of this country compared to the States. When the Congress Government was in power, it entered into an agreement with the RBI. That agreement clearly lays down that at no point of time should the debit of the Government of India with the RBI should exceed, in the first six months Rs. 11,000 crore and in the second half Rs. 7,000 crore. We ran into an overdraft with the RBI when we crossed this limit. I am glad to inform this House that despite all that might be talked about in the Media and elsewhere that our expenditure is running haywire, I would like to assure that from 1.10.1998 we have never crossed this limit of Rs. 7,000 crore which is permitted under the agreement.

As I have told you, the single most important challenge that I am taking as a personal challenge, is the fiscal deficit and my desire to limit it. The States have their ways and means limit and they are allowed to operate within those limits. If a State crosses the limits and if it comes and says that it has run into an overdraft problem with the Reserve Bank of India, we have a provision of helping it with ways and means advances. I can tell you, irrespective of the political colour of the State Government, we have gone out of our way to help each and every State Government which has come and knocked at our doors and we have given them ways and means advance. I would like to tell Shri Radhakrishnan, he was talking about Kerala, that when I received an intimation from the Government of Kerala that they wanted help in this regard, I went out of my way to help Kerala despite the fact that the political complexion of that Government is different. Sitting in Delhi, we cannot be petty minded and say we can help this Government because its political complexion is that or we will not help this State because its political complexion in this. We will help each State Government according to the provisions of the Constitution and according to the arrangements which are there.

This refers to the point raised by Kumari Mamata Banerjee, that we are sending large sums of money to State Governments.

These are going as Centrally sponsored schemes or as Central schemes. I accept the Constitutional responsibility of the Government of India to make sure that these monies are properly utilised. We are all aware, sitting in this House, of what happens on the ground. A lot of money is getting lost on the way. If we come across a report, like the report of the Comptroller and Auditor General, we have to sit and take note of that. I would like to say, there is a Constitutional procedure. The C&AG Report comes, and then it goes to the State Legislature. The State PAC is supposed to sit in judgment over it and then it is supposed to tell the State Government, the Executive what exactly has to be done. If we come across examples of serious nature, where we feel monies have not been properly utilized, it is the responsibility of the Government of India to make sure that we create the necessary mechanism, make the necessary arrangement, to ensure that monies are properly utilised because it is not the Government of India's money. It is the money of the people of this country. Therefore, not a single Rupee of that money should be wasted. Therefore, ever since I have taken charge of this Ministry, I have told my officials to insist on Utilisation Certificate, to insist on audited Utilisation Certificate and then only shall they release the money.

My friend, Shri Raghuvansh Prasad Singh is not present in the House. He was raising the issue of Bihar. The fact that I come from Bihar will not make me more lenient to Bihar because there is a system and it is in that system that we have to operate. I would like to assure this House that I share the concern of the Members that money should not be wasted. Therefore, we will continue to apply the strictest norms possible to make sure that monies are properly used. If there are examples of misuse, then the Government of India shall not hesitate to make inquiry to look into such misuses of fund.

A number of issues had been raised which relate to a specific area or a specific Ministry. I will touch a few and then I will complete. A number of Members, including the former Minister Shri Kalpnath Rai, had raised the issue of sugar. There is a general impression growing in the sugar lobby, as if I am the enemy of the sugar industry. I would like to clear the doubts. Sugar is a very very important and sensitive industry for certain parts of this country. We did not put sugar on OGL. Sugar was already on OGL and has been on Open General Licence which means that sugar was a product which could be freely imported without any licence.

It continues to be on OGL. When we noticed that imports were increasing then in May this year, we imposed an import duty. There was no import duty on sugar. It was 'zero'. It was tariff free. We imposed an import duty of five per cent plus we also imposed a countervailing duty of Rs. 850 per tonne which together amounted to something like 11.5 per cent to 12 per cent duty on sugar import.

Now, an impression has sought to be created as if all the sugar is coming from Pakistan. Sugar has come from Pakistan, Brazil and from other sources also. Sugar has been imported and it is one commodity where the prices have, fortunately, remained stable. When we talk of price rise, we do not talk of sugar. We talk of edible oil, we talk of onions and we talk of potatoes. But fortunately not of sugar because sugar prices have held. The Congress Government made this arrangement. What was the arrangement? We put more and more products on Open General Licence because whenever prices here tend to go up then you import in order to control the prices. This was the free market mechanism which was put in place not only in respect of sugar, as I said, but in respect of various products. Now that mechanism is operating.

It is not the intention of this Government to damage that industry. It is not the intention of the Government to create any difficulties for the farmers. Therefore, taking note of the feelings which have been expressed in this House and the other House, the Prime Minister said that we will reconsider the structure of duty. This matter is very much under the active consideration of the Government of India. I would like to assure the House that very soon we are going to take necessary steps in this matter. But I have been telling the sugar industry and I would like to repeat it here...*(Interruptions)*. It will be time bound. What I am saying is that this should not lead to increase in the retail prices of sugar. If that happens, then this Government will again be criticised for letting sugar prices go up. We have to match the interests. We have to reconcile the interest of the consumer, the producer, the farmer and it is in that context that we are examining the whole question. I would like to assure the House that very soon a decision in this matter will be taken.

SHRI K.S. RAO (Machilipatnam) : Both the Ministers of Agriculture and Food, have in their wisdom felt that the customs duty has to be increased to 40 per cent. But what were the reasons for the Ministry of Finance has coming in the way? We are also equally responsible for the nation's interests.

SHRI YASHWANT SINHA : There is a collective responsibility of the Cabinet and there is also the individual responsibility. There are some issues on which the Government as a whole has to take a view and that is where we reconcile various aspects.

Sir, various other issues have been raised. Apart from the international scenario, this year has been, unfortunately, a very bad year from the point of view of natural calamities. We have had cyclones, we have had floods, we have had droughts in certain parts, we have had unseasonable rains and therefore, it has put a pressure on the States as well as on the Central Government. I would like to say that absolutely no discrimination has been shown by the Government of India in giving reliefs to the States. The Prime Minister found time

to visit various States and the Prime Minister, unfortunately, could not find time to visit some other States.

SHRI VARKALA RADHAKRISHNAN (Chirayinkil) . Sir, he has raised a very good question.

SHRI YASHWANT SINHA : You please listen to me. Then your question will not arise. I will just complete it and then see if your question is still there, I would yield.

What I am saying is that there is a certain methodology by which these decisions are arrived at. Those who have been in Government would be aware of it. Immediately after such a calamity takes place or such an unfortunate incident takes place, we despatch a Central team. It goes there and makes an assessment in consultation with the representatives of the State Governments.

It comes and makes a report. Then, an inter-Ministerial committee meets. They make their own recommendation after assessment. Then, we have a National Natural Calamity Relief Committee which is a National Development Council's Committee. That Committee is likely to meet sometime next month when we will sit down and take a view as to what exactly must be given to each State. In the meanwhile, we are not holding our hands; in the meanwhile, we have given to the States by way of advance Plan Assistance, so that this could be adjusted when the National Natural Calamity Relief Fund is made available to them. I would like to say again that this will be done without discrimination, looking at the damage that each State has suffered. So, there is no question of big States or small States in this. It will be exactly in proportion to the damage suffered and in the light of the recommendation of the Central team...*(Interruptions)*

SHRI VARKALA RADHAKRISHNAN (Chirayinkil) : The hon. Finance Minister may remember that there is a general feeling that when the State of Kerala was facing acute crisis in regard to flood situation, the Central Government refused to come to its help. Even the Prime Minister did not turn up. A Central team came there after a long gap. Even after that, no amount has been sanctioned...*(Interruptions)*

SHRI YASHWANT SINHA : No, Sir...*(Interruptions)* While I can answer...*(Interruptions)*. Sir, immediately after this reply, there will be a discussion on this very subject. I can take the time of the House in replying to whatever points are being raised. My colleague Shri Sompal is here. Shri Radhakrishnan will have a chance to debate on this subject. He may raise those points specifically when that debate takes place. I am quite confident that the hon. Minister will satisfy him on that...*(Interruptions)*

MR. CHAIRMAN : Shri Vora, we are going to discuss regarding damage to crops due to natural calamities such as floods, cyclones etc. under Rule 193 after this.



[Translation]

SHRI VIRENDRA SINGH (Mirzapur) : The Minister of Finance has mentioned about natural calamities, I want some clarification about it...*(Interruptions)*

MR. CHAIRMAN : Reply has been completed.

SHRI VIRENDRA SINGH : You should clear our doubt.  
...*(Interruptions)*

MR. CHAIRMAN : You may do it later on.

*(Interruptions)*

SHRI VIRENDRA SINGH : Mr. Chairman. Sir, you may clear my doubt...*(Interruptions)* We want your protection.  
...*(Interruptions)*

MR. CHAIRMAN : The Minister has given his reply.

*(Interruptions)*

MR. CHAIRMAN : I am not allowing.

[English]

SHRI YASHWANT SINHA : Mr. Chairman, Sir, a number of other issues have been raised. I would like to assure the Members of the House that I have taken copious notes and will refer them to the Ministries concerned so that appropriate action could be taken...*(Interruptions)*

SHRI T.R. BAALU (Madras South) : Sir, the hon. Minister has not replied to my point regarding Bhutanese currency in circulation in North Bengal. I would request him to reply.

SHRI YASHWANT SINHA : I have already, in reply to a question of Kumari Mamata Banerjee, said that this is a matter of concern for the Government of India and every possible step is being taken to see that our currencies run in North Bengal district and not Bhutanese currencies. There is another question in the other House on the same subject tomorrow.

SHRI K.S. RAO : The hon. Minister should give infrastructure status to coal washeries also as is given to power and national highways.

SHRI YASHWANT SINHA : Sir, a number of issues have been raised. I would like to say that if they go back once again to the Budget, from which this Supplementary Demand in a way arises, they will find that the commitment of the Government to the weaker sections, especially the Scheduled Castes, and the Scheduled Tribes, the commitment of this Government to the rural poor, the commitment of this Government to the urban poor, the commitment of this Government for development of infrastructure, the commitment of this Government to provide employment and the commitment

of this Government to provide shelter to those who are homeless have been mentioned in that Budget Speech.

I would like to say that policy decisions have been taken in many cases to start implementing most of those schemes which I had mentioned in the Budget. The time to review the performance of this Government and the achievements of this Government would be when I come with my Budget in February, 1999.

DR. SUBRAMANIAN SWAMY (Madurai) : How can you say that?

SHRI YASHWANT SINHA : Maybe, Dr. Subramanian Swamy could present the Budget next year, I do not know.

KUMAR MAMTA BANERJEE (Calcutta South) : He is supporting you.

SHRI YASHWANT SINHA : But whoever presents the Budget would come out objectively with the achievements of this Government as well as the difficulties which this Government faced.

I will personally request Shri Banatwalla, who has moved the Cut Motion, not to press for it. He mentioned it in the course of his speech. As far as the National Highways of Kerala are concerned, we have made a provision of Rs. 10 crore. I have taken note of the point which has been made by Members coming from Kerala about the National Expressway. The Prime Minister has announced it. I do not know what alignment is being fixed. But I will certainly bring to the notice of the officials and ministers concerned of the feelings which have been expressed here.

KUMARI MAMATA BANERJEE : What about the point relating to unemployed youth?

SHRI YASHWANT SINHA : This is a point which I have taken note of, Mamataji. I am not in a position to respond because it concerns both the State Government and the Government of India together.

PROF. P.J. KURIEN : With regard to other points, can you send the replies in writing?

SHRI YASHWANT SINHA : I have taken note of each point which has been made in this House and I will be responding to it. Prof. Kurien has raised the issue of polyurethane.

SHRI K.S. RAO : In the interest of nation, giving infrastructure status for coal washeries is as important as giving it to power, national highways, ports etc.

SHRI YASHWANT SINHA : The way the list of infrastructure is expending, there will be hardly any industry which will not come within the infrastructure field. So, I will

request most humbly all the Members in this House to pass the Supplementary Demands for Grants without any division.

MR. CHAIRMAN : Shri Banatwalla, are you withdrawing your cut motions?

SHRI G.M. BANATWALLA (Ponnani) : Sir, in view of the assurance given by the hon. Finance Minister, I seek leave of the House to withdraw my cut motions.

MR. CHAIRMAN : Is it the pleasure of the House that the cut motions moved by Shri G.M. Banatwalla be withdrawn?

*The cut motions were, by leave, withdrawn.*

MR. CHAIRMAN : The question is :

"That the respective sums not exceeding the amounts of Revenue Account and Capital Account shown in the fourth column of the Order Paper be granted to the President out of Consolidated Fund of India, to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1999, in respect of the heads of demands entered in the second column thereof, against Demands No. 5, 6, 9, 16, 24, 25, 26, 30, 31, 35, 38, 40, 44, 45, 48, 49, 50, 51, 52, 54, 55, 59, 62, 63, 67, 69, 76, 77, 78, 79, 80, 81, 82, 84, 87, 89, 99, 100, 101, 102 and 103."

*The motion was adopted*

## APPROPRIATION (NO. 4) BILL\*

*(English)*

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : Sir, I beg to move for leave to introduce a Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1998-99.

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1998-99."

*The motion was adopted.*

SHRI YASHWANT SINHA : I introduce\*\* the Bill.

DR. SUBRAMANIAN SWAMY (Madurai) : Sir, I would like to speak on this.

\*Published in the Gazette of India Extraordinary, Part-II, Section-2 dated

\*\*Introduced with the recommendation of the President.

PROF. P.J. KURIEN (Mavelikara) : Mr. Chairman, the House has extended time only for the Supplementary Demands for Grants.

SHRI YASHWANT SINHA : Sir, I would just like to put one point for the consideration of the House. The Russian Prime Minister is here. I have to join a discussion later with him as part of the Indian delegation. I will be very grateful if this item of business is finished now.

PROF. P.J. KURIEN : Mr. Chairman, Sir, we have only extended time till the reply of the Finance Minister on the Supplementary Demands for Grants. Since that is over we have to as such move on to Item No. 27, that is, discussion under Rule 193....(Interruptions) I am not saying that we should not take it up now. I am only saying that the time for this item of business has to be extended after taking the sense of the House.

MR. CHAIRMAN : If the House agrees, we will take up Item No. 24 now.

SOME HON. MEMBERS : We agree.

MR. CHAIRMAN : Prof. Kurien, we will now take up this item. It will take only two to three minutes.

PROF. P.J. KURIEN : Mr. Chairman, you yourself gave a ruling earlier that Shri Bhakta can speak at the time of consideration of the Appropriation Bill.

KUMARI MAMATA BANERJEE (Calcutta South) : The Finance Minister has appealed to the House that the Russian Prime Minister is here and that he has to take part in a discussion with him.

DR. SUBRAMANIAN SWAMY (Madurai) : That does not mean the Parliament has to close down.

MR. CHAIRMAN : Shri Manoranjan Bhakta will speak on this Bill.

DR. SUBRAMANIAN SWAMY : Mr. Chairman, Sir, I also want to speak on this.

MR. CHAIRMAN : The Minister may now move that the Bill be taken into consideration.

SHRI YASHWANT SINHA : Sir, I beg to move:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1998-99, be taken into consideration."

MR. CHAIRMAN : Motion moved:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund