

[Sh. Sobhanadreeswara Rao Vadde]

[MR. DEPUTY SPEAKER - *in the Chair*]

purchase food stuffs usually from wholesalers and sometimes even from manufacturers. More often than not the adulteration of the food stuffs is made either by the wholesaler or by the manufacturer. Ordinarily it is not the small retailers who adulterate the articles of food sold by them. Yet it is only the small retailers who are caught. The investigative machinery of the food department does not turn its attention to the wholesalers and manufacturers. The small tradesmen who create a precarious existence live almost from hand to mouth are sent to jails for selling food stuff which is often adulterated by them, but the wholesalers and manufacturers who really adulterate the food stuff go unpunished. The implementation of Prevention of Food Adulteration Act creates an impression that it is a law meant to be operative against smaller men only, while the rich and well to do are beyond its reach. Moreover, the law appears very harsh against the small tradesmen because only a minimum sentence is provided in sending to the jail. After examining some such cases, the Supreme Court has advised the Government to examine these aspects and exercise its executive powers of remission of the substantive sentence of imprisonment though not the fine under Section 432 of Cr. P.C. I urge upon the Central Government to bring forward appropriate amendments to the same Act to protect the interests of the small tradesmen as well as consumers.

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MR. DEPUTY-SPEAKER: Now the House stands adjourned for Lunch and meet again at 2.45 p.m.

13.47 hrs.

*The Lok Sabha then adjourned for Lunch till Forty-five minutes past Fourteen of the Clock.*

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*The Lok Sabha re-assembled after Lunch at forty eight minutes past Fourteen of the Clock*

GENERAL BUDGET, 1992-92 GENERAL DISCUSSION—*Contd.*DEMANDS FOR GRANTS ON ACCOUNT (GENERAL), 1992-93—*Contd.*

AND

SUPPLEMENTARY DEMANDS FOR GRANTS (GENERAL) 1991-92—*Contd.*[*English*]

MR. DEPUTY SPEAKER: Shri A. Charles to continue his speech now.

SHRI A. CHARLES (Trivandrum): Mr. Deputy Speaker, Sir, the other day when I started my speech, I just brought to the notice of this House a cartoon which appeared in a leading daily in which a gentleman was trying to find out through a magnifying glass as to whether there is any loophole to oppose the Budget. I had also mentioned about some of the observations that came in the Press and I am not going to repeat them. But one main observation that was made was that 'all right thinking people of this country will support the Budget irrespective of Party affiliations.' I can understand if our hon. Friends of the Left parties oppose the Budget, because they cannot be 'right' thinking, but they are 'left' thinking. I am surprised as to why the other components of the National Front and the BJP cannot come forward to support the Budget. So, the only possible conclusion is that those who oppose this Budget do not come under the category-I may be excused of right thinking people.

SHRI SOMNATH CHATTERJEE (Bolpur): Any other certificate from you would have been suspect.

SHRI A. CHARLES: Before I bring to your notice some of the salient features of the Budget, I may be permitted to mention about the two main criticisms that have been levelled against the Budget by the Opposi-

tion. In fact, the discussions on the budget started from the Motion of Thanks on the President's Address itself. The whole discussion on the Motion of Thanks on the President's Address was, in fact, a Budget discussion. They levelled two major criticisms. One is that we have surrendered the economic sovereignty of the country. Second is that the Budget was prepared in the World Bank and the Budget is leaked.

In this context, I may be permitted to quote from a discussion in Lok Sabha on 31st March, 1987. I think, the former Prime Minister, Shri V.P. Singh is still the leader of the National Front. I do not know how many components they have. One is Jan Morcha; another is Janta party. If we go to an ordinary hotel in Tamil Nadu and ask for *dosa*, immediately the waiter asks, "Whether it is *sada* or special. *Sada* is ordinary *dosa*. "Special" will have some more *ghee* and special things. So, in the Janata Dal, there is *Sada* Janata, broken Janata and all fragments are there. Any-way for all those fragments, the leader is the hon. former Prime Minister, Shri V.P. Singh. On the 31st of March, 1987 there was a long discussion in the Eighth Lok Sabha. Mr. V.P. Singh was number two in the then Rajiv Gandhi Cabinet. He was like a rising star.

We believed that he was big *raja*. Unfortunately, our former Prime Minister, Shri Rajiv Gandhi had full faith in him. The other day, hon. Shri Vajpayee advised our hon. Finance Minister that he should have thick skin. Unfortunately our then Prime Minister, Shri Rajiv Gandhi when suddenly he came to politics, he was so sober, noble and innocent that he never had the thick skin. So, he believed everybody. The then Finance Minister presented two Budgets. There was an attempt to unearth blackmoney. The then Finance Minister had a free hand. I still remember, our hon. friend, Shri Somnath Chatterjee asked a pointed question: Whether at any stage in his efforts to unearth blackmoney, the Prime Minister has intervened? There was a categorical answer from Mr. V.P. Singh, the then Finance Minister that at no point of time, there was any

interference from the part of hon. Prime Minister, Shri Rajiv Gandhi in his efforts to unearth blackmoney. But quite surprisingly in his own wisdom, he appointed one agency Fairfax. I am quoting from the discussion of March 31, 1987 on the floor of the House. I have due respect for Shri Somnath Chatterjee, and I am quoting from his speech.

SHRI SOMNATH CHATTERJEE: I hope, it is a corrected version.

SHRI A. CHARLES: He says:

"Now it is admitted that the Government of India engaged a foreign investigative agency for discharging some function of the Government." Then again he went on to say:

"I very strongly express our opposition to this selection of this type of agency and for that matter an agency from a country whose ability to testability through diverse means-Government and system in other countries, specially like ours is well known. I would like to know as to the level of the Government at which the decision to appoint the agency was taken. Was it at the bureaucratic-Secretary's level; or was it taken at Minister's level; or was it taken at the Prime Minister's level; or was it taken at the Prime Minister's level. Mr. V.P. Singh, it appears, has taken the help of the American concern, he should have done it through his own agency."

The then Finance Minister Shri V.P. Singh said.-

"I do share the responsibility. There was no doubt about it."

SHRI SOMNATH CHATTERJEE (Bolpur): he was with you.

SHRI A. CHARLES: Now he is your leader. (Interruptions) A leader of the calibre

[Sh. A. Charles]

of Shri Somnath Chatterjee is accepting his leadership. It is surprising. I quote from Justice Natarajan's report p. 261:-

"In an interview published in "Washington Business Journal", for the week of May 11, 1987, Mr. Herdsman reportedly said that "nearly all his staff come from Government CIA, FBI, IRS, Military Intelligence and Police", and every employee in Fairfax Group is a licensed investigator- even the secretaries.

This Agency which is totally maned by the staff of the CIA was selected to investigate the economic offences. That is why I am quoting the above.

I again quote from p. 250:-

"the aforesaid factors..."

SHRI SOMNATH CHATTERJEE: You are educating yourself by reading my speech. (Interruptions)

SHRI A. CHARLES: But the problem is you are still. Left thinkings.

I quote two More sentences from p. 289:-

"A last word needs to be said before the Commission concludes the concluding chapter. The disturbing and disquietening features brought under spot-light in the relevant Chapters call for serious attention. These features reveal a sorry state of affairs. No written record existed about the alleged oral clearance." (Interruptions)

"These features reveal a sorry state of affairs. No written record existed about the alleged oral clearance or the alleged engagement of foreign detective agency during the tenure

of Shri V.P. Singh and all post-facto records came into existence much later, after some controversy arose and his shifting from the Finance Ministry to Defence Ministry came about. "

I am quoting all this because he is still the leader of the Notional Front.

We have borrowed from IMF. Last week I was in my Constituency Trivandrum. It was a surprise to me to see the gress root workers of the Maryi party going second on a propaganda. They have a aycle and a megaphone. In the course of their propa-ganda, the words they were telling were IMF, IBRD, IDA, and GATT etc. I was surprised. Nobody knows what it is. The impression given is that they are big monsters who have come to take away our country. Fortunately for the opposition, they have got three more namres, Dunkel, Carla Hills and Prestion. You always draw inspiration from them.

I am going to speak on Dunkel on Friday on the Private Members Revolution.

Is it the first time that we have taken loan from the -World Bank? In 1956, 1961, 1966, 1969, 1974, 1978, 1980, 1985 and 1990. Heavy loan was taken even by the previous Governments. Even the gold was pledged. The gold was sold. Shri Chandrashekarji is here. I have great respect for him. I have known him even in my college days. I have known him as a young Turk, fighting for justice. That image, that respect, is still there with me. Still I may say even the valuable gold was sold during his time and wheat in the buffer stock was also sold. Finally, just a day before the presentation of the Budget. Shri Chandrashekarji showed a big document saying that the Budget has been leaked.

15.00 hrs.

Sir, I was terribly shocked. I thought that this must be the Budget docinent. There was a news that the Budget Speech would be given half-an-hour earlier. Anyway, we are grateful to the repeated request of the Oppo-

sition. Why I say this is because of their effort this valuable document was published But this is not to be issued. I has been mentioned on page one of the document and i quote:

"This document has a restricted distribution and may be used by the recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorisation..."

Sir, I have got very short time to speak. So I have to be brief. The point is that this is an agreement entered into with the IMF. The impression given is that we have sold out our country. May I know from the hon. Members of the Left Parties how much of loan China has taken and what are the conditionalities? We have negotiated with the World Bank. They talked of the Budget leakage. It was very much a surprising news to me. In this connection, I would like to quote the last sentence at page 31, para 97 of this document which says:

"...In addition to serve as a catalyst to promote greater coordination among the various Line Ministries to which the SAL/SAC programme relates, the review would provide a forum to discuss with the authorities the recommendation of several high-level committees established by the Government and their incorporation, to the extent appropriate, in the 1992-93 Budget..."

The very word '1992-93 Budget' was taken for granted as the leakage of the Budget. I am sure there is something sick somewhere.

Sir, people of ordinary common sense may know that the Government of India appoints Committees. We have depended largely on the Raja Chelliah Committee Report. Is it a leakage of the Budget? I am very sorry that such a wrong message has been given to the whole nation that the Budget has been leaked; and that we have

surrendered our economic sovereignty. I would like to say that some of the Member on the other side have already surrendered their intellectual sovereignty, their thinking sovereignty. That is the whole problem, I would like to ask them the conditionalities on which China took the loan. (*Interruptions*)

We know what happened to the Soviet Union. We are very sad about the whole thing. We are very sad about how the Soviet Union, one of our strong supporters, one of our dearest friends, disintegrated because of the economic problems. But not even a single drop of tear was shed from that side for the great man Gorbachev. From the bottom of my heart I say that he is one of the greatest men of the century who has tried to protect the freedom of the whole world. But he has become a great man of sacrifice. Unfortunately, Shri Somnath Chatterjee in still is the Stalin's era. I cannot help you. There is a small verse. I would like to recite that there:

"A Lily of a day  
Is fairer far in May  
Although it fall and die that night  
It is the plant and a flower of light  
In small larger proportions we just  
beauties see  
And in small measures life may  
perfect be..."

Gorbachev is exactly that flower. His life will shine and shimmes as a star. till eternity. There is no doubt about it.

What was the economic condition of this Government when we took over? We know of the details. Our foreign exchange reserves were not even sufficient for half-a-month's import. I am not going to discuss it as to who is responsible for that. We are all responsible because right from 1960, the problems have started. We have borrowd. But the balance of trade was always there. Industrial growth was there. When Shri Rajiv Gandhi handed over the administration to Shri Vishwanath Pratap Singh, it was a rich treasury. There is no doubt about it. But there after changes have occurred.



SHRI HARI KISHORE SINGH

(Sheohar): The Finance Minister will not agree with you.

SHRI A. CHARLES: You can reply later. You have full time.

I have been listening to the previous hon. Members. Shri Atal Bihari Vajpayee has been very sincere. They have got at least one person who is very sincere, honest and a noble person. You can be with him. There is no problem. He has said: "Although the economic condition has shown improvement, the problems are not fully solved."

This is his statement. He has categorically agreed changes that we have made, the directions we have given and the thrust we are making, in four or five months have shown results. His only concern is: Why is he asking for three years time? We do not have the Allauddin's wonderful lamp. If we had that lamp, we would have just pressed the button. We cannot also have the shower of Manna from Heaven. We have to know the hard realities. The nation is one with us. There is no doubt about it. If we go to people in rural areas, they are all welcoming this Budget. And the main attack was, we have surrendered our economic sovereignty. But what about the huge amounts that we are spending for the good of the people? We have selected 1,700 centres from the backward districts for PDS.

Then about the fertilizer subsidy. Crores of rupees are going to be spent for subsidy on fertilizers to help the marginal farmers. We have not surrendered our rights. There is no argument is saying that the poor have no hope.

A genuine concern has been expressed about the small industrial sectors. I also share that feeling. Something has to be done to protect the small industrial sector. That is a major sector of industrial activity where the 60 per cent of employment potentiality and 40 per cent of industrial production is there. I am also equally concerned whether that will be eaten away. The package promised for

small industrial sector must be given immediately. The BIFR cannot do anything to help them.

Mr friend Shri Pal is not here. He was emotional when he said about the Exit Policy. I equally share his concern. But he was showing his concern to engineers and the upper classes and not to the lower strata of the society. The Exit Policy, I am sure, will take care of every worker of this country. There is a categorical statement made saying that no worker will be sent out. What are the problems of the sickness in industry. In the Eighth Lok Sabha, I was a Member of the Estimates Committee. I went to study a textile mill in Calcutta about its sickness. (Interruptions)

MR. DEPUTY-SPEAKER: There are others also to speak. You have taken twenty minutes.

(Interruptions)

MR. DEPUTY SPEAKER: Of course, our friend was very gracious to give his time to you. But his name does not figure in the list.

(Interruptions)

SHRI A. CHARLES: If I am not disturbed, I will conclude in three or four minutes. I went to that mill. I had very little experience about the powerlooms. When I was in Cannanorel for a year, I saw there-if there is a mistake please correct me-one worker managing four powerlooms. When I went to this mill, I was one worker was supervising two looms. I asked a pointed question whether there is any norm fixed for managing these looms. There was no answer. I repeated the question to the officer concerned. I said, I should get an answer. Then he replied that earlier the norm was for four looms. But then there was a labour strike. In the course of the strike, the Labour Minister of that State I am not blaming the present Government, maybe, it was after Shri Jyoti Basu took over-came to a settlement that one worker need supervise two

looms. What is the position? Where there can be 500 workers, there are 1000 workers. Even God from Heaven cannot save that industry. We have to understand the position. We have to diagnose the disease and then only we can give the medicine.

Now, coming from the back bench, I know, I have to conclude my remarks...

MR. DEPUTY-SPEAKER: You have come very near to the front bench.

SHRI A. CHARLES: Shri Amal Datta's main complaint was that we have not fulfilled our election manifesto. I am very grateful to the hon. Members, including Shri Somnath Chatterjee because he is always carrying our manifesto. It is just like a Bible. I would request them to read it more. The more you read it, the more you will be enriched.

SHRI SOMNATH CHATTERJEE: So that after going through it I can oppose you all the time;

SHRI A. CHARLES: There are many proposals for the welfare of the people. In a hundred days we have promised something. During my election campaign in my public speeches I said that the cost of diesel would be reduced. I was a little embarrassed after the election; but I went again to the people and in a public meeting I said, you don't think that I am arguing like a lawyer. But the fact is that the cost of diesel has really been lowered because with the devaluation, the cost of diesel which was at Rs. 6 per litre should have gone up to more than Rs. 7 per litre. But still it remains at Rs. 6 per litre. That means there was clearly an earnest attempt on the part of the Government to reduce the cost of diesel.

You wait for hundred days, you wait for 365 days, you wait for the full term, we assure you that one by one all our promises will be fulfilled. There is no doubt about it. We have already passed a legislation to protect the places of worship, to maintain the status-quo. I think that is the only time when you

were thinking right because you voted with us;

There are various industries-the Aircraft Technology Industry, the Steel Industry, the Fertilizer Industry, the Pharmaceutical Industry and the Ship Building Industry. In these areas if we can plan for overall change and adopt better technology and start new industries, they will become employment potential and they will also save a lot of foreign exchange. 20 million tonnes of iron ore is being exported to Korea and Japan every year. We have to find out our technology for processing it.

A lot of things are there; Since my time is short. I will reserve them I have to conclude. About Kerala, all the industries are closed there. The central investment in Kerala is less than one per cent. There was a lot of agitation there. I would request that the central investment in Kerala should be enhanced.

We have begun with a change in our policy. It is a great step. We have only one goal to achieve. We have only one dream to be fulfilled, that is the great dream of our Bapuji "to wipe every tear from every eye." This Budget is a great step towards achieving that end. I am sure, with the credibility, with the integrity, with the honesty and efficiency of the hon. Finance Minister and the great leadership given by our great Prime Minister Shri P. V. Narasimha Rao, we are on the march, India is on the march again and on the threshold of progress and by the turn of the century, we will lead the world.

With these words, I support the Budget with all the strength at my command.

[Translation]

SHRI KALKA DAS (Karol Bagh): Mr. Deputy Speaker, Sir, the Budget reflects the ideology and the priorities of a particular Government. If we make assessment of the Budget of this year, impartially, it gives us the impression that it is just an attempt to eliminate the poor people. This Budget is against

[Sh. Kalka Das]

the interests of rural areas; it is anti farmers, anti-harijans and anti-youth. Mr. Deputy Speaker, Sir, it is not based on social justice, rather it is based on the theory of the survival of the fittest; which goes against the principles of democracy.

Mahatama Gandhi had laid stress on encouraging small scale and cottage industries. However, through the present Budget the multi national companies have been invited to invest their money and compete with the co-panies in the country. If they come and compete, then the small scale industries set up on the basis of the ideals of Mahatamea Gandhi will be ruined in no time. This invitation is just like putting the big fish in a pond already having small fish. It is a well known principle that the bigger fish eats the small fish. If the Government have such priorities, then the unemployment will increase in the country. Our country has already been facing severe problem of unemployment.

There are about 3 crores educated unemployed youth in the contry and more than 9 crores people are unemployed in rural areas. This number is considerably high. There are many countries which do not have even 12 crores total population. The Government should have tried to find out a way to provide employment to the youth. Because of the unemployment among youth in different parts of the country, certain difficulties have arisen which are quite harmful for the country. In spite of the Government being aware of these things, multinational companies have been invited which could further increase unemployment problem. This shows that the Government has no concern as to how the youth in the country have been struggling hard for employment. Instead of focussing the attention on it the Government follows the theory of the survival of the fittest and invites the companies for competition. Those who are stronger will win, only those who can compete should survive in the society. However, it is expected of a democratic Government to take care of the

weaker and give them opportunity to progress. It appears that this factor has not been kept in view at the time of preparing Budget. Rather it seems that the Budget has been prepared to eliminate the poor and weaker. This Budget does not encourage democratic feelings. It rather creates the feeling that this is our Government and we can do whatever we may like. It is not a democratic attitude. If democracy, all have to move together a head, weaker sections are strengthened and the schemes and projects are prepared with a primary objective to do justice to all. But the present Budget shows that perhaps Shri Manmohan Singh has paid no attention to the weaker sections of the country. I think Shri Manmohan Singh is a great economist; he has been educated in foreign countries; that is why he has paid no attention to the poor people who live in rural areas, who are the baris of democracy in the country. No attention has been paid to do justice to them, to give them opportunity to uplift themselves and to provide them employment opportunities and to provide them resources to earn their livelihood.

No effective educational policy has been announced. More than 66 per cent of the rural people live below the poverty line. No reference has been made in the Budget to bring them above the poverty line and to do justice to them and eradicate the poverty. All this shows that the present Budget is not for the development but for the elimination of poor.

The present Government had give a slogan to eradicate poverty. People believed them. But they could not eradicate poverty. Today it seems that they want to eliminate the poor. No effective scheme for their development has been made. No provision has been made to provide educational facilities to the uneducated people in the country. Subsidy has been withdrawn on fertilizers for the farmers on whom the entire economy of the country is based. What does it indicate? A conspiracy has come to light in the country and it was discussed even in the House. Wheat at low prices was exported and at higher prices imported. If Government had made correct assessment in ad-

vance it would not have exported wheat at lower price. It was only when wheat was exported, the Government realised that import is essential to meet the requirements of the country. This policy is being followed for the last many years. The farmers of our contry do not get remunerative prices of their agricultural produce. Farmers have to go to their fields along with their wives and children in the early hours of the day to work. They have to bear a heavy loss when natural calamities occur and no compensation is provided to them. My submission is that no attention has been paid in this Budget to improve the condition of farmers. The Government have focussed their attention only to attract the multinational companies to invest their money in the country. The Government have shown no concern as to how the economy can be improved. Government is indulging in self-praise that they have succeeded to get back the gold that was mortgaged outside the country. What is significant is it? It was mortgaged and then got back by the Government. I am reminded of a rural example. In rural areas mortgaging gold is considered to be very disgraceful. If a person is compelled by the circumstances to do so, he prefers to keep it a secret. But the Government of India did the same openly. All this happened only due to the wrong policies of this Government. They have been in the power for the last approximately 41 years, leave aside a little period of not more than a year. This party has been responsible for deteriorating the condition of the country to this extent and now they boast of redeeming the gold that was mortgaged by them. Mortgaging the gold itself is a matter of utter shame and disgrace. They created the circumstances in which the country lost its honour and pride and now they boast that they have restored the gold.

The same party in their manifesto had assured the people that they would not only stabilise but would bring the prices down withing 100 days. But this Budget would not help in bringing down the prices. When Shri Manmohan Singh became the Finance Minister, he in a interview to a magazine said that prices cannot be brought down. When

he was criticised everywhere, he said that the present Government would make every effort to bring down the prices. But the Budget presented this time, would not bring the prices down.

How to solve the housing problem in the country? The population of the country is increasing, but no attention is being paid to housing problem. Steel and cement, materials used in house construction have become costlier. The cost of construction is rising like anything. It would result in price rise.

This Budget is a fraud with the Government employees and officers who are very honest. The value of rupee is going down. Earlier the exemption limit of income tax was Rs. 22,000. Government employees and many political parties including that of ours advised the Government to raise the limit because the income of Government employees cannot be conealed. They speak the truth. The Government increased the exemption limit from Rs. 22,000 to Rs. 28,000. But on the other hand, it has withdrawn the facilities of deduction from income tax for savings. Earlier non-taxable income limit was Rs. 35,000 including the facility of deduction for savings. Now it has been reduced to Rs. 28,000. It is a fraud. Our leader, Shri Chandra Jeet Yadav has rightly termed the Budget as a golden deer. It looks like a golden deer... But it is not a golden deer. It is a demon. Due to this deer, the Sita like naive society would experience difficulties. It is an illusive Budget. This Budget. ... (*Interruptions*) ... It is a mirage. The Government has tried to hide its loopholes through this Budget. The Budget will not do justice to the society. The poor people have been misled by this Budget. Gradually, It s correct picrture is coming up before the society. Now it is high time that the Government reconsidered it. If the Government does not reconsider it, the country would confront economic crisis and starvation. The number of unemployed people will increase. It will cause unrest in the entire country. Therefore, I request that it is high time that the Government reconsidered it. We should prepare such plans which would provide employ-

ment to each and everybody and water to each farm. It would provide justice to backward society and ensure their development. Right to work should be included as a Fundamental Right. Until and unless, we provide employment to each and every-body, there will be discontent in the society. Justice should be done to people who are honest, who have a limited income and who cannot conceal their income. The exemption limit of income tax should be raised in the same proportion, the rupee has been devalued. It is not only our view but others have also expressed the view that the exemption limit of income tax should be raised to Rs. 48,000. It is not a party issue. It is just a piece of advice. Several of our leaders have given advice to the Government. It should not make it a prestige issue only because the advices have come from the opposition. It should take up the matter without prejudice. The hon. Members have given various advices. These are good advices. If the Government takes a positive stand on these advices, it will be their greatness. I feel that the exemption limit would be increased. The increase in railway fares should be withdrawn. The Government should take up steps to promote cottage industries and small scale industries in the country and prepared plans accordingly. There is not justifiability in supporting the Budget unless all this is done. The proposals given by the opposition parties are good. It would be better if these are included of in the Budget. I cannot support the Budget until all these suggestions are accepted. I therefore, oppose the Budget.

SHRI GEORGE FERNANDES (Muzaffarpur): Mr. Deputy Speaker, Sir, a block called Alipur-Narela is situated at a distance of 40 minutes' car journey from Parliament House. There are about 25 villages having a population of about one lakh. Last night, I had gone there to hold a meeting in connection with a campaign we are launching against the policies of Government. Last night, I received a representation from one Shri

Indradi Singh of the All India Saini Seva Samaj. It contains three demands, which I would like to bring to the notice of the hon. Finance Minister. The first demand is for earmarking and setting aside land for a school, a play ground, a cremation ground, a dispensary, a park, a community hall and lavatories etc. The second demand is about construction of at least 80 feet wide road around the villages for traffic movement. Their third demand is to provide residential plots each measuring 100 sq yards to each landless villager.

Mr. Deputy Speaker, Sir, the Congress Party had included all these demands in its election manifesto which I just read out to you. The people living at a distance of 40 kms from the capital of India are clamouring for a lavatory, water, a cremation ground and a dispensary for them. While presenting the Budget, the hon. Finance Minister has argued that it is high time that we associate ourselves with the inter-national economy. The day the Budget was presented here many people were thinking whether to support it or not. Because the entire House was mesmerised. The people outside the House were also mesmerised by this Budget. But while coming out of the House, I had said that this Budget was pro-rich and anti-poor. I had said that there is no provision for the poor in the Budget. I had said that it is anti-poor. Now I realise that it is not only anti-poor but also anti-middle class.

Just now, our hon. friend Shri Kalka Das was speaking about the Budget as to how it will create problems for the people, I would like to request my B.J.P. colleagues to form a clear cut view regarding the policies of Government. I have got with me a copy of 2-3 day old edition of the Organiser. Shri Jay Dubashi is the Chief Economic Advisor and perhaps a Member of National Council of B.J.P... He writes that:-

[English]

"B.J.P. must oppose the Rao Government."

[Translation]

I did not want to mention his name here. But I am mentioning his name because he has unfolded a great mystery. He writes-

[English]

"I wrote in my last column that the Congress had already stolen B.J.P's economic policy..."

[Translation]

His complain is that the Budget which the Government has prepared has been stolen from him.

[English]

"The Congress had already stolen BJP's economic policy and was now after its political base. BJP had been talking about liberalisation long before the Congress, but the world seems to have forgotten that it is the Rao Government that is receiving all the kudos for turning the economy around. Unfortunately, what any people in the BJP do not realise is that if the Congress is implementing BJP policies, there may not be any need for BJP at all. If the Congress is doing what BJP says ought to be done why should anybody vote for BJP." This issue will reach you very soon. Therefore, I would like to submit that knowingly or unknowingly we are supporting the policies of the Government and sometimes we say things which are damaging the national interest. We are not able to understand this but this is an internal matter of the B.J.P.

[English]

SHRI RAM NAIK: Can I clarify this? You have said that he is our Economic Advisor. He was a special invitee to the BJP's National Executive Meeting. We have invited him to get information from him. He is not our Advisor.

[Translation]

SHRI GEORGE FERNANDES: Fine, I agree. If the statement given by Jay Duhashi is wrong, then I am happy.

Mr. Deputy Speaker, Sir, I do not want to go into the details of what this Budget offers to the rich because the behaviour of the stock market tells the entire story because it has done the job of breaking the record of not only of India but also of the entire world. I think this Budget will make the masses suffer. Firstly, there is the question of prices. The hon. Finance Minister has tried to present a good image of himself through this Budget. He has said that within a few days of coming to power they have brought down the rate of inflation from 16.7 to 12%. Now it has increased to 13%. In his words—

[English]

"Our ability to fight inflation has been considerably enhanced by the improvement in our foreign exchange reserves."

[Translation]

I cannot understand how the rate of inflation can be said to have come down just because there has been an increase in the foreign exchange reserves. I can understand your point but how do the conclusions arrived at apply in the context of India. The figures regarding inflation have been given to play with the sentiments of the poor people. This is so because prices of bauxite, mica, dolomite, rubber, jute etc. have been included but these have no meaning for the poor. A poor man earn Rs. 5 Rs. 10 per day. If a Government employee gets a salary of Rs. 1000 Rs. 1200 and has a family of 4-5 persons, it comes to Rs. 10 per person. Today the poor are able to spend their income on food alone, what to talk of clothes. I would like to inform the hon. Finance Minister that in the last two years the price of rice has increased by 45%.



THE FINANCE MINISTER (SHRI MANMOHAN SINGH): At that time your Government was in power.

SHRI GEORGE FERNANDES: True, but I shall talk of other Governments also. Sir, the price of wheat has increased by 57%, jowar by 77%, bajra by 106%, arhar dal by 64%, fruits and vegetables by 54% and potatoes by 121%. These are last month's figures. Other edible items like eggs and fish have registered a minimum increase of 50% in their prices. In some cases by 100% (*Interruptions*) but I am mentioning it because there is a misunderstanding that—

[*English*]

"Inflation rate has been brought down from 17.6 percent to 12 per cent.

[*Translation*]

But the situation is different. 70-80% of the Indian people have no interest in any statistics regarding rates of inflation, for them it is a question of getting food for survival. I would like to submit that our Government was toppled by people and now it is your turn. I would like to ask the hon. Minister as to what this Government has done during last 8 to 10 months to fulfil the foodgrain needs of the masses. Has the supply increased or decreased?

SHRI SUKH RAM (Mandi): I think the supply has increased.

SHRI GEORGE FERNANDES: You have to prove that. The hon. Minister will reply but he should not say that prices in India have come down because of I.M.F. help. You must have heard of Michael Mclean. Perhaps he was your close friend. He was the President of Jamaica for 11 years. I have with me the 'Economist' of 31st March and I am sure the hon. Minister would have read it. Agreed that he has given his resignation, why—

[*English*]

"After his re-election three years ago he

abandoned the socialism of the 1970s and, convinced by the International Monetary Fund, became a free-marketeer. The turn-around was inevitably unpopular. Prices of basic goods; have virtually tripled in a year and the party shaken by a couple of recent scandals has been trailing in the polls."

[*Translation*]

This is the prescription of the I.M.F. Earning profit by exploiting the masses of this country is the principle of the business class in this country. The Government also increases prices in its own way every year. Recently the Government increased the prices of what and rice available at Fair Price Shops by 30% to 40%. So I cannot accept that the I.M.F.'s prescription will solve our food problems. Prices will increase here also. The reason for this is the General Budget and the Railway Budget. The idea of partial convertibility will also affect prices. The rupee gets devalued every day. The pound has risen to a value of Rs. 52 and the dollar to Rs. 32. Foreign exchange is being sold in open market and this is bound to increase prices. The country's entire trade is going to be done with this money. Things will have to be bought with the devalued rupee and factories will have to be run and the price will increase because items will be produced in factories with this money. It was mentioned that public enterprises should also approach banks. There is little or no budgetary provision for them. They have been asked to seek foreign aid, float bonds or approach banks for money. So the items produced in these enterprises will also have high prices. The hike in excise duty will yield Rs. 2,500 crore. On the other hand subsidies have been cut. All this will lead to an increase in prices.

I am reminded of the Prime Minister's statement while reading a statement in the Budget presented by the hon. Finance Minister. While talking about the general budget, the Prime Minister has given a statement which contradicts all points put up by the Finance Minister. I place the Prime Minister's words before you.



[English]

"I am not happy with the price situation. Experience shows that when you have inflation at this level, it takes about 18 to 24 months to bring it down to single digit".

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): This is also what I have been saying.

[Translation]

SHRIGEORGE FERNANDES: You talk about both things. B.C.A. Shrinivas Raghwan has written an article which he has narrated in his speech in South Commission. You can judge which one is right after studying it.

[English]

"We know from experience." He make a very assertive statement. He knows from experience.

[Translation]

I would like to say to the Prime Minister if he knew that it was right and if he accept that he already knew it, I do not say that it is right.

[English]

Your Prime Minister knew that the prices will be brought down. The Prime Minister knew. He was an architect of that manifesto.

[Translation]

Why did you mention in your manifesto that you will bring down the price within 100 days when you knew that it would take 18 to 24 months. You did it to be fool the people of the country. You should tried this in this House by presenting this fascinating Budget. But you have befooled the poor people of India who were badly affected by the price rise. You assured them that if you were voted to power you would bring down the prices within 100 days and these would come down

to July, 1990 level. Now the Prime Minister says something else. Mr. Deputy Speaker, Sir, What happened to those assurances. I can say that the prices will rise and the people are bound to face hardships it will cause many other hardships to the people of the country. Alongwith it one more question is linked with it. That is of unemployment about which Shri Atal Bihari Vajpayee has also mentioned in the beginning of his speech. Has any provision been made for it in the budget? Unemployment will increase and I may tell you that how this unemployment problem will increase. The provision for development works has been scaled down in this Budget. The Central Plan outlay which was Rs. 42,969 crore in 1991-92 has been reduced by Rs. 2,797 crore. Thus, you have reduced it by 6.5 per cent. Though you talk of increasing it to Rs. 5,438 crore i.e. 12.7 per cent in current Budget, but I do not have any hope because you also accept that there is 12 to 13 percent inflation. Do you think that the progress of development works will be the same as it was last year? Another thing is linked with it. The Finance Minister is being praised in the country and inside and outside the country but we would like to know his views in this regard. The interminant budget expenditure, which was 40 to 80 percent till now, is 8.5 per cent planning expenditure this year. Rs. 887 crore or 8.5 per cent planning expenditure has increased out of Rs. 10 thousand crore interminant expenditure. It is unhistoric that Rs. 9,555 crore have been allotted to no-plan expenditure.

Mr. Deputy Speaker, Sir, what have they done about the critical sectors. He has reduced the amount for rural development to Rs. 3,100 crore which was Rs. 3,508 last year. The poor will lose their jobs. Last week the Karnataka Government presented its budget. I have budget document here with me. There is 15 per cent reduction in Jawahar Rozgar Yojna expenditure in absolute money terms, ineffective terms is a separate thing. You have reduced last year's allotment of Rs. 315 crore for textiles to Rs. 217 crore this year. Who will suffer? Ambani, Bombay Dying or big mill owners will not suffer. It is the weaver in Andhra Pradesh who is commä-

[Sh. George Fernandes]

ting suicide will suffer. You have reduced allotment of Rs. 350 crore to Rs. 335 crore for small scale industries, agro and rural industries. Is it being done for creating job opportunities? Even after doing all this how you talk about the poor. The amount for health has not been increased from 302. It means less number of the poor people will get the benefit of medical treatment. No insurance work will be started. The amount earmarked for education last year was Rs. 977 crore but this year it is Rs. 952 crore only. I want to remind the hon. Minister to his own speech. You had said in last year's budget speech that—

[English]

"The Government is committed to ensure that whatever be our constraints, the programme of education will not be allowed to suffer for want of financial support. Every effort will be made to ensure that the constitutional directive of providing free and compulsory education upto the age of 14 years becomes a reality before we enter the 21st century."

[Translation]

The 21st century is only 7 years away. Even out of that one year is already in the process of passing. Hon. Minister, I may remind you that you have said nothing about education in your speech on the budget. You are not presenting budget but writing manifesto. These are merely talking points of the Congress to satisfy the people or the uneducated people may feel satisfied. We can not bear it. It is related with the future of younger generation. We talk about directive principles of the Constitution in our speech. The amount on primary education was Rs. 288 crore for the year 1991-92. I am giving its break-up. This year it is Rs. 284 crore. On secondary education it was Rs. 445 crore. This year it is Rs. 443 crore. For university and higher education it was Rs. 479 crore and this year it is Rs. 473 crore. If this is all in absolute terms then what can be done?

I was in Guwahati sometime back. ULFA has become a trouble for the whole North East region. We all know it. You have been recently elected for Rajya Sabha from there. The Governor has complained in the meeting of the North East Council that the amount for development works has been reduced to Rs. 201 crore from Rs. 410 crore. All the people of Nagaland, Mizoram, Manipur, Assam and Arunachal Pradesh are agitated. Governor has also said it in his speech. He presided that meeting. It is very sensitive matter. In Nagaland the Foreign Minister stayed for three days to defeat our candidate. He had two suitcase, full with money, with him. Now from Rs. 210 crore the amount has been reduced to Rs. 201 crore. Even then our candidate has won. My question is what is your thinking and where is your sensitivity? Along with it I will give one more figure to the whole House. Rs. 2022 crore were due on police last year and it is Rs. 2300 crore this year.

16.00 hrs.

Last year Rs. 16350 crore were allocated for defence while this year Rs. 17,500 crores have been allocated. It means it has got an increase of about seven per cent. The allocation of funds have been increased by about fourteen per cent for police departments. It means we are heading towards police raj slowly. I would not like to discuss the performance of that department because it is usually praised by many people. Nobody criticises it when it commits atrocities on people like us. I am only pointing to the fact that unless we reduce such expenditure and pay more attention toward development India cannot make progress.

I would like to seek a clarification which may be either be given by the hon. Minister or by Hon. Prime Minister. Government had made allocation of rupees 190 crores for the Law Ministry last year when elections were due to be held in the country. Last year elections were held to Lok Sabha and to Legislative Assemblies of many states like Uttar Pradesh, Assam and one state in South. Therefore there were valid reasons for allo-

cating huge funds last year. But this year, no elections are due to be held anywhere in the country, except the Presidential elections, even then Government has allocated Rs. 127 crores. On what basis this allocation has been made? Some people guessed that Government may be contemplating of holding Lok Sabha election in October-November this years. I would like to know the factual position.

[English]

SHRI MANMOHAN SINGH: Why are you afraid of that?

[Translation]

SHRI GEORGE FERNANDES: Why should we be afraid of that. We would had defeated the Government day before yesterday, if the other people had supported us. (Interruptions). We want to defeat the Government but what should we do.... (Interruptions)....

Mr. Deputy Speaker, Sir, while discussing the plan outlay and expenditure, I am constrained to submit this with anguish that Government have made discrimination in making allocations. I also know that whatever the Hon. Finance Minister wanted to do has got done through the Prime Minister and I do know that he is fully cautious to save his skin. Bihar has been allocated. 147% less plan expenditure than the previous year and Madhya Pradesh. 1.07% less. Though Government has stated that Uttar Pradesh would receive Rs. 751 crores for externally aided projects yet it is clear that its plan expenditure has been curtailed by 30.84% as compared to the last year. The Plan expenditure of Goa has been curtailed by 10.29%, of Andaman and Nicobar Islands by 30.74% and North Eastern Council by 12.61%. In this list of States I have read except two or three small states, everywhere non-congress Governments are in power. This issue is not political. I think you would explain and elaborate this point while answering the debate.

While raising this issue, I would request the hon. Minister that he should try consciously and deliberately to adopt a positive approach towards those states which have been maltreated and neglected during the last forty years. The hon. Minister is aware of the latest happening in the world scenario. It would not be fair to refer to the name of country like Russia etc. but I would like to draw your attentions to Yugoslavia. There the poor people did not revolt even in the wake of utter discrimination and regional imbalance. But the people who had received the maximum benefits of development and who belonged to elite class told the poor people to leave the country.

[English]

You are a drag on us. You please get out from the Union.

[Translation]

It disintegrated Yugoslavia. All such conditions are there in this country and in view of the tension through which we are passing, we should pay attention towards removing the regional imbalances.

You should take corrective measure to increase the plan expenditure of States like Uttar Pradesh, West Bengal, Andhra Pradesh, Bihar and Madhya Pradesh as you have made comparatively less allocation this year 4 to these states.

I have referred to the problem of unemployment in the context of less allocation of plan expenditure to some states. I would like to submit that Government has reduced the income of custom department. You have reduced the excise duty 20 per cent across the board. At the same time you have stated that even by reducing the excise duty per cent across the board Government revenue will increase by ten per cent. This is a complex mathematics. It means that import will increase by 37% so reduce the tax by twenty per cent which will even them result in increase in revenue by ten per cent. It is clear that Government wants to increase its

[English]

income by 10 per cent by increasing the import by 3.7%. This is an indirect attack on the industries of this country. The factories would be closed. You want to close down the industries even without their knowledge. Many members of the House would not be able trace the reasons of closure of industries in India but Government has made all the arrangements for the closure of industries. The hon. Minister can well imagine the increase in the unemployment as a consequence of the this decisions.

Mr. Deputy Speaker, Sir, I would also like to draw your attention towards the problems faced by what is normally called an informal sector. In September Government has made an announcement that foreign companies can make 100% investment in fishing in the coastal areas of India. N.R.Is. are a very dangerous category of people. Though, I would not like to discuss it in detail, still it is evident that Government had allowed the people of this category to make cent per cent investment at their own or in collaboration with any foreign company and then export the entire catch. Has Government imagined the plight of the families of 50 lakh fishermen living on the coastal areas of the country in 1948 villages? They would be rendered jobless. What would be the fate of poor wavers and poor people and the informal sector? Then comes the problem of agitation to be launched by bank-employees. They are going on strike from 27th of this month.

Mr. Deputy Speaker, Sir, hon. Minister has stated many things in respect of the bank employees in this House. How these employees be have in banks is a different issue, but Narsimha Committee Constituted by Government has made some recommendations. I would like to submit that Government is trying to seal the future of public sector banks in the country. I am stating this after studying an office memorandum of Department of Public Enterprises dated their January.

This is an Office Memorandum dated 3rd January, 1992 of the Department of Public Enterprises on banking arrangements of Central Government Public Enterprises. I quote:

"Reference is invited to this Office O.M. No. BPE/86/Adv(F)/72 dated 7.5.1973 and O.M. No. BPE/1 (24)/87- Fin (PPU) dated 10.4.1987 on the subject cited (copy enclosed). The extant policy that public sector enterprises should have banking arrangements only with public sector banks has since been reviewed and it has now been decided that Central public sector enterprises can undertake normal banking transactions with any bank of their choice including foreign/private sector banks".

[Translation]

Discussions are still going on as to which banks would survive. People, Union all are discussing this question. Government is negotiating with them. We are also asking this question here in this House and Government has issued this office Memorandum on Third January. An amount of ten thousand crores of rupees of Public Enterprises is involved in it.

[English]

They will all take their money out of public sector banks and, obviously, put that money outside.

(Interruptions)

SHRI MANMOHAN SINGH: But, I think, the efficiency improves. (Interruptions)

[Translation]

SHRI GEORGE FERNANDES: We are aware of these things. But you know human nature more than us. You know very well the

style of working and nature of public sector officer. Rupees forty lakh crores of this country are remitted to other countries through Hawala transactions. They have a turn over of Rs. one lakh crores. The working of foreign banks is also very well known to all of us... (Interruptions) This means you have planned to block the progress of banks in this country. You have attacked these institutions. Banks would be ruined and two hundred and sixty five public sector undertakings now do not need to keep their money with these banks.

[English]

You can withdraw all your money you have. You can have all your future transactions with the foreign banks and Indian private sector banks.

[Translation]

What is going to be the result of this? 9 lakh workers belonging to public sector banks will be unemployed in the next two years. Where will they find employment? In the railways, it has already happened. Since last year there has been a long discussion on the exit policy but no decision has yet been taken in this regard. I just came to know why it is not being done. There is only one reason for not taking any final decision in this regard and that reason is that the Americans are not in favour of termination benefits i.e. gratuity, provident fund etc. They say that:

[English]

We do not recognise all these things.

[Translation]

They want an exist policy according to the Americans. They shall take work from them and give them adequate compensation for that work and on the day when they will decide to leave India, they shall pay a lumpsom amount to the employees and will throw them out of the job. That period may be a month or 6 months.

[English]

This is the exist policy the Americans want.

[Translation]

On this issue our Government is in a fix and is unable to decide anything finally. As the foreign companies are putting pressure on us on various issue in the same way they are trying to put pressure in this case also.

Last year, we raised an issue about the private automobile sector. I would like to raise that issue. I am not concerned as to who uses the car. You may have a Suzuki car, a Fiat car or an Ambassador car. In Hindustan motors, in Calcutta, two and a half thousand workers are on the roads. In Bombay, in Premier Automobiles, two thousand workers are on the streets. Under the so called Golden Handshake scheme these workers have been thrown out of jobs and many are out to go. I am not prepared to accept it as Golden. The word golden has been misused here.

Last year we had raised this issue and said that was the question of employment of 5-6 lakh people. It is such a field as involves the dealers, the manufactures of cars, car drivers and other ancillaries. Today, whole sector is in total depression. In this year also you did not think of this Sector. I had hoped that in your budget you would do something about this, but you did nothing in this respect.

The Government is of the firm opinion that whatever policies, it has adopted, it would not go back from these policies. I would like to ask one question from the hon'ble Minister. That he repeatedly alleges the V.P. Singh Government and the Chandrasekhkar Government for this poor state of affairs prevailing in the country and that is why we had to adopt these policies. On the other had, the Government says that it would not abandon the policies what it has adopted. It is just a contradictory statement. I would like to know from the hon. Minister when he speaks from non political platform he speaks

rightly but when he speaks from a political platform, he behaves in such a manner as the Congress people behave.

(Interruptions)

[English]

SHRI SOMNATH CHATTERJEE  
(Bolpur): Congressman with a vengeance.

SHRI GEORGE FERNANDES: You can't have it both ways.

[Translation]

You should decide once and for all whether the policies are all sound or not. Today I would like to ask who is responsible for this sorry state of affairs. I would like to point out that in 1979-80 the outstanding debts and other interest bearing liabilities of the Government of India were worth Rs. 50,215 crores and exactly after 10 years, in 1988-89 Shrimati Indira Gandhi and her son had raised it to the tune of Rs. 2,68,193 crore. Is that not true? Secondly, your Governments were taking foreign loans but when we took loans in 1979-80 to set up capital assets, then why was it wrong. But since 1980-81, you started taking loans to make good the revenue expenditure. In this way you suffered losses and today this loan amount of foreign as well as internal loans which have been put into revenue expenditure to this height of Rs. 1 lakh, six thousand, and fifty nine crores. Is this not true?

When the Government took loans in 1981-82, the rate of interest on these loans were 6 to 8 per cent but now this rate has gone upto 10.75 to 12% thus increasing the loan burden on the country. I would like to ask the hon. Finance Minister whether it is true or not that while in 1981, there was a loan burden of 16 billion U.S. dollars on India in 1986, leaving aside the N.R.I. deposits the loan amount on this nation has gone upto 39.7 billion dollars. When Smt. Indira Gandhi again became the Prime Minister in 1980,

the policy of import liberalization was adopted and Suzuki Cars, Colour T.V.S. etc. were used to be imported. Asian Games and also the five star hotels in Delhi added fuel to the fire. The loans from foreign private Banks were being taken to purchase all these things,

[English]

not from the World Bank, not from any of the bilateral agencies and not from the Government.

[Translation]

Did all these things not compel us into a state of helplessness? You allege that all this happened because of the previous Governments. On of our previous Prime Minister is sitting here the second P.M. — Shri V.P. Singh is not here at the moment. You allege that these people have spoiled everything. This is part one of your Economic Survey which was presented here 15 days back. I would request you to read page No. 4

[English]

Under the heading 'The Payments Crisis' — Developments in 1990-91, it says:

'The immediate cause of the loss of reserves beginning in September, 1990 was a sharp rise in the imports of oil and refined products (POL). From an average of Rs. 499 crore (\$ 287 million) per month in June-August, 1990, POL imports rose sharply to Rs. 1221 crore (\$ 671 million) per month in the following six months. There was a sharp rise in world oil prices on the annexation of Kuwait, and spot purchases made to prevent the emergence of shortages in the domestic market were very costly. The rise in the cost of POL imports more than accounted for the rise in the trade deficit from an average of Rs. 619 crore (\$ 356 million) per month in June-August, 1990 to Rs. 1229



crore (\$ 677 million) per month in the following six months. The effect of the rise in oil prices was aggravated by the events that followed. Indian workers employed in Kuwait had to be airlifted back to India, and their remittances ceased to flow in. Further, the consequent UN trade embargo on Iraq led to the cessation of exports to Iraq and Kuwait. The loss of exports to West Asia is estimated to have been about Rs. 500 crore (\$ 280 millions)."

[Translation]

You allege that such and such Government wasted so much money but in this you have not been able to substantiate it. This plea was being taken right from the very first day. But after laying it on the Table of the House, there should be no further discussion. They should go through it because without reading it they would not be able to know the reality. I am not bothered as to which Government remains and which goes. The Government may change even tomorrow and I would even try for that. But if the people who run the Government would not try to talk on the basis of facts and if they talk on the basis of their political motives, political frenzy and policies, it would be virtually impossible to solve our problems and development of the country. If every worker of your party follows the Prime Minister and goes on making wrong statements, it won't improve the situation in any way.

The Government is talking of global integration global integration with whom? There are seven big nations in the World—America, Japan, Germany, Russia, France, Britain and Italy. The production of these seven big nations is more than 75 per cent of the total production in the World. Population wise there are 12 smaller nations, but these are affluent countries whose production last year was 12.5 per cent of the World's total production. 7 big and 12 small but rich countries; these 19 countries produced 88 per cent of World's total production. The

population of these nations is 16 per cent of the world population and Indian population alone is 16 per cent. Last year, our share in the total production in the World was 0.8 per cent. This shows the poverty of our country.

The per capita income in India is nearly Rs. 4000/-, in America it is Rs. 6.5 lakh, in Japan and Switzerland it is Rs. 5.5 lakh and it is Rs. 6 lakh to Rs. 7 lakh in England & Japan. I do not understand what kind of integration you are going to make? Even then your words contain some truth and that truth is that 3% of the people are such including some members of the House who shout every morning that they are speaking in defence of Public Sector. The people who stand there say that public sector may be closed, and private sector may be encouraged. Some people are in this House, some are in the Government, some are industrialists and big businessmen, cine people, smugglers all kinds of people. We have definitely 3% population in our country whose economy can be integrated with the World economy. What else can be integrated? You say in your speech, I quote from Page 7.

[English]

"Indian industry has come of age and is now ready to enter a phase where it can both compete with foreign investment, compete with it and also cooperate with it".

[Translation]

Do you really believe it? The only Public Sector undertaking is BHEL of which we can be proud of and it has brought out some shares in the market. Its last years business market. Its last years business production was to the tune of Rs. 3500 crores. B.H.E.L. has collaboration with Kraftwood Union of Germany and Cement Engineering. The output of these two companies last year was Rs. 35,000 crore and the expenditure on research and development was Rs. 3500 crore. The pride of India's public Sector Undertakings whose expenditure on research and development is Rs. 3500 crore, and they



[Sh. George Fernandes]

invest more money on research and development in one year. I do not mean that the money invested by them on research & development is more than your production. I do not say all this with some pride. I am saying so with a heavy heart. Why should we continue with bad practices? We should understand the condition of the people and the problems of our country? Why should we act according to the dictates of America. So we would like that the hon. Minister should consider all these problems somewhat seriously.

I have some differences with the Government. Very recently the Government got a loan of Rs. 11 thousand crores which was given a wide publicity, so much so that so soon as the hon. Minister gets up there are loud cheers from all sides on the loan of Rs. 11 thousand 400 crores which is increasing. Wherefrom has this money come, please let the House also know about this. You may disclose it just now or tomorrow or even in the reply itself. Or let me tell you. I have got your trade figures from April to December. The country is facing a deficit of Rs. 4000 crore.

[English]

This is for April to December. I do not have the figures for the last tow months.

[Translation]

Today you have got foreign exchange selerves of 4 billion, 400 million dollars, now 500 million dollars, whereas your trade balance is showing a deficit of 4000 crores. Wherefrom does this money come. I will give you a brief information. One, there are two bonds from NRIs just to convert black money into white.

[English]

India Development Bonds gave you 1 1/2 billion dollars and remittances in foreign exchange immunisation scheme gave you 800

dollars. You got 2.3 billion on account of these two considerations.

Then you got 629 million under the CCF facility in September, 1991.

You got 117 million in November, 1991.

You got 265 million in January, 1992.

Together, you got a little over a thousand and 21 million.

SHRI MANMOHAN SINGH: When your Party was in power, the money from this country was going out. I have been able to bring some of this money back to our country (*Interruptions*) Mr. George Fernandes, when your Party was in power, you borrowed gold from the IMF and all this money was gone. I do admit I have borrowed. I have used all borrowings not for current consumption but to add to the country's reserves.

[Translation]

SHRI GEORGE FERNANDES: Mr. Deputy Speaker, Sir, I am pleased to note that the hon. Finance Minister has made a mention of our Government. In fact, I was waiting for it, because I am going to expose it as well. It is your Economic Survey, which has shown that how the foreign exchange reserves were exhausted. In this, you have mentioned on page 76:-

It is Economic Survey for 1991-92 which was presented here last week by the hon. Finance Minister. p. 76.

SHRI SOMNATH CHATTERJEE: He is the author of this book.

SHRI GEORGE FERNANDES: I would not blame him for that. I would not blame him for the advice he has given to Shri Chandra Shekharji. I would not blame him for many other things. I will take him as a politician.

SHRI SOMNATH CHATTERJEE: You also do not blame him for becoming a politician!

SHRI GEORGE FERNANDES: I will take him as a politician. Non-Resident Deposits. Table 5.10.

[Translation]

Mr. Deputy Speaker, Sir, the present Government was formed in June last, i.e., 8-10 months back and it was said that NRIs have left and they have taken their wealth along with them.

[English]

Mr. Finance Minister, do you want me to give the figures in dollars? I can give them.

During 1988-89, the total outstanding at the end of the year in the deposit accounts of the non-resident Indians was 9.05 billion US dollars.

During 1989 October my Party come to power.

During 1989-90, the amount went up to 10 billion 26 million dollars.

In 1990 August, we started our way out and on 7th November, we went out.

In 1990-91, the amount went up from 10.36 billion dollars to 10.58 billion dollars.

During 1991-92 up to 9th December, the amount came down to 8.5 billion US dollars.

SHRI MANMOHAN SINGH: This is what I was saying. It does not involve arrears problem.

SHRI GEORGE FERNANDES: You have an explanation for everything. I know!

SHRI DIGVJAYA SINGH (Rajgarh): This is exactly what he has said. (Interruptions).

SHRI GEORGE FERNANDES: It is a trap that is laid for himself. It is not a trap that I laid for him. When there is any discussion

about loans, I certainly believe the country and the House should feel concerned. I would like to draw your attention towards this problem. We began taking loans from foreign countries. Will the hon. Finance Minister deny that -

[English]

In the last nine months, you have made this country more indebted than it was the day you took over. You cannot deny that. If you deny, I will move a motion of privilege before I conclude my speech!

[Translation]

What are we doing then. The country should be alert about the trap. You may look into this year's Budget Papers.

[English]

Total overseas borrowings, loans. This is the current year's Budget. I am not holding it against you, Mr. Finance Minister.

[Translation]

I am taking of the situation existing in the country. Rs. 8613 crores in foreign currency as loans.

[English]

Cash Grants - Rs. 802 crores; Commodity Grants and Assistance - Rs. 63 crores; Total foreign assistance/overseas borrowings, not assistance Rs. 9479 crores; Please note this. Repayments amount to Rs. 3886 crores - Principle on account of loans; Special Credit, Repayment, Principle comes to Rs. 218 crores; total repayment is Rs. 4105 crores. Net of repayment, what do you get? It is 5374 crores; Interest on loan - 2916 crores; It is interest of overseas loan; interest on Special Credit is 16.87 crores; total outflow is Rs. 2932 crores. Out of a total overseas borrowing, foreign borrowing of Rs. 9479 crores what you are left with is only Rs. 2441 crores. This is what is known as the debt trap.

Gen. Discussion; Dem. for Grts.  
on Account (Gen.), 1992-93; and

[Sh. George Fernandes]

[Translation]

Mr. Deputy Speaker, Sir, we are seeking loans from foreign countries but we have to repay the loans we got earlier along with interest. Our foreign debt has increased from Rs. 1410 crores to Rs. 11,000 crores to Rs. 15,000 crores. We are taking loans to repay loans taken earlier. We are taking loans to pay interest on the loans earlier. We actually received Rs. 2400 crores out of the loan of Rs. 9600 crores. We must understand the gravity of the situation. This situation has been brought about by the I.M.F., U.S.A and other capitalist countries of the world. The hon. Finance Minister knows this though he may not admit it in the present political conditions. I shall read out a couple of statements made by an American lady called Cheryl Payer so that the House realises the seriousness of the matter. Sir, Cheryl Payer has written that... *(Interruptions)*

SHRI RAM NAIK: Please tell us who she is....

*(Interruptions)*

SHRI GEORGE FERNANDES: Cheryl Payer is an American lady who analyses and comments on the I.M.F.'s policies vis-a-vis India, Africa and other poor nations so as to forewarn the latter. Please listen to what she has to say.

[English]

Cheryl Payer writes this in end of 1986 and she says:

"I see a very patient, very long-term campaign on the part of the IMF and the World Bank to open the Indian market to Western Exports, western technology, and Western private investment whether or not these were needed by India. The successes of this campaign have been scored mainly since the first

accession to power of Indira Gandhi, and they have accelerated in recent years, but the successes have come very slowly despite the long dependence of India on concessional sources of aid".

[Translation]

And these after, I beg your pardon,

[English]

"Thus the accession scenario of 1981 is being repeated. The World Bank is now using yawning trade deficits, which were created by import liberalisation pushed by itself and the IMF, as the justification for insisting on more of the same". and in the end she says, and it would be better if the hon. Finance Minister puts this up in his office.

[English]

Cheryl Payer asked:

"So what is to happen to India? As before, India is not yet in a crisis – but it is much closer to one than it was in 1981. As before, the crisis, as seen from the Fund and the Bank, is that the scary trade deficit".... which is what we were got locked up in the last 10 years ..." will prompt India to put the brakes on the liberalization programme. Thanks to the changes wrought under IMF and World Bank conditionality, that will not be so easy now as it would have been six years ago. Billions have been spent – borrowed billions. The wealthier classes of India have become accustomed to imported consumer goods just as many of their industries are now dependent on imported inputs and technology. So when the crisis comes – as it will, barring some unforeseen renaissance of exports – the government will have no room left to manoeuvre".

You used that phrase in your first Budget speech.

[Translation]

Cheryl Payer had given a warning. So had Ranjit Sahu.

[English]

You warned yourself as the Secretary-General of South Commission.

[Translation]

You warned yourself in 1987-88. Shri, the hon. Finance Minister should not have referred to the East India Company in the Budget. We are all fighting to become self-sufficient and create employment opportunities. There was no need to have hurt our sentiments. Do you think that while people have really changed? I don't think so. If Mahatma Gandhi, Subhash Chandra Bose or Bhagat Singh had not sacrificed themselves, then what would have happened? Didn't those people hang Bhagat Singh, do the Jalianwala Bagh massacre was not committed by them and did they not imprison lakhs of people in Jail, all to prevent our country from becoming free. If the Hitler had not started the World War and while-skinned people had not fought among themselves, would they have quitted India easily. Doesn't a patriot like the hon. Finance Minister realise that the prevailing situation forced them to leave India. Can those who dominated us for 300 years become saints now? (Interruptions)

[English]

SHRIMANHOMAN SINGH: I never said that.

[Translation]

SHRI GEORGE FERNANDES: I want to emphasise that those people have not changed. They have thrown away their gunboats and are using the I.M.F., World Bank and GATT to dominate us and tell us how to run our own country. Several hon. Members in this House have spoken about 'Dunkel', Latin America, China and African

countries. But I would like to talk about Britain. Britain had taken a loan from the I.M.F. Do you know what would have been the plight of Britain if the North Sea Oil had not been discovered there. Do you know what is happening in France these days? Lapender Fascist gave a slogan asking the coloured people to leave the country as their youth were unemployed. There was 13% polling yesterday and the ruling party has received votes from 20% to 18%. But let us take the example of America. President Bush left America for 10 days as a salesman. When he got nothing from Japan, he fainted at the dinner table.

[English]

He went as a salesman. Before leaving America, before leaving the shores of America, the President said, "I am going in search of jobs, jobs and jobs for the young people of America for the workers of America." The President was going as a salesman for jobs to American products to Japan and to Australia so that the unemployed Americans could get jobs in their factories.

[Translation]

America is telling us how to run our own country. I tell you U.S.A is the country of Carla Hills who comes here and threatens us.

[Translation]

And our people, who went to welcome her and I don't know which Minister had gone there but literally a red carpet welcome was given to her.

She abused us and called us and this country a liar and a thief. All this was said by that lady. You are aware of their problem I have the Fortune newspaper of America with me which represents the American capitalists. It is dated 6th April. The hon. Finance Minister might also have seen it. I can give it to him, if he has not seen it. It says:

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[English]

"9.2 million are unemployed in America today. This does not include part-time workers. 11% of American work-force is unemployed in the first quarter of this year".

Further it says:

"Excluding Government and health, more than half a million service jobs have disappeared since the middle of 1990. Managers and professionals out of work as in February 1992 totalled nearly one million up more than three hundred thousand since the economy peaked".

FURTHER IT SAYS:

"Number fired in February alone jumped by a near record of 541 thousand."

In the same issue of *Fortune* it says:

"In 1991 America's rail-roads carried 30% more traffic than in 1982 with 46% fewer employees".

[Translation]

It is suggesting us to go far privatisation and you are going to do it.

[English]

Sir, in Banking, in 1991, 25 top banks eliminated 44 thousand jobs. Twice as many jobs would be reduced this years, that is another 88 thousand jobs. So, in a period of two years - 1991 and 1992 - the American banking sector will lose a 132 thousand jobs. It is there in Pages 52 and 53 of April 6, *Fortune*.

I will now come to the banking, banking

perse. In 1991, 127 banks folded up. They went bankrupt. In 1992, *Fortune* forecasts, the Government forecasts that 200 banks will fold up. Another 1100 are under observation not by BIFR, but they have their Federal Deposit Insurance Corporation, FDIC. The FDIC says and I am quoting FDIC as quoted in *Fortune*:

"Last year the list of problems banks grew up by 50% and the total assets that are now under attack when the banks fold up, when these banks ultimately fall sick, are 613 billion US dollars" which is tow and a half times the GNP of India.

[Translation]

Rs. 18 lakh 39 thousand crores are looked in these banks which are going to fall sic.

SHRI MANMOHAN SINGH: It is a lesson for us that our banks must not fall into that.

SHRI GEORGE FERNANDES: This is the American private sector.

[Translation]

Those who suggest us as to how we should run our country are going to lose Rs. 18 lakh 39 thousand crores in two years.

[English]

The total assets of the banks that failed in 1991 in America is 64 billion US dollars, Rs. 192 thousand crore. The banks which are going the fail in the current years, 1992, is a hundred billion dollars, 3 lakh crore rupees.

I will now come to the bankruptcies in America. This is the *London Economist* which you read everyday. This is not the Socialist Bible, this is the Capitalist Bible. This is the Economist of 14th March. There is a whole page in front. Bankruptcy rules the matter. The assets at stake in America's ten

biggest bankruptcies last years were worth more than 50 billion US dollars.

[Translation]

Top ten companies have become bankrupt.

[English]

If you take all the companies, small units included, that went bankrupt last years in America.

[Translation]

Assists worth Rs. 5 lakh crore were lost. Now these Americans are preaching us how to run our country.

Mr. Deputy Speaker, Sir, before concluding, I would like to submit about the view point of America regarding our country. This is the Economist of 27th March. It states:

[English]

"... in New York city doctors estimate that there were almost 5,000 new cases of Tuberculosis last year, 35 per cent more than in 1990 and about 300 deaths. More than one in six of America's TB sufferers is in New York City." "

.... The HIV virus, that is AIDS virus and growing poverty, homelessness and drug abuse all make people more vulnerable. The disease has been incubated in the city's overcrowded prisons, hospital wards and shelters. Two out of three sufferers are young blacks and Hispanics.

Unfortunately, although TB in New York has now returned to the scale of the 1960s, the City's health services have not. Clinics, X-ray vans, doctors trained to diagnose TB and new drugs vans, doctors trained to diagnose TB and new drugs to treat it are all thinner on the ground than

30 years ago. Sanatoria and isolation beds have been closed. The money that was to have been spent on long-term out-patient treatment has been diverted elsewhere, or has been cut in the City's recurring fiscal crises."

This is what you are doing.

(Interruptions)

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): If we finance your way, this is precisely what will happen. (Interruptions)

SHRI GEORGE FERNANDES: This is what has happened in American capitalism. This is what is American capitalism. (Interruptions)

SHRI MANI SHANKAR AIYAR (Mayiladuturai): Let him talk about us, let him talk about this economy. They reduced the Indian economy to the.... (Interruptions)

[Translation]

SHRI GEORGE FERNANDES: Mr. Deputy Speaker, Sir, I will just conclude. Shri Aiyar, you are not the Ambassador of America. Why are you talking in that tone? I will conclude after asking only 3-4 questions from the hon. Minister. (Interruptions)

[English]

SHRI E AHAMED (Manjeri): American capitalism has also gone down like that of Russian.

SHRI GEORGE FERNANDES: So as Indian capitalism.

SHRI E AHAMED: You may please enlighten us as to which will be the best economic policy in the light of these two policies.

SHRI GEORGE FERNANDES: A decentralised economic order, where the people

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of Alipore-Narela may take their own decision, so that 40 Kms away from this Parliament — they do not have to come begging every day. (Interruptions)

SHRI MANI SHANKAR AIYAR: Then, why did you reject the right of the people of this country to exercise their own power? (Interruptions)

[Translation]

SHRI GEORGE FERNANDES: I have no intention to fight with you, Let me finish. My last sentence is ....

[English]

Sir, I have a few requests to the Finance Minister. (Interruptions)

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): I am on a point of order. (Interruptions)

SHRI GEORGE FERNANDES: Let me complete. Literally, I am on my last point. I have three requests to make to the Finance Minister. (Interruptions)

[Translation]

SHRI GEORGE FERNANDES: I have three requests to make. I have given a demand letter on behalf of the All India Swayam Sevi Samaj. The possible steps should be taken to solve their problems. They have problems regarding school, playground, dispensary, community hall, cremation ground and toilets.

Secondly, you have played a trick in the matter of income-tax. All the income tax benefit schemes — 80L, 80CC, 80CCB — have been withdrawn and no relief has been given to the middle class. Instead the rich have got the relief in tax. But you have made

life miserable for our middle-class the advocates, the office superintendents etc., who earn rupees eight to ten thousand, per mensem. I would not like to argue about the income tax, limit that you have fixed at Rs. 28,000 but certainly I would demand the restoration of the deductions, which have been done away with.

You have put a burden of Rs. 1400 on the shopkeepers, became you are not acquainted with their problems. I am the chairperson of their organisation. I am the President of the Beedi and Tobacco Shopkeepers' Association of Bombay. I am aware of their miserable condition. They have their houses, in the backside of their shops. After paying the house rent and the salaries of the employees, instalment of loans taken from banks, the shopkeepers are left with nothing. You said that those having an income of rupees five lakhs or three lakhs.... (Interruptions).... Yes, electricity, water, salaries of the employees etc., what is left with him, even if he has a turn over of rupees three or five lakhs? This voluntary schemes etc. won't work, The Government cannot function with voluntary contributions. The Government should withdraw this scheme.

[English]

SHRI CHIRANJI LAL SHARMA (Karnal): They are the happiest class.

[Translation]

SHRI GEORGE FERNANDES: Okay, we take a salary of Rs. 1500 and evade tax, by taking Rs. 10-12,000 in the form of allowances, we have no qualms about criticising others.

[English]

Then, why don't we take our entire salary and pay tax on that? Why are we so unhappy?

[Translation]

We are in no position to give sermons.



We should not create problems for these small shopkeepers. Earlier, we had done the same to Taxi-drivers and now the shopkeepers are going to face the same problems. We would not like this injustice to be done to the shopkeepers. I would like to ask the hon. Minister, three or four questions, to which I expect satisfactory answers.

First of all, you have made a reference to the Golden handshake scheme. Where is the money to implement that scheme? If one lakh people are to be paid, one lakh rupees each, then we would require rupees one thousand crores. You have introduced safety net, National Renewal Fund etc., but there is no provision in your Budget to fund this Golden handshake scheme.

There is no provision for Dearness Allowance for the employees, in this Budget. In the present as well as the previous Budgets, the Government did not make any provision for payment of D.A. What will happen to the employees? Consequent to rise in prices, there would be a demand for Dearness Allowance, from where will you bring the requisite money, then? Is the I.M.F. aware that in order to show the world, the reduction in our fiscal deficit, the Government has made no provision for D.A. or the Golden handshake scheme in the Budget? Both the I.M.F and the World Bank have their offices in India. Are they not aware of these facts? They have a permanent office here. They are very clever people. I am sure they are aware of it and they are waiting for this moment. Doesn't this means, that efforts are being made to enslave us again? Willy-nilly, deliberately or unknowingly, is not your Budget taking India into troubled waters? Therefore, we would like to get answers to these questions and because we are well aware of the answers, we vehemently oppose this Budget and expect the House to do the same.

## ANNOUNCEMENT BY DEPUTY SPEAKER

[English]

MR. DEPUTY SPEAKER: I have to inform the House that at the meeting of Leaders followed by Business Advisory Committee meeting held today, it was decided that the House might sit beyond 8 P.M. today to enable the Members to participate in the combined debate on General discussion on the Budget (General) for 1992-93, Supplementary Demands for Grants for 1991-92 and Demands for Grants for Vote on Account (General) for 1992-93.

The Finance Minister might reply to the combined debate at 6 P.M. on Thursday, the 26th March, 1992. Thereafter, connected Appropriation Bills might be taken up for consideration and disposed of on the same day.

I hope the House agrees.

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16.55 hrs.

GENERAL BUDGET, 1992-93—GENERAL  
DISCUSSION—*CONTD*

DEMANDS FOR GRANTS ON ACCOUNT  
(GENERAL) 1992-93—*CONTD*

AND

SUPPLEMENTARY DEMANDS FOR  
GRANTS (GENERAL) "1992-93—  
*CONTD.*

[Translation]

SHRI CHANDRA SHEKHAR (Ballia): Mr. Deputy Speaker, Sir, I would not like to vehemently oppose this Budget, but express my displeasure and pain. I would like to congratulate Shri George Fernandes for articulately presenting the facts and it won't be wrong if I say that the manner in which he has presented a clear picture of the country's