

[English]

Law and Order
*531-3 ✓***Restoration of Normalcy in Jammu & Kashmir**693. **SHR CHITTA BASU:**
SHRI K. PRADHANI:
SHIR V. DHANANJAYA
KUMAR:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) the fresh initiatives taken by the Union Government for restoration of normalcy in Jammu & Kashmir.

(b) the outcome thereof; and

(c) the time by which normalcy is likely to be brought back there?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI M.M. JACOB): (a) to (c). A Statement is laid on the Table of the House.

STATEMENT

The Government proposes to continue the strong and concerted efforts by the security forces against the terrorists and a strong vigil on the border to contain the infiltration/exfiltration. A meeting of the leaders of political parties and prominent personalities of the State was held on 13th November, 1991. The consultative Committee of the Home Ministry also exclusively discussed the situation in Jammu and Kashmir in its meeting held on 13th December, 1991. The National Integration Council on 31st December, 1991 and an all party conference on 10th February, 1992 also deliberated on the situation in Jammu and Kashmir.

For increasing interaction with the people in the State a State Advisory Council has been recently constituted. Efforts are also

continuing to set up in the Valley District Advisory Groups which are already functioning in Jammu region.

It is difficult to indicate a firm time frame for restoration of normalcy in the State.

12.00hra.

RE. ALLEGED LEAKAGE OF BUDGET PROPOSALS FOR 1992-93 TO THE WORLD BANK BY THE GOVERNMENT*(Interruptions)*

[English]

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): Sir, in the letter written by the Finance Minister to the World Bank President, it is stated that the Government proposes to take action, on the basis of the Committee's recommendations, in the 1992-93 Budget. This is a specific reference to this year's Budget in the letter of Dr. Manmohan Singh to the President of the World Bank. Sir, this is a matter which has not been mentioned to us but has been mentioned to the World Bank that this is being included in the Budget. If this is not a leakage, then what can be a leakage?

Secondly Sir, it has been reported in the Press that this letter is only a part of the total component of a report and other annexures, etc. have not been laid on the Table of the House. *(Interruptions)*

MR. SPEAKER: If the Members want to meet the hon. Minister they can meet him outside the Chamber. This is not correct. Please, not like this.

(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE: Sir, I am drawing your attention to one sentence of the letter. On page 18, paragraph 21, the letter says:

"The Government proposes to take action on the basis of the Committee's recommendations in the 1992-93 Budget."

Now, does it not mean that one component of the Budget has been indicated to the World Bank while that Budget remains secret to us? *(Interruptions)*

SHRI SUDARSAN RAY CHAUDHURI (Serampore): There is a reference in the last sentence of Paragraph 14. *(Interruptions)*

SHRI A. CHARLES (Trivandrum): Sir, under what procedure is he raising this issue?

MR. SPEAKER: This is an hour when nobody follows the procedure.

(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE: Sir, on page 11, it is said that the recommendations of the Committee will be introduced in the 1992-93 Union Government Budget. Sir, there are two parts in the Budget, that is, Part A and Part B. Is it true or not that both Parts A and B are kept confidential for the Members? Had it not been so, Part A of the Budget could have been circulated along with the Economic Survey. That is not done and the policy statements that are made therein are already included in the letter to the World Bank. If this is not a matter of privilege, then what else can be a matter of privilege? *(Interruptions)*

SHRI MANI SHANKAR AIYAR (Mayiladuturai): Move it. We are ready to face it.

SHRI NIRMAL KANTI CHATTERJEE: I am not addressing you. I am addressing the Speaker. Sir, there are several references to that effect. And apart from that, it has been brought by the Press that this letter is only an annexure to the total volume of the report which is in the hands of the World Bank as well as the Finance Ministry. This is borne by the fact that the papers in the hands of Mr.

Chandra Shekhar also start with page number 44.

MR. SPEAKER: We very much appreciate your enthusiasm to discuss the Budget before the Budget is presented.

SHRI NIRMAL KANTI CHATTERJEE: No Sir, it is not the question of Budget. This is a question of privilege. This is contempt of Parliament.

MR. SPEAKER: How do you come to a particular conclusion without seeing the Budget?

SHRI NIRMAL KANTI CHATTERJEE: This is a promise made to the President of the World Bank. I am quoting his own letter. The letter promises certain things to be done.

MR. SPEAKER: That is exactly why the Finance Minister was saying yesterday that he would put the letter on the Table of the House along with the Budget. In the light of these two documents together, you can assess.

SHRI NIRMAL KANTI CHATTERJEE: You are right. That is why we say that this letter is related to the Budget.

MR. SPEAKER: No, no. Don't come to that conclusion now. You can come to a conclusion on the 29th of February.

(Interruptions)

SHRI SOMNATH CHATTERJEE (Bolpur): Take a copy of this letter Sir. I am sure you will feel disturbed when you read it.

MR. SPEAKER: I will go through the letter. I will read it.

(Interruptions)

MR. SPEAKER: Nirmalji, just one minute please. Yesterday, the Finance Minister was saying that he was not hiding the document and that he was going to lay it on the Table of the House along with the Budget.

But when the hon. Members insisted, he laid it on the Table of the House. Now, can we have the cake and eat it too? If you have insisted on laying it down, you allow for some time. When the Budget is presented, you compare the Budget with it and then argue. There is a lot of time. If you need more time, more time will be given.

(Interruptions)

MR. SPEAKER: I will allow you. I am going to allow you one by one. Vajpayeeji, I have allowed Shri Nirmal Chatterjee. I will allow you later.

SHRI NIRMAL KANTI CHATTERJEE: I do not know what the Budget contains. But the World Bank knows this much! Tell me whether I am right or wrong. The World Bank knows this much that the Government proposes to take action on the basis of the Committee's recommendations in 1992-93 Budget. While the World Bank knows this much, I am not even aware of it.

MR. SPEAKER: The policies of the Government of India are known to the whole world.

SHRI NIRMAL KANTI CHATTERJEE: I am not talking about the policies. I am talking about a specific reference to the 1992-93 Budget. The policies may be known to everybody under the Sun. But when you say that in the 1992-93 Budget, certain things are going to be included and when the World Bank knows that those things are going to be included, we are not aware of it. It is this aspect to which I am trying to draw your attention.

MR. SPEAKER: Okay. Mr. Inderjitji...

SHRI NIRMAL KANTI CHATTERJEE: There is a second part too...*(Interruptions)* The Preston Report includes these data, other promises, directives and so many other things. You may remember that when we were talking about 12 November's report about conditionalities, it was denied that such a measure had been taken. The Preston

Report, in its totality, is available in the Finance Ministry and that contains the 12th November's report, indicating the conditionalities.

MR. SPEAKER: What prevented you from asking this thing yesterday?

SHRI NIRMAL KANTI CHATTERJEE *(Dum Dum)*: My ignorance, Sir. I came to know about it only today.

MR. SPEAKER: You cannot ask for information in bits.

SHRI NIRMAL KANTI CHATTERJEE: Let him deny that the President's report is not there.

MR. SPEAKER: Mr. Chatterjee, you have made your point.

SHRI INDER JIT *(Darjeeling)*: Mr. Speaker, Sir, the hon. Finance Minister yesterday honourably placed his letter to the World Bank President on the Table of the House. Today, there is a demand for other document. I gather, all these documents are World Bank reports and they are not the letters which were communicated by our Finance Minister to the World Bank. I know, Sir, that a mountain is being made out of the mole hill but I am not going into that question now. Yesterday the Finance Minister laid on the Table of the House his own letter to the World Bank President. I would ask him whether he would be willing to lay on the Table of the House the letter written by the former Finance Minister Sri Yashwant Sinha - the Finance Minister in the Government headed by Shri Chand. a Shekhar - his letter of intent to the World Bank President in which I believe certain commitments and promises were made in regard to foreign investments which is now being denounced by the former Prime Minister. Certain commitments were also being made in regard to cutting down the deficit. The Finance Minister may kindly respond. *(Interruptions)*

MR. SPEAKER: I will give you a chance to speak.

SHRI MUKUL BALKRISHNA WASNIK (BULDANA): Shri Dandavate's letter to the World Bank may also be laid on the Table of the House.

SHRI ATAL BIHARI VAJPAYEE (Lucknow): Mr. Speaker, Sir, I would not have taken part in this discussion, had sarcastic remarks not been passed against me through a caricature on the front page of a Hindi daily today that a "Save Dr. Manmohan Committee" has been constituted and Atal Bihari Vajpayee is the lone member of that committee.

Mr. Speaker, Sir, the Finance Minister does not need anyone to save him. He is accountable to this House, as he is the representative of the Government. I am not in favour of treating the Government and the Finance Minister separately. I do not think that the Finance Minister is formulating these policies or taking these steps without the support or consent of the Government. If he does not have the support, then he is being made a scapegoat and then I will have to form a "Save Manmohan Committee".

Mr. Speaker, Sir, we have been demanding for years now that there should be some openness in the Budget. What is the need of such secrecy? The proposals of the Budget are....(Interruptions)

MR. SPEAKER: Only the taxation part of the Budget is a secret and not the policies. For years, we have held discussion on the policies.

SHRI ATAL BIHARI VAJPAYEE: It has been said just now that the Budget has two parts and not only the World Bank, but any intelligent person can make a guess about the direction of the Budget. It is a serious matter if the Finance Minister has given out any indications about the tax proposals or such proposals, which may compromise the independence of country. The Budget will be presented day after tomorrow and we will compare both i.e. the letter written by the hon. Finance Minister and the Budget proposals. I also want as Shri Inderjit has said,

if there is openness, let everything be made public. (Interruptions) I am not saying it about Chandra Shekhar Government only, but also about the Government preceding it. After all, heavy foreign debt was taken and passed on to the successive Government. (Interruptions) There is no doubt that this debt was taken by the Congress Government. What was the attitude of those Governments and had they adopted a rational attitude, the House would have been given an opportunity to decide about it. Yesterday, we forced the Finance Minister to lay on the Table of the House the letter written to the President of the World Bank. We would like that all correspondence in this connection by the former Finance Minister...(Interruptions) should also be laid on the Table of the House because the House should be taken into confidence. We would like to compare the Budget. Now it is a different matter if the Finance Minister makes some changes in the Budget.

[English]

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): I assure you, Sir, that I am not going to make any changes from the date you have started discussing.

SHRI SOMNATH CHATTERJEE: Sir, are we free to change?

[Translation]

SHRI ATAL BIHARI VAJPAYEE: Mr. Speaker, Sir, he is saying that he is not going to make any changes. We have given him some good suggestions and he should accept them. (Interruptions) We have suggested that the limit for exemption from income tax should be raised...

MR. SPEAKER: This is why the Finance Minister does not want to speak. He will be in trouble even if he replies to one query.

SHRI ATAL BIHARI VAJPAYEE: If he replies, he is in trouble, but if he remains silent, he is in deep trouble.

MR. SPEAKER: It is true. He is in trouble till the presentation of the Budget.

[English]

SHRI SOMNATH CHATTERJEE (Bolpur): Sir, there is no doubt that we have referred to two letters. One was of the 11th November from the Finance Minister and the other was from the World Bank of 12th November. We were told that there is no letter to the Finance Minister dated 12th November, 1991. Therefore, to that extent, we found, our information was not correct.

He said that the letter of 11th November, along with its enclosure is being laid on the Table of the House. He has done it. But, Sir, since then, we have been able to go through that very letter of 11th November.

There are two things that we have been stressing in our own way. We were trying to impress upon these two questions. Firstly, there may be a Budget leakage and secondly, how much information we are giving to the foreign financial agencies and how much commitment we are making to them and whether it impinges upon our economic sovereignty. This is another important point on which we feel disturbed.

Sir, this letter has disclosed very disquieting features. There was a Committee which was appointed to make recommendations on tax reform. I am not singling our Dr. Manmohan Singh, the entire Government is involved. The Prime Minister is involved. I am not trying to pinpoint Dr. Manmohan Singh only. That is not a correct assessment. We say that the Prime Minister knows everything about it.

SHRI MANMOHAN SINGH: I accept full responsibility.

SHRI SOMNATH CHATTERJEE: Sir, it says:

"With a view towards enhancing international competitiveness - this is Finance Minister's language -

the Committee has been mandated to recommend ways and means for the following:"

What are the mandates that are provided? "The average level of tariff would be reduced substantially. The maximum level of tariff would be progressively reduced." Five mandates have been mentioned here. "The Committee has to give recommendations on these matters for reduction." How is it to be done? "Use of specific tariff etc. will be minimised."

Then, the letter goes on to say that:

"That Government proposes to take action on the basis of the Committee's recommendations which have been mandated to do in the 1992-93 Budget."

Therefore, there is a commitment by this Government, by the Finance Minister, that on these issues, provisions will be made in the Budget on the lines indicated in that.

SHRI MANMOHAN SINGH:
No. (Interruptions)

SHRI SOMNATH CHATTERJEE: He can look after himself. You have to be beware of your friends who are behind you. Therefore, this is one matter.

SHRI MANMOHAN SINGH: You are reading too much into it.

SHRI SOMNATH CHATTERJEE: Very well, Sir. If your letter is not meant to mean anything that is different. (Interruptions)

SHRI MANI SHANKAR AIYAR: It does mean something.

SHRI SOMNATH CHATTERJEE: If it is intended to signify anything, that is important. If it is not, that is different. If he says that it is just to give a misleading impression to the World Bank, that is different. But, Sir, this is there. There are other portions that are there.

But this is not just to score a point over Shri Manmohan Singh.

MR. SPEAKER: He cannot reply at this point of time.

(Interruptions)

SHRI SOMNATH CHATTERJEE: They will sacrifice you at any moment. You do not understand. You will be sacrificed at any moment by them. Therefore, this Government is on the top. They have to take the responsibility of this.

SHRI MUKUL BALKRISHNA WASNIK (Buldana): This is your wishful thinking.

SHRI SOMNATH CHATTERJEE: You are hoping to be a Minister.

SHRI MUKUL BALKRISHNA WASNIK: No. *(Interruptions)*

SHRI SOMNATH CHATTERJEE: I do not want to be a Minister there. *(Interruptions)* That is why I am sorry. A good man is now in a bad company and he is in trouble. *(Interruptions)*

DR. R. MALLU (Nagar Kurnool): Do not try to tell us about patriotism.

SHRI SOMNATH CHATTERJEE: Newspaper has come out again with very sensational disclosures; sensational from the country's point of view. We are disturbed. It is said that this letter, a few pages of Shri Manmohan Singh's letter form part of bigger document. These are mentioned here.

MR. SPEAKER: No, no. You cannot read from the newspaper.

SHRI SOMNATH CHATTERJEE: Only a page. Can I not refer to pages? They are part, an integral part of the World Bank's document; and there is a reference to the enclosures. I am not reading that from the newspaper. I have got that Annexure here with me which shows a commitment made by this Government. They say, "Measures

we have already taken. Actions to be taken prior to second tranche release." This is very important. This is part of the World Bank's document which says what the Government of India is going to do with regard to industrial policy, with regard to their fiscal policy; everything is being said; trade policy; tariff reform, financial markets and institutions; public enterprise reforms; everything is provided what they are going to do. This is known to the World Bank. This is not just a policy announcement; these details have been given. Therefore, if it is in the name of the policy announcement, if everybody is entitled to know - Shri Atal Bihari Bajpayee gave him an idea how to wriggle out of it - if somebody gives a good suggestion, why should anybody mind? Is this not a good suggestion from the World Bank to our Finance Minister? This is a commitment by our Finance Minister to the World Bank; he has made. He said, we are going to do this. What else does remain of this Budget? Therefore, this Budget must not be presented here.

MR. SPEAKER: No, no.

SHRI SOMNATH CHATTERJEE: Let them have a Vote on Account. We do not mind. We want to see what is there? *(Interruptions)*

MR. SPEAKER: You are a very knowledgeable person.

(Interruptions)

SHRI SOMNATH CHATTERJEE: This very party did not allow Mr. Jaswant Sinha to present the Budget. You did not allow. I do not know what was the role of Mr. Inderjit at that time. Whom was he supporting then, I do not know? He was then trying to come into this. You did not allow. But so far as this is concerned, when so much disclosure has come out already, everybody is feeling disturbed about it.

MR. SPEAKER: This is exactly why we wanted you to wait for two days.

SHRI SOMNATH CHATTERJEE: In the

interest of this country, we want to know whether these commitments have been made or not. This Annexure is part of the document to which our Finance Minister is a party; and the whole Report has not been given to him; that is what it rightly appears. But the 12th November document was given to the Executive Director in the World Bank, who is also India's representative. Therefore, they know that it was given to the Indian Government. If the Government it, can the Finance Minister say, well, it was not sent to me; therefore, I am not going to disclose this? This is a very serious matter. Don't take it as a casual thing? This is not a casual matter. First time we have been told that everything, all the entire policy decisions have been communicated to them with a commitment to include certain measures in the Budget.

MR. SPEAKER: Would you like to enlighten this House on one point please? In the Constitution, the philosophy is mentioned. In the manifesto, policies are mentioned. If they are reflected in the Budget, would you like to say that it is disclosed?

SHRI SOMNATH CHATTERJEE: If I may say so, kindly consider whether this analogy hold good at all. There I am going to the people giving general indications of my policy on which the people will support me. It is for the ultimate masters, namely, the people of the country. Now they are going to the World Bank and making commitments which are not made to the people of this country, which are not made to the Parliament of India. Why did they not come to Parliament and make this disclosure first? (*Interruptions*) A question has been put to me, about the Congress manifesto whether I have read it. Unfortunately, I have read it. (*Interruptions*)

D.R. R. MALLU: We are negotiating with the World Bank and in that process the Finance Minister has written the letter. (*Interruptions*)

SHRI SOMNATH CHATTERJEE: This is your manifesto. This is the ruling party's promise.

"We will arrest price rise in essential commodities and in particular all back prices to levels obtaining in July, 1990."

This is a committed policy. Where is this policy of privatisation? Where is this policy of going to the World Bank on banded knees? Were is it? Kindly see.

"The Congress shall create ten million new jobs every year".

Where are these new jobs? Mr. Sayeed, you are going to move the Motion of Thanks. Where is this? How many jobs have come since your Government has come? This is your policy. You are talking of policy. Therefore, let us not go into the manifesto. We know what relevancy the manifesto has. The Finance Minister has said that during elections so many things are said, who bothers? He never faced an election. Therefore, he does not bother about this.

Therefore, the political party today is openly jettisoning and denigrating its own manifesto for the purpose of remaining in power with the good wishes and good offices of the World Bank and the International Monetary Fund.

This is my objection, Sir, and we must go on opposing and in the context that the Budget has already been disclosed, it should not be presented.

[*Translation*]

SHRI HARI KISHORE SINGH (Sheohar): Mr. Speaker, Sir, the matter is getting complicated day by day. As such a clear discussion on the issue should be held. Shri Bajpayeeji has pointed out that the Finance Minister has laid it on the table of the House under some pressure. However, we are not in favour on making the Finance Minister work under pressure. I hold the Prime Minister and not the Finance Minister responsible for making the Government work under pressure. The way we are bowing to the policies of World Bank and International

Monetary Fund, I think the Government is responsible for all this. The former Prime Minister Shri Chandra Shekhar pointed out that he was neither given any information is this regard nor any of the documents was shown to him. In this regard, he wrote a letter to the present Prime Minister and that letter is awaiting reply for the last eight months. Why an atmosphere of suspicion is being created. What is the reason behind it? Why the Finance Minister and the Government were compelled to lay this paper on the table of the House. Why the valuable time of this august House was wasted and why was this document produced before us in the shape of an annexure whereas the entire world knows about it. It is ironical that the Government intends to conceal it from this House? What is the reason behind this suspicious action?

If such a move continues and the country's financial autonomy is surrendered before the World Bank and International Monetary Fund, then we will be forced to raise the question of privilege against the Finance Minister and for this you should grant us permission.

SHRI RABI RAY (Kendrapada): Mr. Speaker, Sir, we have been discussing this matter for the last two days. My first point is that this is the first time after framing the republican Constitution that we are faced with the question of Parliament's sovereignty. Mr. Speaker, Sir, such an issue has never appeared before you or any other former Speaker. As such it is an extraordinary situation. I would like to raise a basic question and the question relates not only to Shri Manmohan Singhji but the entire Narsimha Rao Government because it took four months and all the newspapers had to pester them. As the letter was written four months back the Government should have produced it *suo-motu*. There were many other documents alongwith letter. The entire report consists of seventy-two pages but we have got only 1/5th of the report. I want to say that—

[English]

Why did the Government not think that

it is its duty to take the Indian Parliament into confidence and give the entire report?

[Translation]

We have got only one part of that report. Mr. Speaker, Sir, as Speaker of this House you will be sorry to learn that Mr. Preston who is the President of World Bank told the Members of the Executive that the Government of India headed by Shri Narsimha Rao had accepted our conditions. I want to ask whether it is not an attack on our sovereignty. Preston says that the conditions laid down by them have been accepted by the Indian Government. This makes us feel that this has happened for the first time in the history of our republic. It is a burning issue in the context of this nation and its Parliamentary democracy. This is not an ordinary issue. Anybody can ask us as to why we asked solely for the letter and not for the entire 72 page report. I want to point out that everything would be crystal clear if we see it from the views of Constitution. I urge that if such a thing had happened in a developed democracy and the Government was honest it would have certainly resigned. I ask the Government to resign. The Government should not remain in power even for a minute as it has betrayed this august House by not taking it into confidence. It has become an extra territorial loyalty Government as it is giving information to the World Bank but not to us. I do not know the contents of the 72 page report. The newspapers are saying so and there may be other reports too in this connection. I want to tell the Government that it has no right to be in office for a single moment, if it does not lay the entire report on the table of this House.

MR. SPEAKER: The entire file should be laid on the table?

SHRI RABI RAY: Mr. Speaker, Sir, I want to point out that according to Mr. Preston, the President of World Bank, the conditions laid down before the Director have been accepted by the Narsimha Rao Government. Is this not enough. Our budget secrets have been disclosed to the outside world but not to us. I urge that if the Government has

little bit of faith in the Constitution it should resign immediately. There is no other alternative. The only option left with the Government is to resign.

[English]

DR. DEBIPROSAD PAL (Calcutta North West): Mr. Speaker, Sir, I find that the ghost of the alleged surrender of economic sovereignty to the outside world is haunting some of the Members in this House.

Let us examine what really has to be done. There are two aspects in a Budget. One is the Budgetary policy and the other is the budgetary measures. If the budgetary measures are disclosed before the presentation of the Budget, the Finance Minister is certainly responsible because if the leakage of the budgetary measures is made, there may be racketing to take an example then today import duty may be increased down and export duty may be tightened. If this information is given earlier, before the presentation of the Budget, racketeers may take undue advantage. And that is why, the convention both in the English Parliament and also in our country is that the budgetary measures cannot be disclosed before the presentation of the Budget.

But, what about the budgetary policy? The Finance Minister has to invite the opinion, elicit the views of the Chambers of Commerce. He has to invite the views from different organisations. He has to discuss whether tariff measures should be tightened or not. For example, whether certain relief is to be given to the industry or not. We have to function an open democracy. The Finance Minister has got to discuss the budgetary policy with every section of the people, particularly with trade and other organisations. Now, what is wrong if the policy is disclosed and discussed with the various organisations? The whole attempt is, it seems to me, that some of the Members are trying to forestall the budgetary process and press for the premature disclosure of budgetary measures before the Budget is presented. Let us wait. When the Budget and the letter written

by the Finance Minister are placed, then only we can find out whether the budgetary measures, the fiscal measures have been disclosed before they are presented to this House. The privilege is only regarding the disposal of the budgetary measures. One has got to make this distinction. Otherwise no discussion can take place outside this House regarding the budgetary policies.

We have to elicit the views from different quarters and chambers of commerce. We have to elicit the views of the industry. If the Finance Minister discloses that the industry is going to be given certain amount of relief, then that is not a disclosure of the budgetary measures.

Therefore, if this thing is kept in mind, the ghost that is obsessing some of the Hon. Members will not haunt them any more. This is my submission.

SHRIPAWANKUMAR BANSAL (Chandigarh): Mr. Speaker, Sir, it is with all humility that I feel that the Opposition is flabbergasted on the success of the Government about the different measures that the Government have taken from time to time. It is not the first time that a controversy has been raised over some document purported to be written by the Government which might have fallen into the hands of some newspaper agencies or any of our Hon. Members.

It was three days back that a serious allegation was levelled against the Hon. Finance Minister about the leakage of the budgetary proposals. Firstly, that is a very serious allegation. I feel that when the members of the Fourth Estate or the Hon. Members in the House here level allegations, they would do it with a sense of responsibility. What the hon. Members say has not been established - that is precisely what I want to submit, that they rush to conclusions on mere surmises and conjectures. A rumpus is created in the House. When it transpires that after all the *hulla gulla* that we find here in the House (*Interruptions*) I used it with all sense of responsibility - finally nothing turns out of this document, when the

people making those allegations are exposed in the eye of the public, then they tend to camouflage their failings and all sorts of allegations are levelled.

I, with all sincerity, feel that there are many serious items on the List of Business before the House. As you said the other day, this could be put off till the time of discussion on the General Budget because the Budget will be before the people soon. They would know whether it is only the policies - as my hon. friend was saying - and whether it is only the macro items or whether it was the details of the Budget which people are concerned with are disclosed. People will know whether we are interested in knowing the truth or not. You cannot float all sorts of stories to elicit the details from the Government in one form or the other.

I compliment the Finance Minister for that. He is aware of what is happening. He has to face all the baseless allegations, all sorts of mendacious allegations. He is maintaining a stoic silence over that. That is what we have to appreciate at this moment because, I am sure, that the cat would be out of the bag after two days. When the Budget it would be before the hon. Members. (*Interruptions*) It would then be known to the public that. You are not interested in running the affairs of the country. You are not concerned. You are no serious as to what business has to be transacted by this House. We have important business before us. It is only to hoodwink, to mislead the public that all these issues are being raised.

Sir, I, with all humility, plead that they could wait only for two days to see what is there in the Budget. With whatever little knowledge I have, I tried to go through the document. There is nothing whatsoever - not an iota of evidence; and there is no reason to come to a conclusion that there has been any leakage of the Budget. All that is contained in the letter has been the consistent policy of the Government ever since it took office. And we can defend on that, Sir. It is a conscious decision, to rejuvenate the economy. Nothing being done behind the back of

this House. We respect the sovereignty of this House and that is why bowing to the wishes of the House, Sir, this document was placed now on the Table. I would only finally appeal: Let us proceed with the business of the House, Sir.

SHRI INDRAJIT GUPTA (Midnapore): Sir, yesterday you had expressed the hope that after this meeting that was held in your Chamber...

MR. SPEAKER: No discussion will take place.

SHRI INDRAJIT GUPTA: ...this matter would not be taken up again on the floor. Fortunately or unfortunately, every day new developments, new facts, are coming to light. So, we are under some constraint, some compulsion. There is a new angle being sought to be given to this matter today, that is, by implication that Part A of the Finance Minister's budget speech and Part B have no nexus between them. Part A concerns policy matter, budgetary policy, that can be disclosed. In fact, the Finance Minister said that much of that portion has already been put before the country last year and Part B contains specific, concrete budgetary measures. First, I want to know from you whether henceforth we are to consider Part A and Part B of the Budget as two separate matters. (*Interruptions*). I am asking this question because this has never been done before and all the talk about the confidentiality of the Budget and all that does not pertain only to Part B. Part A and Part B comprise the Budget as a whole. Part A is the part which contains all the signals that 'this is the direction in which we want to go and we are going'. They are signals to everybody who is interested. And then the signals are translated into concrete budgetary terms in Part B.

Now, I think that up to now the practice, the traditions or conventions or whatever you like to call it, which have been followed have been that both Part A and Part B are to be treated a confidential until they are placed before the Parliament on the day when the Budget is presented.

SHRI MANMOHAN SINGH: They are confidential.

SHRI INDRAJIT GUPTA: They are confidential, very good. Sir, my submission as to why we are getting so worried about this whole matter is that many matters which are contained in Part A, I agree they are not things which were not known to us. They are policy matters, as you say, public policy and all that. One may agree or may not agree with those matters, that is a different matter. But those things, this time, have been communicated through the letter of November, the 11th, to the World Bank as a certain assurance that these are the policies which we are going to follow and it is not so innocent, I don't like to go on harping on this. The fact is that in the background of this time we cannot forget the fact that the World Bank is not some sort of a neutral, impartial agency sitting there. We are involved in a mess now because we are having to go to them for loans running into millions and millions of dollars. That is the whole trouble. The trouble is, we are to go to them and they are the only people who are in a position to give us those loans. Therefore, why we should go and reveal the bulk of Part A of the Budget to that World Bank who is our pay master? That is the question which arises. They are our pay master.

MR. SPEAKER: On this, is Part A divulged? Is that Part divulged in this letter?

SHRI INDRAJIT GUPTA: Divulged.

MR. SPEAKER: How do you know before Part A has come to you?

SHRI INDRAJIT GUPTA: Please listen. Later on it is being suggested, 'Wait for two days more and compare the two — compare this with the actual Budget proposals which will come' and then, of course, if we find that we have been in the wrong and everything he has written in the November 11th letter has got nothing to do with the Budget...

MR. SPEAKER: Indrajitji, today the

position is, you can speak out, but he can't speak out.

SHRI INDRAJIT GUPTA: I do not know whether he can speak out.

MR. SPEAKER: I am sure that he should not speak out.

SHRI INDRAJIT GUPTA: He can certainly speak regarding this. This has been laid on the Table. He has laid it on the Table. I am confining my remarks to this document.

MR. SPEAKER: You are confining your remarks to this document saying that it appears in Part A.

SHRI INDRAJIT GUPTA: Not only that. (Interruptions).

Sir, should a Finance Minister assure the World Bank about some measure which they propose to take in April 1992? It says.

"The actual user requirement which has already been relaxed.... will be abolished by April, 1992."

This is about the flexibility in the import scheme which they want to bring in. The Budget has still to come.

SHRI MANMOHAN SINGH: The hon. Commerce Minister has made the same statement on the floor of this House. I am merely repeating that thing.

SHRI INDRAJIT GUPTA: In any way, the Commerce Minister also will be in a soup.

SHRI NIRMAL KANTI CHATTERJEE: He has announced, but not in this House.

SHRI INDRAJIT GUPTA: Sir, I am mentioning only one or two points. There are many things. You tell us please whether it is according to the propriety as we have known it in the past, that the Finance Minister, in a letter, informed a foreign funding agency about those Government budgetary alloca-

tions which they propose to make, whether they will be reduced or increased, could he tell them? He says:

"The Government intends to establish a schedule of targets for the elimination of all budgetary transfers and loans and complete elimination of Government loans and equity to non-infrastructure public sector over three years."

This is to the public sector, beginning from 1992-93, that is the coming budgetary year. This is the death sentence for the public sector; we understand that. While removing all budgetary loans and assistance to the public sector...*(Interruptions)*

SHRI MANMOHAN SINGH: I have stated this on the floor of this House; if you go through the record you will find it. *(Interruptions)*.

SHRI INDRAJIT GUPTA: Mr. Manmohan Singh, I hope you will remember that I have written a letter to you and you had replied to me. I wish I had brought that letter; I did not know this would come up again. About the Narasimhan Committee's report, in your letter to me, you have categorically stated that no decisions have yet been taken on the Narasimhan Committee's report and the whole matter is still under consideration. Now, if I find here that in this 'Public Policy' part you are including some basic things which are part of the recommendations of the Narasimhan Committee, what am I supposed to conclude?

SHRI MANMOHAN SINGH: All that I have stated in that document is that the Government will formulate its view on the recommendations. I have not said that I will accept all the recommendations. *(Interruptions)*

SHRI NIRMAL KANTI CHATTERJEE: The sentence says:

"The Government proposed to take action on the basis of the Committee's recommendations."

There are so many Committees in this regard. You may tell us or you may not tell us; you may reject the recommendations of the Committee also. *(Interruptions)*

SHRI INDRAJIT GUPTA: Mr. Manmohan Singh, if I have misunderstood you, please tell me. Is it not part of the Narasimhan Committee's recommendation that in the banking sector - I know you are not going to touch the existing nationalised banks, you are not going to privatise them, you have said so categorically - there should be expansion of private and co-operative sector banks including foreign banks in the banking sector? Here you have said that you are going to do this.

SHRI MANMOHAN SINGH: I have not said that. I have said that we will take a view on this. This is an unfair comment. *(Interruptions)*

SHRI INDRAJIT GUPTA: Of course, when the Budget comes whether we will like it or not, we will certainly compare the provisions. But then you or somebody else will say that you can only compare Part-B and Part-A does not matter. I say this is not possible. Are you setting a new procedure? Henceforth, is Part A not to be considered as confidential? *(Interruptions)*

SHRI MUKUL BALKRISHNA WASNIK: They are trying to leak the budgetary process. They are trying to argue on each and every sentence and word of the letter.

SHRI INDRAJIT GUPTA: Why not? *(Interruptions)*

[Translation]

SHRI AYUB KHAN (Jinn jhunu): What do you want? You are trying to leak out the budget. *(Interruptions)*

[English]

SHRI MUKUL BALKRISHNA WASNIK: They are trying to see that the Budget is leaked. This is a serious matter.

You want to stall the proceedings of the House. Somnathji has made it clear. They want the proceedings of the House should be stalled. They wanted resignation. They wanted that the Government should not function.

This is a deliberate attempt to stall the proceedings. They are trying to leak the Budget.

SHRI INDRAJIT GUPTA: I am saying with all sense of responsibility. Nobody here is interested in leaking out the Budget. *(Interruptions)*

MR. SPEAKER: That is the kind of apprehension he has.

SHRI INDRAJIT GUPTA: The hon. Minister is bent upon leaking it to the World Bank. *(Interruptions)*

MR. SPEAKER: The hon. Member standing in this House, in front of you is expressing his apprehension that if it continues in this manner for a longer time, there is a possibility of leakage.

SHRI INDRAJIT GUPTA: That is for you to judge. *(Interruptions)*

MR. SPEAKER: I have said it more than once. I think, you will do me justice and you will please bear in mind that I am not saying these things very lightly or to side the Government or to side any Party. But I am saying, let us wait for two days and after two days, you can discuss it.

(Interruptions)

SHRI INDRAJIT GUPTA: It is all right. In any case, we have to wait. Now we are on the 27th of February. We have to wait wily nilly for two days.

But I conclude by one sentence that we consider it to be gross impropriety to leak out the contents of Part A of the Budget to the World Bank. *(Interruptions)* That is what has been done.

SHRI SOMNATH CHATTERJEE: It has been propounded from the Treasury Benches by more than one member that Part A can be disclosed. Then, can you have to reserve your ruling on this? This is the theory they have propounded. *(Interruptions)*

MR. SPEAKER: I am not giving it.

That is the expression or the view. That is not an issue before us to decide. If it comes as an issue before the House to decide, I will decide, not otherwise.

(Interruptions)

MR. SPEAKER: I will give you a chance but make a cogent, understandable and forceful speech.

[Translation]

SHRI GEORGE FERNANDES (Muzaffarpur): Mr. Speaker, Sir, I am disturbed by your observations. You said that if the discussion continued like this, there is possibility of the Budget being leaked out.

MR. SPEAKER: This is his fear.

SHRI GEORGE FERNANDES: You have tried to reply what he fears.

MR. SPEAKER: I believe that there should not be any discussion on the Budget before it is presented. This is my ruling.

SHRI GEORGE FERNANDES: Mr. Speaker, Sir, but I feel that the Congress Members have not read that document, I mean the letter written to Mr. Preston. Had they gone through that letter, these words should not have come out of their mouth, because these words have been used at two points and at one point it is written:

[English]

"The initial recommendations of this Committee will be introduced in the 1992-93 Union Government Budget."

[Translation]

These words are on page 11 of the letter. Further, on page 18 also there is— (*Interruptions*)— perhaps these people do not know who is sovereign in this country.

MR. SPEAKER: Mr. Fernandes, not in this manner.

SHRI GEORGE FERNANDES: Because, it is repeated on page 18 and something about the concrete proposal has been said there. What is the proposal, that too has been enumerated there.

MR. SPEAKER: I have not allowed discussion on the document. You may say briefly whatever you have to say but not so lengthy. I give you enough time but discussion cannot be held today.

SHRI GEORGE FERNANDES: Please give me an opportunity to complete my point, why do you want to interrupt me. I will not waste your time but I am perturbed at it.

MR. SPEAKER: Please tell, what is your perturbation.

SHRI GEORGE FERNANDES: Since this question is not limited to the Budget alone, I have got a copy of the speech of the Prime Minister delivered by him at Davos a few days back in which the Prime Minister admitted himself that Davos is a sort of pilgrimage for him.

[English]

The Prime Minister said that "Davos is a place of pilgrimage. I have come here as a pilgrim."

"This is a sort of pilgrimage for me. You do not go and lecture on a pilgrimage. I wish to absorb something instead to gauge what you expect of India and the Indian Government."

[Translation]

These are the words of the Prime Minister. What place is Davos — it is a place which is frequented by the greatest bureaucrats and industrialists of big nations to decide how to maintain their supremacy over small nations. And the Prime Minister says that Davos is a sort of pilgrimage for him.

MR. SPEAKER: Not like this.

(*Interruptions*)

SHRI GEORGE FERNANDES: Please let me complete my point first. As far as the Budget is concerned, I would say that the Finance Minister has done the job of passing the information of the Budget to the World Bank. There cannot be two opinions about that.

MR. SPEAKER: Now he has to bear it for two days, so you should also speak on it afterwards.

SHRI GEORGE FERNANDES: Mr. Speaker, Sir, while you say that you fear lest the Budget should leak out, mine is some different objection. My objection is that by this letter the I.M.F. and the World Bank has done the job of taking our Finance Ministry in their hands. I have no objection against Dr. Manmohan Singh alone instead I have objection against the Prime Minister because his policies are going in the reverse direction. Therefore you have to maintain not only the dignity of this House but also the prestige of this nation as well.

MR. SPEAKER: Of course, that will be done from 29th after discussing everything.

SHRI GEORGE FERNANDES: How.

MR. SPEAKER: Please speak thereafter and whatever you have to say will be replied also. It is just a matter of waiting for two days.

(*Interruptions*)

MR. SPEAKER: I fully agree with what you are saying but I am seeing its other aspect also. If it is discussed beyond the required limit the people will have doubts — whether the doubts are right or wrong — that the secrets of the Budget would be disclosed.

SHRI GEORGE FERNANDES: That means you will not consider my point. (*Interruptions*)

[*English*]

SHRI NIRMAL KANTI CHATTERJEE: Just one line. If I address a letter to the Government, what you propose to do about it? Will the hon. Minister of Finance give a reply that he is going to take action?

SHRI A. CHARLES: I am sorry that such a discussion should have taken place in this august House on the eve of the presentation of the Budget.

13.00hrs.

Throughout the discussion, our hon. friends on the other side have been telling that this Government has surrendered the economic sovereignty of the country to the World Bank. May I ask one question? Has the National Front Government, in which the hon. Member Shri George Fernandes was a Member of the Cabinet, not surrendered the sovereignty of the country, the honour and the dignity of the country when it pledged the valuable Gold kept in the Reserve Bank of this Country? I have been listening to the speeches of all the Members. Our hon. Member Shri Chatterjee has concluded his speech by saying that this Budget shall not be allowed to be presented....(*Interruptions*) Please go through the records. This is their intention. They are embarrassed about the way in which this minority Government has shown the results. They are unhappy about the results of the Punjab elections; they are unhappy about the results of the Bombay Municipal Corporation elections. They know the people have confidence in this

Government...(*Interruptions*) Therefore, they want to give a wrong message to the nation. We, on this side, have a greater responsibility to govern this country. We are sure that under the leadership of the hon. Prime Minister and also Shri Manmohan Singh, we take the country in the right direction. It is only because of that they want to stall the proceedings.

(*Interruptions*)

MR. SPEAKER: I am not asking the Finance Minister to speak. But if he wants to speak, I have no objection.

(*Interruptions*)

MR. SPEAKER: I am not asking Shri Manmohan Singh to speak. But, on his own, if he wants to, I have no objection.

(*Interruptions*)

MR. SPEAKER: I will certainly ask the Finance Minister to speak on 29th.

(*Interruptions*)

[*Translation*]

SHRI VILAS MUTTEMWAR (Chimur): Shri Yadav, you are very wise, why are you repeating in Hind what he has said in English. (*Interruptions*)

[*English*]

SHRI CHANDRA JEET YADAV (Azamgarh): For his benefit, I will speak in English because he does not understand Hindi.

SHRI SOMNATH CHATTERJEE: He only understands wrong English. (*Interruptions*)

MR. SPEAKER: Please speak in Hindi at my instance.

(*Interruptions*)

[English]

SHRI CHANDRA JEET YADAV: Sir, you have said that certain policies are being initiated in the manifesto as also in the general policy framework of any political party. That is a correct thing. There is no denying that fact. But please tell me any manifesto of any political party which has promised that in the Budget of any particular year, it would make certain provisions like the one mentioned here. The Finance Minister has been saying that he will maintain the sanctity of the Budget.

SHRI MANMOHAN SINGH: I have maintained it.

SHRI CHANDRA JEET YADAV: I am sorry he has violated the sanctity of the Budget in his letter in two places - in paragraph 14 and in paragraph 21. Please read it carefully. While arguing the case he concludes by saying that in April 1992 he will abolish the 'Actual User' requirements. He says this very categorically...*(Interruptions)* Please just listen to me. Tell me where a Government says about the next year's Budget specifically. He has stated that the Government proposes to take action on the basis of the Committee's recommendations in the 1992-93 Budget. It is a categorical commitment saying that they will do that in the Budget. On what basis that will be done? He has appointed a High-Level Committee. That High-Level Committee was appointed by the Finance Minister. You said that if anything is done about the tax reforms, tariff and anything, the Committee has been given the responsibility. The Committee has been mandated for the removal of anomalies in the discharge of economic incentives including simplification and rationalisation of customs tariffs with a view to reducing the multiplicity and diversion, elimination and exemption as well as reduction in the average level of tariffs - customs tariffs, reduction, exemption and finally improve the compliance of direct taxes and strengthen enforcement. Initially the recommendations of this Committee will be introduced in the 1992-93 Union Budget.

I am forgetting the name of the Finance Minister of UK who, before presenting the Budget, once while talking to his MP colleagues said, "let us have a cup of tea. May be from tomorrow we may have to pay more."

MR. SPEAKER: This is exactly why we do not have to discuss it before.

(Interruptions)

SHRI CHANDRA JEET YADAV: I entirely agree with you. Exactly for that reason, the Finance Minister has no business to write to a foreign agency. Who is responsible for that? It is not that we are doing it. Exactly, he is responsible. It is not that we are responsible. There should have been no occasion for a discussion of this nature. You tell me, was there any time in free India, any kind of discussion like this before the Budget? Who is responsible for that? It is the Finance Minister who has written to the World Bank hinting some of our very specific measures. I would like to know from the Finance Minister whether the high level committee which he appointed, had submitted the report or not. I would like to know that. *(Interruptions)*

SHRI MANMOHAN SINGH: Let me say... *(Interruptions)*

SHRI AYUB KHAN: You should have asked it after twenty days.

(Interruptions)

[Translation]

SHRI MUKUL BALKRISHNA WASNIK: Manmohan Singh ji, be seated please. There is no need to reply at all.

[English]

MR. SPEAKER: You complete it.

(Interruptions)

SHRI CHANDRA JEET YADAV: You are the custodian of the House. The Finance Minister was anxious to speak. He is being

cowed down by his Members. (*Interruptions*)

MR. SPEAKER: He is being advised by them.

(*Interruptions*)

MR. SPEAKER: Please, do not draw him out because sugar can be bitter and the smoke can be poisonous.

SHRI CHANDRA JEET YADAV: How is it, Sir, Everybody knows that sugar is sweetened.

MR. SPEAKER: You do not draw him out.

SHRI CHANDRA JEET YADAV: I have quoted from his letter that the high-powered committee which was appointed to make certain recommendations, those recommendations have been already made. If this letter has gone there, I have no doubt that those recommendations also must have been conveyed to the World Bank saying that these are the measures we are going to take. I have no doubt about that. (*Interruptions*)

SHRI MANMOHAN SINGH: I say, you are telling a "... (*Interruptions*)

SHRI CHANDRA JEET YADAV: Mr. Finance Minister, you will have to withdraw your word.

SHRI MANMOHAN SINGH: I will not withdraw the word. (*Interruptions*)

SHRI CHANDRA JEET YADAV: If he says that I am telling a "..., he will have to withdraw that word. And if he says that I am telling a "..., I say, that this my presumption. (*Interruptions*)

MR. SPEAKER: Please hear me. Up to this time, very soberly, very intelligently, sometimes convincingly and sometimes with a view to attack, points have been made. So, let us not, at the fag end of the debate, create

difficulties. Now, the word used by the Finance Minister will not go on record.

(*Interruptions*)

MR. SPEAKER: Please sit down. Shri Chandra Jeet, please complete now.

(*Interruptions*)

SHRI CHANDRA JEET YADAV (*Azamgarh*): Sir, let them stop so that I can finish. (*Interruptions*) Another thing I would like to quote from the letter which makes a promise about what will be done by May 1992. By May 1992 means that by that time, the process of presentation of our Budget will be over.

MR. SPEAKER: That is a repetition.

SHRI CHANDRA JEET YADAV: It is not a repetition. Please see para 37 of the letter wherein he makes a commitment.

MR. SPEAKER: I do not have that document.

SHRI CHANDRA JEET YADAV: He says:

"The budgetary stringency faced by the Government underlines the importance of quickly formulating provisions for restructuring and closing sick and unviable public enterprises, and opening up selected units and sectors to private capital. In this context, the Government will formulate an action programme to initiate restructuring and closure procedures for units in the public sector that are patently unviable by May 1992."

Now, this is a major policy formulation which they are promising to the World Bank without taking into confidence this country and this Parliament. Another important thing which he says is that we have given 20 per cent shares in Public Sector and now we are

going to increase it and make it 51 per cent. From 20 per cent, we are going to increase it to 51 per cent. This is something which is a basic formulation and a policy formulation. (*Interruptions*)

MR. SPEAKER: Please conclude now.

SHRI CHANDRA JEET YADAV: My last point is that on whatever international level price fixation, the Dunkel draft has proposed, the Finance Minister is succumbing and accepting that Dunkel draft and thus mortgaging our economic sovereignty. (*Interruptions*)

MR. SPEAKER: Yes, Mr. Parliamentary Affairs Minister!

[*Translation*]

THE MINISTER OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD): Mr. Speaker, Sir, our party and the Government pays due regard to the opposition and thinks that the dignity of the House is suprem. We have been following the policy of consensus in solving all the national issues since when we came to power. I am happy that during the last 7-8 months, since our Government has been formed, all Members of the Opposition parties have cooperated with the Government in the House. I have mentioned it several times, and expressed my thanks at end of every session also. This is the reason that our Hon. Prime Minister had called National Integration Council meeting whenever national issues needed to be discussed and twice consensus was formed so that we (*Interruptions*)..... I am coming to that point.

SHRI ATAL BIHARI VAJPAYEE: Are you speaking on the President's Address?

SHRI GHULAM NABI AZAD: On which topic have you been speaking for the last three days?

SHRI ATAL BIHARI VAJPAYEE: You

were referring to the meeting of the National Integration Council.

SHRI GHULAM NABI AZAD: We discussed there issues of National importance. Our Government trends to take the opposition in confidence but we can do nothing if you have decided to run away I am talking about the efforts that we are making in this direction. If you want to reject this effort, we can not compel you for it. But I am unable to understand why some of our colleagues have got irritated and agitated during the last few days because there is no change in the policy on our side. We still go by the consensus we are (*Interruptions*)

[*English*]

Please, you have been speaking for the last three days. We also have got a right to say what we feel.

[*Translation*]

But it is unfortunate that our colleagues have charged us of selling the country. They have also charged that our Finance Minister is simultaneously working as the Secretary to the World Bank. I refute this charge with all the might at my command. For the last two or three days allegations have been levelled that we are endangering the sovereignty and prestige of the country. I assure this House on behalf of the Government that our party, which made the country independent cannot endanger its sovereignty and integrity. My party will accept to sit in the opposition instead of endangering the dignity of the country. It is a way of thinking. You may compare the rule of V.P. Singh's Government with that of Chandra Shekhar's Government but I would like to compare it with the present Shri Narsimha Rao's Government. During the last eight months, the work which he has done in Punjab and Assam for the unity and integrity of the country and the way economic situation..... (*Interruptions*)

[*English*]

I am coming to that also. You have

spoken ten times since yesterday.

[*Translation*]

The efforts, which he has made during last eight months to improve the economic condition of the country, to structure the industrial policy, to streamline the fiscal policy for progress and development and strengthen the public sector and P.D.S., are laudable. If you do not think it is in the interest of the country, it is your way of thinking not ours. Each party has its way of thinking. My friend, whom I respect most has stated that...

[*English*]

this Budget is just to please the masters. I would like to tell my hon. friend that nobody is our master. The people of India are our masters. May be, some people are having their masters outside India. But as far as we are concerned, the Congress Government is concerned and the Congress Party is concerned, we don't recognise any master outside India. The 800 million people of India are our masters and we will abide by their decision. We are not going to abide by the decision of anybody else.

[*Translation*]

Mr. Speaker, Sir, this was the reason that for the last two days the hon. Minister of Finance.....(*Interruptions*).....

SHRI RAM VILAS PASWAN (Rosera): Did you have the information regarding the letter of the Minister of Finance?

SHRI GHULAM NABI AZAD: What do you have to do with that information? (*Interruptions*). Hon. Minister of Finance had been saying so for two days. Taking that consensus into account when hon. Speaker issued his direction, all our Opposition colleagues thought that this should be laid on the Table and only then the minister of Finance laid it on the Table. That consensus was accepted in accordance with our policy as well as with the direction by the Speaker. We hoped today that this issue and the debate would

come to end, because the budget was to be presented after two days and four days have been allotted for debate on the Budget. But today when it is said that it has happened for the first time since the independence, I would like to say that perhaps it is for the first time since independence that the Budget is being discussed before it is being presented, for which I am very sorry. Today the hon. Members have said that.....(*Interruptions*) How can you say that this Budget has been released?

Mr. Speaker, Sir, I would like to ask you two questions. Is there any limit to this debate? (*Interruptions*). Can the Parliament, which is Supreme, be guided by what appears in newspapers everyday or the Parliament of the country will guide the nation? Will a newspaper or a newspaper carrying a particular column guide the elected representatives of the 85 crore people of the country? It is being guided for the last three days by that. I am very sorry because the people of country have elected us. We are here to enact laws, arrange for safe water, food, roads and bridges. (*Interruptions*).

Is it proper to discuss what appears in newspapers for hours, for days and even for months? Mr. Speaker, Sir, this House is not for the Congress Party alone nor for the Government, rather it is equally for the Opposition as it is for us. The Government alone is not responsible in this House but the Opposition is equally responsible to run this Government as the Congress Party or the ruling party is. Therefore, keeping it in view, I would like to submit whether you want to run this House and conduct its business and pass the Bill in the national interest within the allotted time or you want to waste your time on a worthless debate to dishonour the Congress Party and the Congress Government? Now it is up to you to decide it.

SHRI ATAL BIHARI VAJPAYEE (Lucknow): Mr. Speaker, Sir, the sort of the speech that Shri Ghulam Nabi Azad has delivered was not required in the House. The newspapers are doing their duty. Let them decide what their duty is. Had the newspaper

not given the information, this letter would not have come to light. *(Interruptions)* He should not criticise newspapers for it. *(Interruptions)*

SHRI GHULAM NABI AZAD: There is much difference between guiding the Parliament and criticising it.

Shri Vajpayee, I have not criticised any newspaper, I have asked whether newspapers would guide the Parliament.

[English]

There is a difference between the two. *(Interruptions)*

MR. SPEAKER: You understand the meaning.

[Translation]

SHRI ATAL BIHARI VAJPAYEE: Shri Azad has given sermons to the opposition parties.

SHRI GHULAM NABI AZAD: But they have been doing it for three days.

SHRI ATAL BIHARI VAJPAYEE: I don't think I should remind him as to what was his conduct when he was in the Opposition. But he should not play the role of a preacher. *(Interruptions)*

SHRI VILAS MUTTEMWAR: Preaching is the privilege of Shri Vajpayee, why has Shri Ghulam Nabi Azad taken it?

(Interruptions)

SHRI ATAL BIHARI VAJPAYEE: Please ask him in Marathi to keep silence.

MR. SPEAKER: I have got no such botton.

(Interruptions)

SHRI ATAL BIHARI VAJPAYEE: Mr. Speaker, Sir, we are ready to wait for coming

two days. Doubts have arisen whether the sancity of the budget has been maintained or not. The Hon. Minister of Finance has tried to remove the doubts but the final decision can be taken only after going through the Budget proposal only. But I do not understand one thing whether it was necessary for the hon. Minister of Finance to refer to the Budget while writing his letter to the World Bank President. Was it necessary to make a reference to the Budget? If he wanted to indicate the direction of the policy of the Government.....

MR. SPEAKER: Let it be answered after two days.

(Interruptions)

SHRI ATAL BIHARI VAJPAYEE: No, why a reference was made to the Budget? Had he stated that those were the general policies of the Government, it would have been a different thing. Mr, Speaker Sir, you know that we have taken loan. It means the Government has taken loan from the I.M.F. on certain conditions which have been accepted. There is no reason to understand it that there would be any basic difference between the conditions imposed by the I.M.F. and that by the World Bank. Conditions imposed by both would be identical. Had the Government indicated the direction in the letter written to the World Bank President, it would have been a different thing but the Government has made a reference to the budget again and again. What was its necessity? Therefore, I agree with Shri Indrajit Gupta that if impropriety is there, it may be that it might have been there because the hon. Finance Minister is new and does not know rules and regulations of the House. *(Interruptions)*

SHRI CHANDRA JEET YADAV (Azamgarh) No, the hon. Minister of Finance is an expert. he knows that one cannot get loan without commitment. He is mistaken about it.

SHRI ATAL BIHARI VAJPAYEE: There was no need to mention the Budget. he could

have indicated the direction of the Government policies even without mentioning the Budget. he should reconsider it. If he realise that any impropriety is there, he should express regret. This will enhance his prestige and not decrease it.

(Interruptions)

SHRI RAM VILAS PASWAN: Mr. Speaker, Sir, I want to speak only one sentence. I want to say only thing that what Atal ji has said just now may be the stand of the Bhartiya Janata Party but it may not be the stand of the National Front and the Left Front. The Government should lay the second part of the letter on the Table fo the House at this very moment. We will not wait till the 29th.

(Interruptions)

[English]

SHRISOMNATH CHATTERJEE: May I find out whether the Government has already agreed to disclose the report of 12th November in full or not?

SHIR MANMOHAN SINGH: I am going to answer that question.

MR. SPEAKER: Before the Finance Minister replies, I would like to say that we respect the Finance Minister's feelings very much and he has been at the receiving end very much. But he is not required to reply at this point of time. If he wants to reply, I have no objection.

(Interruptions)

SHRI MANMOHAN SINGH: Mr. Speaker Sir, I have listened with great respect to all that has been said in this House. I wish to assure this House that I do not own up any impropriety in the letter that I have written to the President of the World Bank and I am willing to discuss and debate. But I do want to go on record that I do not won up any impropriety. Before I come to the substance, I wish to refer to what Mr. Hari

Kishore Singh has said. He referred to a document of the World Bank, which he said, was concealed from the former Prime Minister, Shri Chandra Shekhar. I think Shri Chandra Shekhar is not here. But be would forgive me.....

MR. SPEAKER: Will you please avoid that kind of a reference?

SHRI MANMOHAN SINGH: If you say, I will oblige.*(Interruptions)*

[Translation]

MR. SPEAKER: Please do not ask him to speak much.

(Interruptions)

[English]

SHRI MANMOHAN SINGH: The second thing which I want to say is this.*(Interruptions)*

[Translation]

MR. SPEKAER: I give protection to each one of you.

[English]

SHRI MANMOHAN SINGH: In July 1991, our country was placed in a situation with our reserves not more than two weeks requirement. I think in that situation, support from the international financial institutions was an absolute necessity to keep the country going. And I do not owe any apology to anybody for having written letters either to the Managing Director of the IMF or to the President of the World Bank. I did that in discharging my responsibility as the Finance Minister of India and I am proud of what I have done. I do not apologise for what I have said in that letter or in the earlier letter.

The third thing that I do want to say is that we are living in a world of cross-conditionalities. It is not that you can go to the IMF, get a 2.2 billion dollars loan and then say that

you will have no dealings with the World Bank. Whether we like it or not, there is cross-conditionality. The loan that we got from the IMF, of 2.2 billion dollars, is also contingent upon an agreement of structural adjustment loan from the World Bank (Interruptions)..... Therefore, you have to ask a question. If you want an additional flow of three billion dollars in 1991-92 to manage the affairs of this country, then from where you would have got these three billion dollars? My friends on this side of the House would have said some days earlier to get it from the Soviet Union. But unfortunately, for all of us, Soviet Union is not here now. (Interruptions). You may have views that we should not get it. I do believe and I have said it on many occasions that objective is to get out of this business as soon as we can. But I also want to say that so long as we get external assistance, we are obliged to discuss with our creditors because it is not a world where there is charity. You have to satisfy the creditors that this loan is acceptable to both parties. (Interruptions) The question is this. What type of conditionalities? I want to assert that we had not and we will not accept any conditionalities which are inconsistent with our national interests.

Now Sir, yesterday I laid on the Table of the house the letter of development policy which I had sent to the President of the World Bank on 11 November 1991 requesting a structural adjustment loan for \$ 500 million. Questions have been raised by some hon. Members about other documents, and specifically about some reply to my letter from the president of the World Bank. I indicated in the House yesterday that there was no reply to my letter. Since allegations have been made, fed by misleading and mischievous reports in one newspaper, I would like to amplify my remarks to remove any doubt that hon. Members may have.

The letter of development policy which I laid on the Table of the House was the basis of our request for assistance. It lays down the economic policy directions which the Government intend to follow. If hon. Members examine this document carefully, they

will see that it talks of policy directions which have been extensively discussed and debated in this august House.

For the information of the House, the formal negotiations are structural adjustment loan from the World Bank were conducted during the month of October 1991. The purpose of these negotiations, as in all other countries, is to convince the World Bank about the basic viability of our programme. In the course of the negotiations, we also agreed upon certain specific performance criteria which would need to be fulfilled before the second transfer of the loan amounting to 200 million dollars was released. These performance criteria, which are popularly called 'conditionalities', give only specific benchmarks for progress in the implementation of our own programmes.

On the successful conclusion of these negotiations, we transmitted the letter of development policy to the World Bank. And too much is being read into it. It is said that I wrote this letter on the 11th and the World Bank submitted its documents on the 12th and so on. As I mentioned, that letter of mine was an outcome of the negotiations we had. This was done on 11th November 1991. The World Bank, on its part, took the matter immediately to the Board by circulating a memorandum from the President of the World Bank to the Board of the Bank recommending assistance. The President's memo was dated 12th November 1991. The Board approved the arrangement on 5th December 1991. Following the approval by the World Bank Board, the conditionalities of the loan were incorporated in a legal agreement. Two separate documents were signed in this connection by our Ambassador in Washington. One relates to 250 million dollar loan from the World Bank and the second to 250 million dollar credit from the International Development Association and the other 250 million from World Bank together accounting for 500 million dollars of assistance. These documents are the only other documents to which the Government of India has formally agreed. As the specific terms of the loan based on my letter are explicitly contained in

these documents, I would like the hon. Members to be assured that we are not concealing anything from Parliament. I have also placed copies of these loan agreements in the Library today. I would like to reiterate that there is no other document which I have sent to the President of the World Bank nor is there any communication from the President in reply to my letter. Some hon. Members have told me that they have obtained copies of the memorandum of the President of the World Bank to the Executive Board of the bank. This memorandum is an internal document of the World Bank, which is, of course, circulated to all Member Governments and is, therefore, available to the Government of India. The document specifically states that it is an internal document of the bank and should not be released without authorisation of the World Bank. However, as a one time exception I have placed a copy of this document as well in the Library of Parliament House.

I would further like to say that the contents of these documents do not constitute an agreement undertaken by the Government of India or reflect our views necessarily. The only commitments that we have made are those contained in my letter of Development Policy, which I have already placed - on the Table of the house, and in the Loan Credit Agreement, which I have placed today in the Library of the Parliament House.

Sir, I hope all hon. Members will be duly assured that the Government's conduct in these communications has been entirely above reproach. The procedure that we have followed is the specific procedure followed by all Member countries and in this context I may mention that in January 1991, the Chandra Shekhar Government also needed assistance from the Fund Bank. That was the assistance available at a low conditionality from the IMF. They also submitted a Letter of Intent. now, I do not want to disclose the contents of the Letter of Intent today.

SHRI HARI KISHORE SINGH: You should lay this also on the Table of the House.

SHRI INDER JIT (Darjeeling): The country must know about it.

SHRI MANMOHAN SINGH: I think if you see that letter you will realise how hollow is the charge that is made against our Government that we are selling the sovereignty of our country. *(Interruptions)*

I want to assure this House that the procedure we have followed is the standard procedure routinely followed by all Member countries. The commitments we have undertaken are in line with our election manifesto and they are in line with what we have said in parliament on numerous occasions. There is absolutely no question of any leakage of the Budget having taken place. Thank you, Sir.

SHRI NIRMAL KANTI CHATTERJEE: Sir, the Minister concerned should be advised to circulate the copies to the Members.

SHRI SRIKANTA JENA (Cuttack): Now that the letter is laid on the Table of the Office and also the Finance Minister has laid other reports in the Library, after going through these documents we would like to have a discussion on this.

MR. SPEAKER: I am standing here not to ask question or to reply, I am standing here to compliment all the Members for making their points very diligently. And this compliment applies to Members from both the sides. I think, with this, the discussion on these documents will come to an end and if it is required to be discussed more, we may take it up after the presentation of the Budget in a more detailed manner. Now, let us proceed to do one more important business, that is, to go to the Central Hall and take our lunch and after that, come back here and pass the Kashmir Proclamation.

SHRI NIRMAL KANTI CHATTERJEE: Have you invited us to the Central Hall?

MR. SPEAKER: I will invite you later on.