

SHRI RAM NAIK (Bombay-North): Mr. Speaker, Sir, in the morning you have said that we can have a Calling Attention Motion. We should have a separate Calling Attention Motion on the flood situation in Maharashtra.

MR. SPEAKER: In the Calling Attention only four Members can ask clarifications. We are having a discussion on the drought and flood situation under rule 193 and when we are discussing under rule 193, many Members can speak.

Now, the House stands adjourned for Lunch to meet at 2.30 p.m. today.

13.31 hrs.

The Lok Sabha then adjourned for Lunch till Thirty minutes past Fourteen of the Clock.

14.35 hrs.

The Lok Sabha re-assembled after Lunch at Thirty five minutes past Fourteen of the Clock.

[**SHRIMATI MALINI BHATTACHARYA** in the Chair]

**GENERAL BUDGET, 1991-92—
GENERAL DISCUSSION—Contd.**

[*English*]

MR. CHAIRMAN: Now the House will take up further discussion on the General Budget. Shri Sukh Ram to continue.

[*Translation*]

SHRI SUKH RAM (Mandi): Madam Chairman, yesterday I had referred to the Public Sector in my speech and later on Shri Nirmal Kanti Chatterjee delivered a long and exhaustive speech on the subject, which lasted for more than one hour. He seems to be an academician and Shri Manmohan Singh will reply to the views

he had expressed regarding the public and Private sectors. I would like to say only this much that so far about 99 lakh crore Rupees have been invested in the Public sector and the income it contributes towards the Public exchequer is Rupees 2,502 crore. The Government on its part patronised the Public Sector and provided it with all incentives to forge ahead and the Public Sector too played a vital role in increasing the productivity and in taking the country forward. However, today the need of the hour is to make the Public Sector more efficient and the proposal to offload an equity of Rupees 2,500 crore should be viewed as an endeavour to bring about more efficiency in the Public Sector, rather than an attempt to do away with the Public sector. Therefore, I wholeheartedly support the proposals made by the hon. Minister of Finance in this regard. Now, somebody mentioned here that this Government doesn't protect the interests of the workers. The Government took over about 102 sick textile units and formed the National Textiles Corporation (N.T.C.) to protect the interests of the workers and the Government is operating these units, unmindful of the fact that even today these units are suffering heavy losses. Therefore, it is wrong to say that the Government is not concerned about the interests of the workers. It was also mentioned here that the hon. Minister of Finance made a reference to the Congress election manifesto, during the course of his Budget speech. I would like to remind here that the hon. Minister of Finance belongs to the Congress Party and for us the Manifesto is of great significance. Our approach is different from that of the Bhartiya Janata Party, which preaches something in its manifesto and practices something else. In their last election Manifesto, the Bharatiya Janata Party had stated that it stood for the implementation of the recommendations of the Mandal Commission. Now, the B.J.P. Government in Himachal Pradesh is not opposed to the recommendations made by the Mandal Commission, but at the national level, the party has approached the Supreme

Court to strike down the report and declare it unconstitutional. Unlike the people in the B.J.P., we, at the Congress Party look upon the Manifesto, as Hindus look upon the Gita, the Muslims look upon the Holy Koran and the Christians look upon the Holy Bible. We consider it sacred, because it is through the Manifesto that we seek the confidence of the masses and therefore, it is our endeavour to fulfil the promises made in it and we shall continue to make efforts in this direction.

I would also like to give some suggestions to the hon. Minister of Finance and to this Government. Regarding the cut in the fertilizers subsidy, hon. Members, cutting across party lines have expressed their concern about it and are of the opinion that the 40 per cent price hike is excessive although it is an indisputable fact that fertilizers prices have remained stagnant since 1981, even though the cost of production has increased manifold. However, hon. Members, belonging to the ruling Congress party and others have unanimously expressed their concern over the sudden increase of prices by a staggering 40 per cent. A suggestion was made in the House that the farmers should be compensated for this price-rise, by increasing the procurement prices. In this regard, I would like to make a humble submission that only 25 per cent of the total number of farmers produce marketable surplus, the rest 75 per cent who are mostly small and marginal farmers have small holdings of half or one and a half acres and are not in a position to produce enough to sustain themselves. What's more, some of them have to make purchases from the market also. Thus, if you increase the procurement prices to compensate for the 40 per cent hike in fertilizers prices, then I am sorry to say, that it would only benefit the affluent farmers, who constitute a mere 25 per cent of the farming community. Therefore, any increase in the procurement price would automatically lead to a price-rise, which in turn would prove to be a burden on 75 per

cent of the farmers, and only 25 per cent farmers would benefit from it.

On page 15 of the Budget document ways and means to compensate the farmers for the hike in fertilizer prices have been outlined....

[English]

"The credit structure would be strengthened to ensure adequate availability of credit particularly to the small and marginal farmers....."

[Translation]

Even if credit facility is given to farmers, they will have to repay the amount and this will entail an additional burden. Therefore I request the Government not to resort to a sudden increase of 40% in the price of fertilizer. Considering the state of the economy and the increasing cost of production, an increase in prices cannot be avoided. So, I suggest that the recent increase be brought down and prices be increased gradually so that people are able to adjust to the change.

Sir, secondly I would like to say something about hills in India. I hail from the hilly region of Himachal Pradesh. Today, the country cannot progress without energy and the electricity is the most potential source of energy but attention is not being paid to electricity. Unfortunately, the present day planners and advisors talk of thermal power because its gestation period is less. It can become operational in 4-5 years but the tremendous potential of hydel power is not being realised. Hydel power is being given priority in foreign countries. Previously the ratio of hydel power to thermal power in our country was 40-60 but today that ratio has come down to 29-71. I request the Government to remove this imbalance between hydel power and thermal power when the Eighth Five Year Plan is given final shape. This is a renewable resource, pollution-free and cheap and it should be exploited. Last

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year a provision of Rs. 4613 crore was made for this purpose and this year a provision of Rs. 4869 crore. An increase of just Rs. 256 crore. Funds should be released for the ongoing projects in the Eighth Five Year Plan. Priority should be given to increase the capacity of hydel power and thermal power. I understand that new projects will not be taken up. Hydel Projects are the cheapest. The Bhakra Dam was completed in 1962 at a cost of Rs. 200 crore. Currently the annual income from Bhakra Dam is Rs. 200 crore. When the dam became operational the cost of production was 0.02½ paise per unit and now the cost of production is 0.05 paise per unit. Which type of electricity is available in our country at 0.05 paise per unit? Electricity generated from hydel energy is available at this rate whether it is generated in eastern hills or in western hills. Resources to the tune of 30,000 MW capacity in Himachal Pradesh have been identified and large number of smaller resources have not been identified. The State of Himachal Pradesh alone can meet the requirements of entire north India.

As to the point regarding the gestation period present-day technology has proved that the gestation period and costs are lesser than before. I am aware of the economic constraints under which the Finance Minister will find it difficult to sanction funds of this magnitude. It was bold on the part of the Finance Minister to have formulated a housing scheme to attract unaccounted money. The scheme for the Housing Finance Bank should be extended to cover the Power Finance Corporation. Let the Government invest 40% of the capital and the remaining 60% by investors in the form of equity shares. If need be, the Power Finance Corporation may be converted into a bank that can perform the task of appraisal as well as financing of power projects.

In this way if we invest Rs. 10-12 crore, we can solve the power crisis which has adversely affected the progress of the agricultural and industrial sectors. The hilly areas are our greatest resource.

Madam, people belonging to hilly areas are self-respecting, hard-working and honest even though they may be poor. Nowhere in India will you find a person belonging to hilly areas who is a beggar. We do not want to be treated as a special category state and become a burden on the Central Government. Nature has endowed the hilly areas with many resources which should be exploited for the country's benefit.

Secondly, tourism is the largest foreign exchange earner in the State. I congratulate the hon. Finance Minister for having withdrawn the expenditure tax in respect of new hotels and also for waiving income-tax upto 50%. But setting up hotels is not enough for tourism. When I was Planning Minister I had launched a programme for the preparation of a master plan for tourism in Himachal Pradesh and Goa. It made a little progress and then it came to a standstill. I request the Government to prepare a master plan and build an infrastructure for roads electricity and water in the State. Lack of roads has made many beautiful areas inaccessible to people. The unaccounted money can be employed for this purpose which can assure good returns. I have heard that the B.J.P. Government has issued licenses for four cement plants. I have asked the authorities to take a look at the state of the hills in Dehradun and Mussoorie. Cement plants can be set up in Rajasthan but if cement plants are set up in Himachal Pradesh, it is tourism which will suffer. My hon. colleagues sitting on the other side could advise their Government in this matter. Today in reply to a question, it was said that the Environment Ministry has not cleared the proposal. Clearance should not be given as it would do more harm than good. The Himalayas should be taken care of. Experts are

of the opinion that if soil erosion continues at the present rate in the coming 70 years Punjab, Haryana and U.P. will become desert areas. When I was Planning Minister I had suggested that an ECO Development Authority be formed with the Prime Minister as its Chairman and the Chief Ministers of Jammu & Kashmir, Himachal Pradesh and Uttar Pradesh as Members.

That suggestion should be implemented, otherwise the country would have to suffer a heavy loss. At present, the Dearness Allowance of those employees, who draw a basic pay of more than Rs. 3,500 is deposited in the G.P.F. and moreover tax is also levied on that amount, as a result of which the 'carry home salary' is reduced. In order to provide them with some relief, either tax should not be levied or the amount of standard deduction should be raised from the existing Rs. 12,000 to Rs. 15,000. In this Budget, some major steps have been proposed to revitalize the economy. They have been discussed here and they have also been criticized on several counts. Criticism is an integral part of any discussion. If one looks at the figures presented by Shri Jaswant Singh and Shri Nirmal Kanti Chatterjee, one would find the colossal amount in crores, has been waived and written off. The country cannot afford such a huge loss. However, only the hon. Minister of Finance can enlighten us about the accuracy and authenticity of these figures. Lastly, my humble suggestion is that the opposition parties should extend their support to pass this Budget as our party doesn't command the necessary strength in the House. If all of you come together and vote against it, then it won't be possible to pass this Budget. But you should take into consideration, the concrete action proposed in this Budget to improve the economic situation of the country. We always take decision and act, with an eye on the vote bank, but the need of the hour is to rise above those petty considerations and think about

building the nation that we shall bequeath to posterity. Not even a single populist measure has been proposed in this Budget to appease any section of the society. No doubt, people may have reservations about certain proposals in the Budget and they may have to face some difficulties as well, but still, you should extend your support to this Budget. We have been in power for over four decades and we may have erred on many occasions, for that matter, I would say that whosoever works, make mistakes but the non-Congress Governments that have administered the country, whether it be for two and a half years or eighteen months, have committed larger number of mistakes than those committed by Congress Governments during 42 or 43 years of its rule.

I have great regard for Shri Jaswant Singh. He has put forward many useful suggestions and I must praise him for rising above party considerations in this regard. However, I was very much disappointed when at the end of his speech, he made a scathing attack on the Rajiv Gandhi foundation. The uproar that has been created in this august House, against the allocation of funds to the Rajiv Gandhi Foundation is indeed most unfortunate. I am certain that one may not have any reservations about the objectives mentioned in the Paragraph. His objection is only to the name of Shri Rajiv Gandhi.

The Congress Party is proud of the fact that its leaders have laid down their precious lives for the unity and integrity of the country. (*Interruptions*) I am not becoming sentimental when I say this. My assertion is based on facts. Shrimati Indira Gandhi became a martyr for the cause of communal harmony and unity and integrity of the nation. Shri Rajiv Gandhi also sacrificed his life for the unity and integrity of the country. I wonder whether there is any other party in the country which has sacrificed so many lives

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at the altar of motherland. If you respect the sentiments of the millions of people of this country, then this issue should not have been raked up unnecessarily. I request you to rise above party lines and think about the sacrifice made by this great man for the sake of his country. For Rajiv Gandhi, the country came above the party and there cannot be a better example than the accord on Mizoram. The Congress Party very well knew that it would be defeated in the elections, yet for the sake of the country's unity and integrity, it rose above self-interest. The Assam and Punjab accords were also signed, because for us the country's interests were paramount. That is why I am saying that the Congress Party made such a great sacrifice (*Interruptions*) I would like to submit that if you bring to our notice, any person or any political party, which has made such sacrifices, we would be the first to set up a trust in their memory. (*Interruptions*)

SHRI RAJNATH SONKAR SHASTRI (Saidpur): You establish a trust in the memory of the late Lal Bahadur Shastri (*Interruptions*)

SHRI SUKH RAM: Therefore, it is my humble submission to you that you should rise above petty political considerations and exhibit your statesmanship. With these words, I once again whole-heartedly extend my support to this Budget and thank you for providing me an opportunity to speak.

[English]

SHRI INDRAJIT GUPTA (Madanapalle): Madam Chairman, the hon. Finance Minister has placed before the country not only a Budget but the Government has also prepared and placed before the country an Industrial Policy Resolution. I submit that these two cannot be seen in isolation from each other. They are

very much an integral part of the new philosophy which this Government is now trying to expound. Therefore, if I make some references to the Industrial Policy Resolution, I hope I will not be criticised saying that this is not relevant to the Budget. Strictly, it may not be relevant but it is the same outlook and philosophy which is reflected in both of them.

To start with, I would like to say one thing. We all realise very well and nobody denies it that the country is facing a major crisis—economic, financial, fiscal, debt repayment and balance of payments crisis. There is no doubt about it. We may differ and we will differ as to who is responsible for it and how it came about. Such a crisis can never develop overnight in 24 hours. It is the cumulative result of the long process which has been going on, I should say, for the last ten years at least. And all the Governments which had been in power during these ten years, whether they belong to this side or that side, have had their share in contributing towards the development of this crisis. Unrestricted imports of luxury goods and non-essential goods have been going on. Profligate Government spending has been going on and the reckless borrowing at high rates of interest has been going on. No Government can say that they are innocent of these things. The cumulative result of all this—the Finance Minister has himself said all this and I am really repeating what he has said—has landed us now in this mess. I realise very well and I think that we all realise that our difficulties are compounded by the fact that the global balance of power in the world has changed periodically to the disadvantage of countries like India and of the Third World countries. There was a time when there were two recognised super powers. Now, we are left with one super power. Let it not be forgotten that when there were two super powers operating on the global arena, the countries of the Third World including India did always find a reliable

friend, a reliable supporter in that second super power which, unfortunately, no longer occupies that status now. It is not something to rejoice about, we should be sorry about it. In all moments of crisis, that other super power had stood with us. It gave us all forms of encouragement and assistance and had helped us to repulse and resist attempts which were made to do arm-twisting by the powerful countries of the West. It strengthened our bargaining power. Now we are bereft of that support because they themselves are in serious trouble. This is something which has a bearing on this crisis because this means that to safeguard our interests and our independent self-reliant growth, we will have to fight alone. We should be clear on this point. What do we think? Is it good or is it bad? It has changed the global balance for us. There are many people in this country who consider themselves to be big intellectuals who write so many articles and sit in seminars and so on. They gloat over the fact—as they want to say—they gloat over the fact that socialism is dead. According to them socialism is dead. I do not believe that socialism is dead. But they are going round the country, propagating that socialism is dead, people do not want it and so they have discarded it. They say that we are therefore left with only one alternative or one option and that option is symbolised now in institutions like the IMF and the World Bank. It is not good for us. It is bad for us. But it is not something which should completely demoralise us. It should not reduce us to a state of panic, where we think that we have got nothing to do now except to go about with a beggar's bowl throughout the world.

Madam, restructuring and reforms are, of course, necessary. Nobody denies it. Restructuring and reforms are not only necessary, but they are inevitable today. But we must avoid dogmas. It has become a fashion to say that it is the Left, it is the

Communists who cling to old, outworn dogmas. But I want to say that just as it is dogmatic to try to cling to outmodelled and old models, the so called models of socialism which have not worked properly, so is it dogmatic to compare a country like India with Singapore and Hong Kong. The examples which are being held up before us to emulate and to imitate are Singapore and Honk Kong! This vast country of ours, which has got its own characteristics, which has got its own specifics, is being equated with those countries. If you lose sight of those characteristics and try to imitate models which no longer operate in the Soviet Union or the Eastern Europe, but the models operating in Singapore, Hong Kong and Taiwan, which are now held up before us as models, then I am afraid, I do not know where we are going.

If we want to be pragmatic and not dogmatic, then let us keep in mind that there are certain specifics of the Indian situation which are not common with all the other countries. This is our country. We do not live in Japan or the USA or the German Federal Republic or somewhere. We live in a country called India. It has certain specifics.

Now, there is a growth in private sector. According to the Mahalanobis Committee's report, there were 75 families in this country, which were at that time identified as showing the symptoms of monopoly growth. If you now examine their assets, profits, dividends and holdings, you will find that they have accumulated much more wealth. This is on one side.

On the other side, we have got a strong and powerful public sector. It can be argued that public sector should be trimmed, public sector should not operate in areas where it is not necessary and above all, public sector should be made more efficient and more productive. Nobody can

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disagree with this. I do not know what the Finance Minister has got at the back of his mind, but I do not say that at the moment he proposes that the entire public sector should be demolished.

Public Sector has to be debureaucratised. It is above all else. It is an industrial structure. It is not a department of the Government. If it is run as a Department of the Government by bureaucrats sitting in the ministries and departments here, that public sector is bound to fail. It has to be debureaucratised above all else. The losses which are taking place in certain units of the public sector have never been enquired into; who is responsible for these losses and how can they be rectified.

I can tell you that for the last so many years the major trade unions of this country have been making proposals to the Government to have a thorough discussion with the trade unions so that they can give their opinions and suggestions as to what are the causes of the poor performance and the losses in several of these public sector undertakings and how they can be rectified. Several times we were assured by the Planning Minister, the Finance Minister of that time that they were also interested and that they will prepare some papers for this as a basis of discussion and then call a conference which will go in depth into all these matters. But it was never done. It has never been done upto today.

Not only it is a sector which is dominated by bureaucrats—they can be called anything; the Managers, the Managing Directors or Chairman of these undertakings—basically they have a bureaucratic attitude, bureaucratic philosophy and a bureaucratic frame of mind. Moreover, you do not permit in this public sector the participation of workers in the management. Show me any public sector in the world anywhere which

can flourish without the participation of workers in the management. Anyway, we have this public sector.

Two-and-a-half lakhs or 3½ lakhs of industrial units are lying closed; not closed by the workers but closed by the employers. There have been many enquiries into this and it has been proved that mis-management of various type—I am not going into all types—is the root cause of this closure.

Then we have a vast unorganised sector. It is a small scale sector, of course. It is a traditional sector in this country. We have got so many types of cottage industries, village handicraft, self-employed people, artisan and all that in the vast rural areas. They don't have any technology. Mr. Minister, if you judge them by their technology, they are the most hopelessly backward people. But they are or are they not performing a very useful social function at this time by providing employment to a huge number of people. I am raising this question because I don't want you to do anything whose first impact will be to demolish this sector, because this is one of the backward technologies. You will not be able to provide employment to millions of people of this country. This unorganised, traditional, backward sector is today giving employment to millions of people. There is mass unemployment which is still growing.

We have big resources of talent, scientists, technological workers, trained people coming out of the institute of technology; coming out of these scientific research institutes which have been built all over the country spending crores of rupees of the States. We brag about it; we boast about it that in the whole world we are second or third in the talents of scientists and technological people who are available. Which other under-developed country; which other third world country can boast of that?

So, all I wish to say is that when you are formulating new policies or new philosophies, keep in mind the specific features of the Indian situation and don't go on holding before us these ideals of Hong Kong, Singapore or South Taiwan.

SHRI CHANDRA JEET YADAV: Soviet Union also.

SHRI INDRAJIT GUPTA: I dealt with that before you came. That model has failed. New model is Hong Kong or Singapore for a country like India. The new model is Singapore for countries like India and Hong Kong. We do not want to go that way. We have to find out our own path, our own way.

What I wish to say is that—the Finance Minister of course was very frank, I will compliment him on that—when he was asked some questions about the Congress Party's Manifesto, promise of rolling back the prices within a 100 days, he had the courage and the honesty to say that his Party at that time was in the Opposition, they had to write that thing in their Manifesto but they had no idea at all about the ground realities that such a thing cannot be done. He had said it.

SHRI MURLI DEORA (Bombay South): He has corrected himself!

SHRI INDRAJIT GUPTA: So, I want to say that he should be equally frank in some of the other statements which are being made. First of all, he said that the adjustment or restructuring which is going to take place must be done with a human face. He has used this phrase that it will be done 'with a human face'. Of course it may have human face but that human face should not be a face strained with tears, it should be some adjustment

without tears. The human face can also be shown to be strained with tears. When unemployment grows and when inflation takes place and prices of everything go up as they are shooting up everyday and more will have to go up tomorrow, this adjustment cannot have a human face except for a handful of people. The measures which have been taken before the Budget, the measures which have been taken before the Industrial Policy Resolution and the measures which have been taken before the Parliament Session began have also to be taken into account. They are not something which are divorced from this philosophy.

Madam Chairman, the two instalments of the cumulated depreciation of the Rupee of about 20 per cent cannot but create a steep hike in prices. There is no way out of it. It is depreciation. You may not like to call it devaluation. You may say it is not devaluation, it is just a routine adjustment of the exchange rate of the Rupee. But I find that in the World Bank's Trade Reform Report of November, 1990, the World Bank had proposed a real devaluation of 13 per cent for a planned and phased programme of reforms. This was the prescription of the World Bank. We have gone to 21 per cent and this cannot but lead to rise in external debt. Our debt obligations will go up. It would add to the import bill apart from fuelling inflation. This was done before the Parliament Session began.

Then came the question of shipping gold out of the country. I charge this Government with deliberately creating and meaningfully creating an atmosphere of panic.

He has talked a lot about self-confidence and all kinds of things. I am saying that the first people who have destroyed or trying to destroy self-confidence is this Government itself. They have tried to condition the mind of the public to start thinking that they are helpless, so poor.

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so bankrupt that there is no alternative left but to go to the IMF. That is why these shipments of gold have taken place. I want to know whether in the world of international finance, the Government of a country like India, if it pledges some gold as a security, as a collateral against which it can take loans, is it essential that that gold must be physically lifted and taken across the seas and put in the vaults of the Bank of England? Is the word of Government of India is not enough? The Bank of England can send one inspector here if they like and he can go to the vaults of the Reserve Bank of India and see for himself whether there is gold or not. Is it necessary that at dead of a night, under a veil of secrecy in Bombay's Sahar Airport, some special planes were brought and the gold was loaded and taken across to England?

Then it was revealed here that it was being put in the vault of the Bank of England. Without that, they will not be satisfied. Will they say that? I want an answer. Has the Bank of England said that unless we physically bring this gold there and deposit it in their vault, they are not going to believe that we are giving a pledge against this gold? I don't believe. I believe this was deliberately done considering the psychology of most Indians regarding gold; this was done to create an atmosphere of panic.

[*Translation*]

If gold is pledged, what would be left then and we would have to go abegging because gold has been our asset for centuries. If gold is shipped across seven seas we would have to surrender ourselves before I.M.F. as no other alternative is left.

[*English*]

And to some extent, this atmosphere has been successfully created. I Feel.

Whatever you may debate sitting in this House, but, outside many people now are convinced that there is no other go but to go to the IMF and to accept whatever conditions they dictate to us.

SHRI MURLI DEORA: This was done by Mr. Ram Vilas Paswan.

SHRI INDRAJIT GUPTA: Yes. The first instalment of gold—of course, I should not blame them—was shipped out by Mr. Chandra Shekhar's Government.

SHRI MURLI DEORA: A commitment was made by them only.

SHRI INDRAJIT GUPTA: The commitment may have been made by them, but, at least, they used only the confiscated gold. This is from our gold reserves, what is going now, in the subsequent two instalments.

The Vice-President of the World Bank is a Pakistani. But that does not lessen his importance as Vice-President of the World Bank—Mr. Mohin Qureshi. He has pointed out to the fact that 12½ billion dollars of unutilised foreign exchange belonging to India, allotted to India, is lying abroad; it is not being utilised and because it is not being utilised, India is paying an annual penalty of 30 million dollars. So, we are crying, weeping and wailing all over the world that we are in the midst of such a foreign exchange crisis, how will we get out of it and so on and so forth. Government must tell us why this 12½ billion dollars worth of foreign exchange is lying abroad? Of course, it is tied to certain projects, I know; it is not a free allotment; this money was allotted to certain specific projects like Narmada Project and other projects. But, after all, we asked for it; and this money, huge sums of money, is lying there unutilised. We are not able to spend it; and because we are not able to spend it or we are not able to

give the matching grant, we are paying an annual penalty of 30 million dollars. But he does not say anything about these things. After all, of course, he has to convince people that we are really in such a bad shape.

Then subsidiaries of the multinational corporations. Of course, now, I do not need to say that the main prop, three props on which this whole path of adjustment and reforms is based; it is based on three props. One is NRIs. You expect these people, who have gone out of the country, who left the country in order to make more money abroad, that they will now suddenly become patriotic, that because of your appeal to them and give them some concession, that if they bring that money or part of the money back and deposit it here, then they will not be asked any question about the source of income and so on; they will not be subjected to any tax and so on. Anyway, this is one of his main big props.

The second is the multinational corporations. The third is our domestic indigenous private sector, the organised private sector. You are depending on these three. I am not against some reforms in the public sector. I worked for a very long time in the trade unions of the public sector and I know that a lot of reform is necessary. But what is the concept of public sector? That is what is being basically changed. Shri Manmohan Singh, from what I understood him to say, he does not consider that the main engine for development, the main engine for growth, should be the public sector. It should be the different parts of the private sector on which he wants to depend.

I want to say one thing. In the opening part of his Speech, where he referred to dream of Shri Rajiv Gandhi, he said, "I miss him; I miss his handsome smile." I was listen-

ing to the Budget Speech. "I dedicate this Budget to his inspiring memory". That is very good. It is a noble thought. So, I thought let us see a few thoughts of Shri Rajiv Gandhi which are inspiring Shri Manmohan Singh, and should inspire him according to his own Speech.

On April 15, 1987—of course, you can say that this was four years ago—in his address to the Congress Party's Parliamentary Party, Shri Rajiv Gandhi said, I quote:

"The public sector is the pivotal element in our planning strategy".

Whether he really believed this or not, I do not know. That is for the Finance Minister to say. But this is what he said:

"The public sector is the pivotal element in our planning strategy. Public sector is the foundation of the economy and the political stability of this nation. That is our chief instrument for reducing concentration of wealth and economic power."

Is that the concept of the public sector which you are forward now? I doubt very much. You may say that it suffers from a lot of diseases and ills which need to be cured and rectified. I am with you. Let us at least try to diagnose what is wrong and how it can be put right. That is a different matter. But is this your concept of the public sector, what did Shri Rajiv Gandhi say on April 15, 1987? That is very different, I imagine.

Then, Sir, at the Centenary Celebrations of the Congress Party in Bombay, in 1985, the Centenary Resolve which was passed there, which was adopted there was moved by no less a person than our present Prime Minister, Shri P. V. Narasimha Rao. What does he say? What did he say in his speech?

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“The public sector has played a pioneering role in India’s industrialisation. It must continue to lead the way.”

It must continue to lead the way, not that it must just survive, somehow.

“Further progress on the path of industrialisation will depend on the extent to which India’s public sector masters the problems posed by a variety of vicissitudes, both internal and external.”

Then Shri Narasimha Rao also said:

“We accord primacy to the public sector.”

Do you do it now? Now you want to give primacy to the private sector.

“We accord primacy to the public sector which has captured commanding heights of the economy, pioneered the entry into new areas of industrialisation, opened up backward regions, provided the engine for technological development and generally set the tone for industrialisation in this country.”

I could give many more quotations, but there is no time, Madam.

What I am saying is, that if you are going to be inspired by the memories of your past leaders and what they have said, then either you please stick to what they had said, be loyal and faithful to their ideas, or like you said about prices, that they said something, but they had no idea of what they were talking about, you will have to say the same thing, about Shri Rajiv Gandhi and Shri Narasimha Rao that they said all those things but they were only doing some political talking, but they did not know what they were talking about. One of those two you must say.

Our whole quarrel with you and your Budget philosophy is that it is overturning the whole economic system; it wants to overturn which we

have followed so long. That does not mean that there should be no change, and no re-adjustment and no reforms.

In his Budget speech he has said that subsidiaries of multi-national corporations will be allowed to have more than 50 per cent, may be upto 51 per cent foreign equity capital in their companies here in India. But, just now, a couple of days ago, he has said that in the case of selective multi-national corporations, they may be allowed upto 100 per cent equity if they are prepared to export the whole of their production. But it is not the same thing as he has said here, in his printed speech. There is a difference between 51 per cent and 100 per cent.

I realise that companies which have 50 per cent foreign equity capital are legally permitted by their parent companies to consolidate their sales and profits with the sales and profits of the parent company. And that is supposed to be a big incentive for them to invest here. If they have companies within which they have got less than 50 per cent foreign investment, that is called a portfolio investment, that is something which in times of need they can scrap, they can throw away, they do not bother about it. But 51 per cent or more, 100 per cent now as he is visualising, enables them to consolidate the sales and profits of all these subsidiaries with that of the parent company. All these taxation concessions that have been given, all the liberalisation measures that you have adopted, all the sops which are being given to try to unearth black money are bound to fail because they are nothing but sops. All these things taken together will lead not to less but to more concentration of wealth in a few hands. This is against the directive principles of the Constitution. The directive principles of the Constitution enjoin upon the Government of India to take specific steps and measures to see that the concentration of wealth is not allowed to grow. Your whole philosophy now is to permit greater and greater concentration of wealth. Please tell us whether you have

decided to move an Amending Bill to the Constitution so that we can delete that portion of the directive principle. It need not remain there any more.

All I want to say, Madam, is that these three props on which you are depending, the NRIs, the MNCs, and the domestic private sector, are not reliable props at all. These props can let you down any day. You are not bothered at all about 26 million labour force, which exists in this country. I think, it is several times more than the population of Hong Kong and Singapore combined. The 26 million workers, whose cooperation if you do not get, all these beautiful plans of yours can get upset. You cannot carry out these plans of industrialisation, of greater productivity, of efficiency and all that without the cooperation of this vast labour force of 26 million people. As somebody said earlier, in a country like India, our biggest resource is the manpower. The manpower is the biggest thing that we have got. And the Government is ignoring the question of getting the cooperation of this labour for an improved sense of work ethics. Work ethics consciousness in this country is reputedly low. It is not very high. But it can be increased if a proper atmosphere is created, if consciousness is generated and by guaranteeing to labour that they will get just returns. Above all, it is participation in management. At least you start with the public sector to begin with. I know the private employers are dead against participation of workers. They fight tooth and nail against it in all meetings and conferences where we met them. But what about the public sector which you are trying to make a sort of the scapegoat of the whole thing? The previous Government had brought a Bill. The Bill was drafted with great difficulty with the cooperation of all the major trade unions, employer organisations and all that. It was a kind of compromise Bill. It is there. It should be put on the statute book. Let the

workers feel that they are a part of the managerial system. But there is not a word about it in these papers.

I am only referring now to one or two stray things. Even if the communists and the leftists are dogmatic, what about the President of your Trade Union, the Indian National Trade Union Congress, which claims to be the largest trade union in this country? Its President, Mr. Ramanujam—I think, he is well-known to everybody—a veteran leader, has issued a public statement decrying this whole industrial policy. I hope, you have read it. It has been published in the press. He says that this new industrial policy will neither generate employment nor will it give any kind of confidence to the workers; all it will generate is inflation and high prices.

Well, you have given lots of threats to tax evaders. But they are only threats—the last opportunity. I think, they also realise that it is nothing very serious. The trouble is only people who cannot evade taxes are those who are on fixed salaries, whose tax is deducted at source. Those who are on fixed salaries and incomes are the worst sufferers from inflation. But those who have incomes which cannot be calculated, which cannot be disclosed and which are not shown in the books, they are making all the black money and evading taxes. All that you are doing is to threaten them with some last opportunity. You are offering them complete immunity from enquiry and investigation by saying, please come and deposit in the National Housing Bank. I do not think, any of them will bother about the National Housing Bank. Those who were disclosing unaccounted incomes previously it was once in a life-time. Now they have been given a second chance by saying 'once more in your life-time if you disclose your unaccounted income you will be able to avail of the facilities that you will have no penalty and no interest; come and disclose'.

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You have made no change in the wealth tax rate. There is only 5 per cent rise in the corporate tax rate. And remittances in foreign exchange will not be subject to any gift tax or to any scrutiny regarding the source of such funds. The dollar bonds which are to be issued by the State Bank of India for sale to the Non-Resident Indians without any limit, will also not be subject to any wealth tax. They also enjoy complete amnesty and immunity. So these are all attempts to appease the people who have cornered the black money.

The Institute of Public Finance and Policy has made some estimates of how much black money is being generated every year. How to stop or at least curb or control this generation of fresh black money, this parallel economy which is growing all the time? There is nothing in your proposals about this.

Once the black money is generated and somebody has got a hold of it, you try to give them some temptation so that a part of it at least they will return. This is your strategy.

Once reference I must make on the question of multi-national corporations because it is a current matter here. There is a delegation meeting the Prime Minister at 3.30 today on behalf of the victims of the Bhopal gas tragedy. This was the handiwork of the Union Carbide Corporation of USA which was allowed to set up its plant in the most congested area of Bhopal city which is the capital of one of our States. And due to their utter callousness and negligence, contempt for human life, not in their own country where they have the Headquarters of Union Carbide Corporation in the U.S.A., they would never be allowed to do this. But here somebody has permitted them to set up that plant which is dealing with poisonous, hazardous, toxic chemicals and gases. As a result what happen-

ed, some thousands of our people—I do not know how many—3000, 4,000 or 5,000 people—have died and many more thousands have been crippled and maimed for life. It is a genocide perpetrated by a multinational. Now, I am sorry to read in your proposals that you are considering some relaxations in the case of industry, you are considering some relaxations on locational restrictions. On paper there are some locational restrictions that you cannot put up a hazardous plant within such and such distance of residential areas, but nobody observes those things. But, now, you want those to be further relaxed.

I would ask a question that there is a proposal to reduce the customs duty on Isocyanite. I hope you know what Isocyanite are? This is the substance from which the gas was produced by the Union Carbide. It was Isocyanite gas not as MIC which was responsible for the death and the physical crippling of all these thousands of people. Why are you reducing customs duties on that from 120 per cent to 40 per cent? For whose benefit this Isocyanite is going to be brought here at lower rates of custom duties?(*Interruptions*)

Another thing is what the other Members of this side of the House have said about the adverse impact that this kind of budget proposal is going to have. I fully share those apprehensions and we were told many a times that the conditionalities which will be asked by the IMF will be discussed here, if necessary, they will be bargained by our Government with the IMF. We are not going to accept everything that they ask for. But there is a veil of secrecy. Parliament at least must be informed. What is the progress of negotiations with them, what are the conditionalities that they are asking, we do not know? I do not think in any country of the world which has a Parliamentary System this kind of information would be withhold from

the elected Members of Parliament. This must not be done under the shroud of secrecy and then finally presented to the country as an accomplished fact. For this the country and our Parliament will not stand for. You have to take us into confidence. You have to tell us what kind of conditionalities they want to impose on us. Then, you are a sovereign country with your own sovereign Government. You have the right to decide what you will accept and what you will not accept, if it goes against our economic sovereignty or against even our political independence.

Finally, I would like to say about this very controversial Rs. 100 crore Foundation! I regret in spite of what my friends on the other side have said that I have to add my voice to the misgivings and the protests which have been voiced here by other Members of the Opposition. It is not a question on whose name it is attached to. Public funding from the State Exchequer for this type of Foundation whose trustees are all private citizens as far as I know, is a wrong thing to do. It is an unethical thing. It should never be done. I am not asking about the economic aspect of it, because we have been given lectures on austerity and saving money and the need to practise austerity. Professor Kenneth Galbrieth in an interview which he gave recently had said, "that in my long experience whenever the IMF talks about the austerity you can rest assured that it mean austerity for the poor people and not for anybody else." I am not talking about that. But why should our State funds be given to this Foundation. Rs. 100 crores is nothing. If you want this Rs. 100 crores you just appeal to your friends in the private sector or the NRIs.....(*Interruptions*)

SHRI SOMNATH CHATTERJEE (Bolspur): Shri Murli Deora is there. There are many people.

SHRI INDRAJIT GUPTA: They will give you much more than Rs. 100 crores voluntarily. You do not have to use scarce resources from the Government exchequer to buttress this Foundation at all.

Somebody was saying that please see what work they are supposed to do. I have gone through that. All those tasks which are supposed to be their responsibility, are at present part of the work which is to be done by various Ministries and Departments. It is nothing else. Is this an attempt to privatise the development works of the Ministries?

AN HON. MEMBER : Privatisise the Government.

SHRI INDRAJIT GUPTA: Please do not do this and lecture people about austerity. I am requesting the Government that, on this issue, though it is a small part of the whole Budget—I agree—it acquires some kind of a token importance, I seriously suggest to them—please have a second look at this proposal. You modify it, amend it and if necessary withdraw it. Otherwise that contingency may develop which you are not visualising with great composure. You may compel all the Opposition to oppose it together. And then what will happen? (*Interruptions*) What will happen? We have said it hundred times. Do not push us too far. There was already a storm this morning over the question of cut in the fertiliser subsidy, because, I know there is a powerful farmers' lobby here. There has always been, in the Indian Parliament. A majority of the people here claim to be people who are agriculturists.

SHRI MURLI DEORA: Poor farmers (*Interruptions*)

SHRI INDRAJIT GUPTA : I myself, every year, when Shri Balram Jakhar was occupying that chair, used to very timidly and hesitantly suggest that; it is high time that after so many years, please decide for yourself who

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you call the affluent section of farmers'. I do not mean all farmers leave out the small and medium farmers. But there are some affluent people. I do not want to quantify most of them. You decide who are those people.

Shri Frank Anthony was telling me during lunch time that he knows of many schools and educational institutions where farmers come and pay in cash, amounts of Rs. 25 to 30 thousand to get their children admitted in their schools. I do not feel they are poor...*(Interruptions)*...

SHRI MURLI DEORA: They are sending their children to America by giving donations.

SHRI INDRAJIT GUPTA: Please tell me why the small section of affluent farmers—after so many years—should not be brought into tax net. Why should they always be treated as a sacred cow? Everytime I suggested this in the past, Shri Balram Jakhar used to almost jump on me from that chair

SHRI MURLI DEORA : Thank God, he is quite far away.

SHRI INDRAJIT GUTA: ... and used to say : "You do not understand anything about agriculture. Please do not say these things. I will put you in charge of a farm. Then you will see for yourself what is the condition of the poor farmers". I am not talking about poor farmers. I am talking about the affluent sections. It is about time when you are all talking about the crisis and standing on the edge of the precipice and facing a condition of bankruptcy and austerity must be practised. Then every section of this community, which can do so and which has got the capacity, should contribute something to the national revenue. Why should they not?...*(Interruptions)*

[Translation]

SHRI HARISINH CHAVDA (Banaskantha): How many farmers are there who can donate a sum of Rupees 25-30 thousand?

SHRI INDRAJIT GUPTA : No matter, if they are five persons, he is telling me what Shri Bal Ram Jakhar has said. No matter, if there are five persons in entire India. *(Interruptions)* Is there not even a single such person, what Dort of the world it is? *(Interruptions)*

[English]

SHRI INDRAJIT GUPTA: Do not tell me these things. You decide.

MR. CHAIRMAN: Will the hon. Member please address the chair?

SHRI INDRAJIT GUPTA : We want to save money also. There are farmers like Shri Anthony.

SHRI FRANK ANTHONY (Nominated—Anglo Indian): I do not grow a stick.

SHRI INDRAJIT GUPTA : How can you grow a stick? *(Interruptions)*

How many crores of rupees worth of our petroleum gas is being flared, being burnt into air by the refineries and the fertiliser plants? I think it runs into some Rs. 60-70 crores, just being burnt and going up in the air like that. Has any serious thought been given as to how to utilise this gas for industrial, domestic and other purposes? It is the cheapest fuel, the cleanest fuel, the most pollution free fuel that can be found. Every country is using it more and more, but we are burning this gas, letting it flared up in the air and we say, 'we want to save money, our petroleum bill is going up'. You save so much money if you harness this extra gas and use it for domestic purposes.

I read in the paper that Indian companies which are doing prospecting for oil off-shore, they have not got the rigs. Mr. Minister, they have to take those rigs from foreign sources on lease, they are leased rigs, and because of this devaluation the price of those foreign imported oil rigs has gone up so much that most of these companies are now giving up their contracts and saying 'we cannot manage, we will have to get out'. How will you find more oil? What is the use of crying over this petroleum bill which is really a huge burden? you have to tap your own sources of petrol and oil. You have to have these people to get rigs at cheaper prices from abroad if they have to carry on with their exploratory work. You have to harness this gas which is being flared up. Nothing is being done. We have been told that money must be saved. I say that if even the small and medium farmer is guaranteed his supply of essential consumption goods at controlled prices, he will be able to increase or expand food production in those items which we can also export to other countries. Have you thought about it? The Third World countries are acutely in need of food supply. We can supply, we have got the potential to do it. But what are we doing? Oilseeds are being imported. Some varieties of pulses are being imported from abroad involving foreign exchange. If you give proper encouragement and incentive to the farmers, I don't consider this to be a proper incentive, what they have done now saying that 'we take away your subsidy with one hand and give you higher procurement prices on the other hand so that the consumer at the end will catch it in the neck'. Give him some positive incentive and help, let him expand food production and a part of that food production can be exported to other countries and you can earn valuable foreign exchange. Please think of some new things, don't go on in this old, stereo-typed way. This IMF and World Bank prescription which may be O.K. for Singapore and Taiwan will spell a ruin to a country like India.

So, my final word is, you are being more dogmatic than we are supposed to be. We have understood that the Soviet model of socialism won't work. We know why also. They themselves are discussing it, they themselves are admitting it and trying to find out the causes. But don't be dogmatic by saying now you must follow the example of Singapore and Hong Kong. Why should we? This country has its own specific characteristics and features. Based on that, make a proper study and then evolve your line and your philosophy.

SHRI P. C. CHACKO (Trichur) : Do you agree that we can follow the Chinese pattern?

SHRI INDRAJIT GUPTA : Chinese? I don't know. If you know something about it, you please tell us. I had been to China once only and I must say I was impressed by their production, and the fact is that their shops are full of consumer goods which unfortunately is not the case in Europe.

SHRI P. C. CHACKO : Do you agree to the conditionalities we are accepting for taking money from IMF and World Bank?

SHRI INDRAJIT GUPTA : Is that the ultimate argument that if they are taking, therefore we should also do it?

SHRI P. C. CHACKO : No, Sir. I am asking whether you are referring to that.

SHRI INDRAJIT GUPTA : It is for them to decide in their own country whether they want to take or don't want to take. I am not going to follow the pattern followed by them. Did we not take IMF loan in the past? We took IMF loan in three instalments and we utilised only two

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instalments, we did not utilise the third one, we returned it to them. Your Government is here, please find out how it was managed.

SHRI MURLI DEORA (Bombay South): The loan was taken when you were supporting Mr. V. P. Singh's Government. Do you know that? (*Interruptions*) Will you yield for a minute?

SHRI INDRAJIT GUPTA : Yes.

SHRI MURLI DEORA: I am just drawing your attention to an article published in *Economic Times* dated 26th July, 1991. Two IMF loans were drawn during July, 1990 and January, 1991 amounting to Rs. 1,173 crores and Rs. 3,334 crores respectively by the V. P. Singh Government and Chandra Shekhar Government. You have supported the V. P. Singh Government and that Government kept the conditionalities secret without informing to Parliament and the country. I also agree with you that the conditionalities must be known. But please do not say that it was done only by the Congress Government. (*Interruptions*).

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): Madam, he has to depend on *Economic Times*; he does not know that the Economic Survey contains that figure. He does not know that the Finance Minister himself mentioned this fact. (*Interruptions*)

SHRI INDRAJIT GUPTA: I have not said even once in my speech that under any circumstance, we should never go to the IMF. I have not said that. Our only quarrel is over the conditionalities. The first instalment, we will draw on our own money which we get back without any conditionality. The second window is also one on which the conditionalities are very low. It is the third window which creates all the trouble which we are coming to now. So,

we are concerned with the conditionalities, because, as I began by saying, we are living in a different world today. We have to stand on our own feet. The balance of power has shifted to the same Super Power which controls the policies of the World Bank and the IMF. Therefore, we have to be doubly vigilant and doubly careful to see that we are not trapped and not ultimately pushed into that debt trap from which so many Third World countries are suffering and trying to get out of. Let us have a clear-cut picture, nothing shrouded in mystery.

Madam, as far as I can see at present, both the Industrial Policy and the Budget are certainly not in the interests of the vast masses of our country. It may help the 150 million people who live in towns and cities, who are relatively well off and who have developed consumer habits. They may be happy about it. But, for the vast masses of our people, particularly who live in the countryside and those who are dependent on the rural economy, this whole policy and the philosophy behind it will spell a disaster and I am quite sure about that. Therefore, we oppose it and we want to see whether any modifications are made or not which are worthy of our support.

SHRI HANNAN MOLLAH (Ulu-beria) : Madam Chairman, when we are discussing the Budget here, the Govt. is discussing about the conditionalities of further surrender with the World Bank and the IMF officials in the office of the Finance Minister. But the youth and students are not depending on us. They are demonstrating against these surrender inside the Finance Ministry offices in North Block at this moment. (*Interruptions*)

15.59 hrs.

SHRIMATI CHANDRA PRABHA URS (Mysore) : Madam Chairman, at the outset I would like to

thank you for having given me an opportunity to speak a few words about the Budget. I would like to congratulate the hon. Finance Minister for having presented a well balanced Budget in order to tackle the economic crisis that our country is facing now. Perhaps, none else would have been able to do a better job than this.

16.00 hrs.

Firstly, he has taken steps to cut non-plan expenditure. We welcome those measures. It is because non-Plan expenditure is going up more than that of developmental works expenditure. So, a thought should be given to minimise non-Plan expenditure and maximum amount should be allotted for developmental works.

I would like to make one more suggestion. The income-tax limit should have been increased up to Rs. 30,000 or to Rs. 35,000 per annum which would enable the middle class and lower middle class people, salaried people to maintain themselves and they would be able to pay the taxes with their limited resources.

16.01 hrs. (RAO RAM SINGH—
in the Chair.)

As we all know, in our country, more than eighty percent of the population consists of the farmers. We have got agriculture-oriented villagers and farmers. They should be encouraged and given the necessary incentives. They should be given all the agricultural facilities, irrigation facilities and also incentives so that they can grow more food, increase our production and export can be made. The price of agriculture produce should be fixed on the scientific basis so that the farmers are encouraged to produce more. Otherwise, the majority of the farmers in our country who totally depend on the rain would suffer a lot because the cost of inputs like manure, fertilizer has gone up. Every year, the farmers become indebted because

they are not getting the remunerative price for their produce. That is one of the factors which cripples agro-based economy in the country. Therefore, the Government should think of encouraging more agro-based industries in the rural part, especially growth of sericulture industry which has got a very good market in other countries. Our farmers should be encouraged to grow more sericulture units and to develop them in a scientific way so that they could get a very good price in the market. The sericulture industry involves growers, reelers and weavers. All of them would be provided employment in the sericulture industry. Therefore, they should be given proper price fixed on the scientific basis. Now-a-days, farmers are not getting good price in the market. For example, cotton growers are only getting Rs. 500 to Rs. 600 per tonne whereas the middleman gets Rs. 1,000 per tonne after the cotton is reeled, spinned and ready for export.

Export-oriented crops should be raised and the Government should encourage the farmers to raise those crops which have the export potential. They should be encouraged to grow cotton, tobacco, mulberry, coffee, tea, cashew etc. The farmers should be provided with proper storage facilities also so that they are not compelled to sell those goods at a low price. The farmers should be extended all the export facilities which enable us to get more foreign exchange to our country. This will facilitate our rural folk to get more employment. It will generate employment opportunities for the poor and the needy and to the rural women folk. The sericulture industry is an agro-based industry and it also involves science and technology. It should be given priority. Karnataka is getting the second phase of World Bank assistance towards sericulture. It should be properly utilised. Remunerative prices should be given to the farmers. Sericulture is very famous in our country. Next to China, India is the third

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biggest country producing silk. It is world famous in its produce. It gives employment to the people. If good quality silk is produced, it would be exported to other countries and, in turn, our country can earn foreign exchange.

I would like to mention that another price rise has taken place recently. The highest price rise is in petroleum products in our country compared to anywhere else in the world. Especially the price of LPG has been increased by 20%. It is really burning the hands of our housewives. It should be minimised and reduced at least by 50% of the increase now made. Especially in Southern States like Karnataka, we are paying nearly Rs. 75 for LPG which is far beyond the budget of the housewife. It should be reduced at least by Rs. 10 per cylinder. It is not a commodity which is used only by the affluent. All the common people and the lower middle-class people depend upon LPG and they do not have the supply of firewood or any other source. They only depend upon LPG especially in cities and urban and semiurban areas.

I must thank the hon. Minister for having not increased the prices of kerosene and diesel.

But on the whole the increase in petrol price itself will have an indirect impact on every other commodity due to the increase in the transportation charges and so on. Petrol price should be reduced. The loss incurred due to this reduction on petrol and gas prices could be made up by taking stringent action in collecting Central Excise which is evaded by some of the industrialists and factories, not all, but some of them evade paying the tax. It is not proper. They are not paying their dues regularly in time. That could be tapped once again. Proper collection of the Central Excise could be one of the resources that could be made on the supply of such essential commodities.

The farmers are suffering a lot because of the subsidies that have been reduced from what have been given so far for pesticides, the chemical manures and fertilisers and so on. This could be given a second thought and the prices of these commodities should be scientifically fixed. Provision of more facilities would strengthen the hands of farmers and they will be able to pay for manure and for fertilizers and pesticides. Supply of good seeds should be made in time. If this is done, they will be able to grow more and the quality and quantity of the crops they grow would go up.

Our farmers could be given a green card which denotes the details of the land that is owned. It also indicates whether they renovate the land, whether they are having irrigation facilities and whether they are having any crops grown on the land and the annual inputs that they invest on the land and the output that they get annually through the Commercial crops grown in their lands. Such of the details could be given in that green card so that a farmer will not be put in to stress and strain when he goes to the Government or to the Agricultural Department for any loan or any facilities. It will be easily available to him according to his needs and requirements, according to his ability to grow the crop in his own lands. We should give more facilities towards such farmers, especially the small farmers and the marginal farmers. They are to be encouraged. They are the major constituents of our villages, our rural areas. For such things, we need the inputs of irrigation and power, and such things could be given more weightage in the Budget. This time, the Budget has been presented late. Weightage should be given to finish the major irrigation works, major power projects etc. which are the backbone of our country.

Sir, I am happy to express myself my gratitude and in fact, I am thankful to the Government because they

have announced that they would set up a Backwardclass Corporation, for the first time in India, through our Central Government here. That should be properly programmed and properly thought of. All the programmes and policies should be chalked out as early as possible and that Corporation should be constituted and proper Budget allocated for that purpose. I request the Government to take it up as early as possible on a priority basis because the majority of the areas are backward areas where those suppressed, depressed and downtrodden classes are there. They could be benefitted more through such programmes to improve themselves, to improve their socio-economic conditions and such programmes would enable them to have self-sufficiency, self-employment and self-irrigation facilities. Such things should be implemented as early as possible and as immediately as possible.

Regarding women, I would like to state that most of the vulnerable and weaker sections are there in our society. The women-folk in the rural areas belong to such vulnerable and weaker sections. There was a programme chalked out for them. There was a programme to set up the Women Development Corporation. I do not know whether it has been functioning now or not. But it should be given more weightage and more budget allocation be made for the development programmes of women, especially in the rural areas. Their conditions are so bad. Their health, hygiene and education are badly affected and some of them have to be re-accommodated and rehabilitated—especially those who are really suffering in the society as destitutes, disabled and also those who are in need of it.

Sir, in our country, it is high time that we all of us gave thought to have self-sufficiency. We should be self-determined to have self-sufficiency, self-resourcefulness, self-decisiveness and self-dependence so that we could take our India forward on a progres-

sive path of self-respect. For this purpose, I would like to make a humble suggestion. I do not know how far it could be practicable. But once we had done earlier when the great leader the late Prime Minister Shri Lal Bahadur Shastri was the Prime Minister. At that time, we had to face a war with Pakistan and other countries. We had contributed gold towards the exchequer—the Reserve Bank of India. I do not know whether it would be done now. But we are all voluntarily ready to contribute gold to face the present economic crisis that our country is facing on a war-footing. We could give a call to the nation so that we can contribute whatever little we could, whatever best we could to save our country from the economic crisis which it is facing now. We can do this instead of going with a begging bowl to the IMF and other such Bodies. Our children are born and brought up with debt and they have to die with debt. We don't want such things to happen anymore. We should be self-sufficient, self-confident and self-dependent. Towards this, I would like to make a request through the Chair to contribute to the nation in the need of such a crisis. We are all ready to contribute for meeting such a crisis.

I would like to thank the Chair for having given me a few minutes to put forward some of these points in support of the budget here. I also congratulate our hon. Finance Minister for having brought such a balanced Budget.

MR. CHAIRMAN (Rao Ram Singh): Shri Ahamed to speak.

SHRI SOBHANA DREESWARA RAO VADDE (Vijayawada): It is the turn of Shri Ramaiah.

MR. CHAIRMAN : Shri Ahamed has requested that he wants to go for a check up. The previous Chairman had given a commitment that he would be able to do so and I am honouring that commitment.

(Interruptions)

SHRI E. AHAMED (Manjeri): Mr. Chairman, I support this Budget not because it is the best Budget that the country has ever seen, not because it does not affect the people of our country, not because it solves the problems of the people and not because that it does not even affect the price structure of the country. I admit there are many deficiencies in the present Budget. But still I support this Budget.

The Budget has numerous innovative features which we have to welcome. And also I welcome this because this is perhaps the one Budget which has spared the poorer sections of the people considerably. *(Interruptions)*

I would like the hon. Members to examine this. May I just ask, whether there was any time for some of the honourable Members of the opposition to support any Budget brought here in this House except that which was brought during the Janata regime. It is quite natural. I do agree because throughout you were in the opposition. You have not been supporting whatever the Government brings in. I have absolutely no disagreement on that point.

There are certain innovative features which we are to support. The criticism here is that it is an IMF inspired Budget. May I just ask, which is that guidelines given by the IMF that our Finance Minister has accepted? Could you please say anything? For example, there was a Trade Reform Paper which suggested certain conditionalities to the Government of India for availing of IMF loan. If you just examine the entire Budget, one will find that the Finance Minister has not accepted those suggestions and on the other hand, he has taken certain steps contrary to the advise given by the World Bank to our Government. For example, this Budget has put stringent curbs on imports non-tariff levies and also certain other measures which, according to me, are contrary to the suggestions given by the World Bank. This subsidy on food is being continued. The increase in the plan outlay

of 79 per cent compared to that of the last year would also prove that the Budget presented by the Finance Minister, in many respects, is against the guidelines of the World Bank. Therefore, this will not hold water if you say that it is an IMF Budget.

There is an impression created in the whole country by some political parties that availing of doles from the IMF is a crime committed by the Government. I am very happy that the hon. Member Shri Indrajit Gupta has agreed that it is inevitable for the country. In this background, my dear friend Hon'ble Shri Murli Deora has quoted one Newspaper report here. I would like the hon. Members, especially from the opposition, to see what is mentioned in the Economic Survey on page 3 para 1.11.

Explaining the difficulties on foreign exchange reserves it says:

“All these led to a sharp decline in foreign exchange reserves (excluding gold and SDRs) from a level of about Rs. 5050 crores at the beginning of August 1990 to Rs. 4388 crores at the end of March 1991.

The decline in the reserves would have been still larger, if the Government did not resort to borrowings from the IMF. I would like to quote further that the first recourse to the IMF was made during July-September 1990, when India drew Rs. 1,173 crores, which constituted 22 per cent of India's quota. That was, please note, during July—September, 1990.

AN HON. MEMBER: That was without any conditionalities.

SHRI E. AHAMED: Why were there no conditions? It could have drawn upon without any conditions. That was the situation so far as our balance of payments was concerned. Now the situation is quite different. Therefore, this Government did not commit any offence or crime by availing the loan from the IMF. At least

to that extent the hon. Members should agree. The country was left in an inevitable position and there was no alternative but to avail the loan. This cannot be put as a tragic picture or some offence that the Government had committed with the financial institution. We must be ashamed that the country was left in such a financial strain where the Government cannot but take recourse to this measure of availing the IMF loan. Because the malaise is deep-rooted and there is no soft option to tide over them. Therefore, we were compelled to do all these things. It is in this background that we should certainly examine all these things. Sir, I do not want to take much of the time. The hon. Member, Shri Indrajit Gupta has mentioned about the private and public sectors. It is true that both these sectors have a vital role in stabilising the economy of the country. I am one who was always supporting the Public Sector. The Public Sector should be streamlined. The Public Sector should be given all encouragement and it should not be discouraged. I do agree. But there are certain Public Sector Undertakings which are not only chronically sick, but cannot be revived also and which are beyond redemption. What are you going to do about it? It will be a profit to the Government if it closes down such Public Sector Undertakings will be closed down and send the salaries to the employees. There are such institutions. Therefore, I say that without bear of contradiction or making any effort to weaken these Public Sector Undertakings, all those Public Sector Undertakings which are chronically sick and beyond redemption should be privatised. There is nothing wrong. The East European countries have adopted such steps. The hon. Member, Shri Indrajit Gupta was telling that there are no two super powers and there is only one super power now and that India should not be compared with either Singapore or Taiwan. I do agree with that. But should India also go for that old dogmatic ideas? Keeping the committed principles of the Public Sector

Undertakings, we should also come forward to take everything with a realistic approach. While streamlining the Public Sector, at the very same time, we must also do whatever we can in the best interest of our country. Therefore privatisation is not a crime in this country, particularly in the present financial economic situation. I would like to mention in the House Sir, that some of the features of the Finance Minister as shown in this Budget speech are innovative. For example, there are some five schemes which the Finance Minister has given. May I call it as the Panchasheel of Dr. Manmohan Singh in our new Budget. The first in the formation of the Backward Class Corporation. The establishment of the Backward Class Corporation would be a milestone in our journey to achieve social justice. This innovative feature is in accordance with the manifesto of the Congress Party.....(Interruptions)... Sir, Muslims form the largest minority community in this country. This community may be declared as a backward class. At least, by such a declaration and the formation of this Corporation, the Government would enable Muslims to have some benefit under the present circumstances. Therefore, I wish that the Government should take some steps in this matter.

Next comes the National Renewal Fund. This Fund would definitely help the labourers to have social safety in the event of technology transformation.

The third feature is the National Foundation for communal harmony. Here, I would just like to say a word about it. There were lot of riots in the country. And people suffered like anything due to those riots. I had occasions to visit some of the riot-proned areas. Mostly the minority communities were affected in riots. Of course, there may be some other affected communities also. I do not want to

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distinguish the communities in this regard. Whoever be the victims of riots, they should be given relief immediately. It is the duty of the Government to look after the welfare of such victims who are innocent of the things done against them.

Another aspect is the promotion of national integration. National integration should be confined not to words and speeches only. It should also be practised *in toto*. Thus this scheme will also help a lot to improve the situation of the country.

I would like to say something about the Rajiv Gandhi Foundation. Some of my friends have been saying that it is a laudable exercise and some opposing. This is a Government being run by consensus and there is absolutely no reason for the Opposition to oppose it. Firstly, it is a public trust. One may differ on names but it is a public trust. But the objectives and functions of it matters. In this connection, I would like to quote from the speech of the hon. Finance Minister. I am quoting paragraph 57.

“The Rajiv Gandhi Foundation has been established to perpetuate the memory of the great leader and to promote the ideals and objectives for which he lived and laid down his life.”

Why should one disagree on this point? It is not proper to oppose but all parties should support this. Further, it is said:

“This Foundation, among other things, will lay particular emphasis on research and action programmes relating to the application of science and technology.....”

This is very much necessary for our country. Then it says about the propagation of literacy. Only Kerala has the highest level of literacy. In other States, the state of literacy is very bad(Interruptions). Therefore, I

should say that for the benefit of the under-privileged, we should all agree on this point. We should not just disagree on a matter of national importance. I say, Sir that foundation should be a public trust. And the public trust should be run by public persons. You cannot distinguish a public person and a private person. This does not matter. It is the nature of the trust which should be taken into consideration and not the members of the trust. The trust should be run according to the Memorandum of Association on which it has got registered. Therefore, we should not distinguish public and private persons. If the public trust will run in this way, then we will not object to it.

Mr. Chairman, Sir, with your permission, I must say that I am sorry to note that the Finance Ministry has not paid any attention to remove the regional imbalances of the economy. Regional imbalances still exist. As far as my State, Kerala is concerned, no central project has been given and the Government have neglected us like anything. In the Central Investment Plan for the year 1988-89, the Central investment for public sector industries in our State was 1.54 per cent, whereas in the year 1989-90, 1991, it was only 1.07 per cent. I do not know why Kerala is being neglected.

There is one more point. Though the Government have come out with a lot of projects, I am sorry to state that the Finance Minister could not find time to mention about the 1,20,000 to 1,50,000 people who have come from Kuwait and Iraq as refugees. Are they not citizens of this country? They also contribute for the mobilisation of our foreign exchange. I wonder why the Government has not proposed any scheme or project to repatriate those people to Kuwait. You have made several projects for many sections of the people, but you have forgotten these unfortunate people. I hope Government will think of something urgent for these people.

Now I would like to mention just one point with regard to my own constituency. Government has a lot of excavation projects for finding out precious resources. There is a very good resource for the Government, if only they move in the right direction. For the information of all the hon. members of this House, I must say that in my constituency there is one place called Marutha in Nilambur, where there is a very high deposit of gold. One pilot project was undertaken by the UNDP. I am sure Government will not give up this opportunity. They must prepare a comprehensive Gold Mine Excavation Project for this. About this project, I am reminded of the very words of the Finance Minister when he quoted from Victor Hugo in his Budget speech: "No power on earth can stop an idea, whose time has come". I think time has now come for this idea to excavate gold in my constituency.

Lastly, I request that the prices of all the essential commodities should be properly controlled. Government must take effective measures to control prices.

Thanking you once again, Mr. Chairman, I conclude my speech.

MR. CHAIRMAN: Shri Manoranjan Bhakta.

SHRI SRIKANTA JENA (Cuttack): Sir, why are you allowing only the Congress members to speak? They merely support the Budget. So, you should give more time to the Opposition.

MR. CHAIRMAN: The hon. member says that the opposition members also should be allowed to participate in the debate. For your kind information, I may mention the time taken by different parties till now. Congress is allotted six hours, of which 2 hours and 15 minutes are taken. Allotted time for the BJP is

3 hours and time taken 1 hour and 50 minutes; Janata Dal is allotted 1 hour and 31 minutes and they have taken 48 minutes. CPM is allotted 57 minutes, while time taken is 1 hour and 12 minutes. CPI's allotted time is 20 minutes and time taken is 60 minutes! So, I think the Opposition is having a fair share.

SHRI NIRMAL KANTI CHATTERJEE: You must also deduct two hours taken by the hon. Finance Minister to deliver the Budget Speech from the total time allotted to Congress.

SHRI MANORANJAN BHAKTA (Andaman-Nicobar): Sir, I rise to participate in the discussion on General Budget, which was presented before this House by Dr. Manmohan Singh. The Hon. Finance Minister dedicated his Budget speech to the memory of late Shri Rajiv Gandhi. I am sorry to say that this Budget proposal does not conform to the ideals for which Shri Rajiv Gandhi lived and cherished.

Many a time the Finance Minister made reference to the Congress election manifesto. But, again I am sorry to say that he has not done enough justice to the Congress election manifesto, particularly by not taking certain steps to ease the sufferings of the poor, downtrodden and common man of this country.

In his speech he said and I quote:

"The new Government, which assumed Office barely a month ago, inherited an economy in deep crisis. The balance of payments situation is precarious. International confidence in our economy was strong until November 1989 when our Party was in Office."

The Government headed by Shri V. P. Singh and supported by BJP and Left Parties, could not foresee the actions taken by that Government which ultimately landed us in the present economic disaster.

SHRI SRIKANTA JENA: What about 1985—89?

SHRI MANORANJAN BHAKTA: I am coming to that. (*Inter-ruptions*). What can I do? You all have taught me like this and I am following it.

While speaking, Shri Indrajit Gupta mentioned that the present State of Soviet Union is not helping India and I agree with him but at the same time I would like to submit as to why the present state of condition has arisen in Soviet Union. After practising such a system for a long period of 70 years why the country has landed in the present condition of economic crisis. This point has to be looked into. I agree with him that socialism cannot die. It will remain. It may come in a different form and that is the order of the day.

One point that I would like to mention is that we keep on saying that this party is responsible or that party is responsible. Now, I will ask a very pertinent question. When a particular political party commits mistake by following a wrong policy, people punish them. There is an accountability. People punish them by voting other Party to power. But what about the bureaucrats? The political parties and the political leaders may come and go but what about the bureaucrats who are working permanently in this country? They will remain where they are. The bureaucrats are associated in the framing of the economic policy and also the fiscal policy of this country. What about their accountability?

Today, the time has come when this House should consider evolving a system so that the political leaders and the bureaucracy may join together and work as a team with full accountability. Presently one is having accountability to the Parliament and also outside, that is the people

and the other does not have any accountability at all and they go scot free. So, there should be accountability of the bureaucracy who are all along associated themselves in preparing a policy and if anything goes wrong, they should also be held responsible.

I would like to say that the Budget which is presented to Parliament will definitely lead to increase in prices. It will lead to inflation. It may also lead to steep rise in prices. Why?

At least for me, four things are visible. They are:

- (1) Due to devaluation of rupee, the cost of goods which we import from abroad will increase. It will then be passed on to the consumers. It will also increase prices of raw materials. Thus, help to escalate the prices. By doing away with the export promotion subsidy, the margin of profit will remain same as it was before the devaluation of rupee took place.
- (2) Due to 5 per cent increase in the excise duty on goods which come under its purview, there will be further increase in the prices of these goods. So, the goods which come under the purview of the Central Excise, will register an increase.
- (3) The increase in the railway freight shall also lead to increase in the prices of essential commodities.
- (4) The Government have imposed Rs. 70 crores as tax on the IDBI now. Previously, there were no such taxes. The increase in the interest rates of banks will also lead to increase in prices.

I am happy that due to imposition of more direct taxes, which is non-inflationary, will help the economy. The Finance Minister has attempted to reduce the revenue deficits—I have seen in this House that previously almost all the Finance Ministers did attempt to reduce the revenue deficits—but all of them failed to keep the deficits restricted to this proposed quantum.

So, this was the case with Prof. Madhu Dandavate, Choudhary Charan Singh and Mr. S. B. Chavan. So again, ultimately, the money supply will increase and also will result in the price rise.

Shri Nirmal Kanti Chatterjee is a senior member. He said two things. (1) We are giving up the Nehruvian path. But what I say is that so far as the public sector is concerned, that should have the commanding height. There is no doubt about it. I don't think this Government will dare to go back from that policy. But if there can be any improvement on the Nehruvian way, if there can be any addition by which it can be improved further, there should be no objection from any quarters. (2) He has also said that in 1947 our country had a sterling balance in the Bank of England. But, now, the economic situation is such that we are running from pillar to post for getting help. He has mentioned 1947, but from 1947 to 1991, a long way this country has gone; and in 1947, there was not a needle produced in this country. Today, we are producing 10 million tonnes of steel; we are producing 200 million tonnes of coal; we are producing 64,000 MW of electricity. So, our country today is not what it was in 1947. That point has to be kept in mind.

I congratulate the hon. Finance Minister for not sacrificing the plan allocation to the State. He has made a provision of Rs. 14,000 crores for plan allocation under the present circumstances.

So far as the resource mobilisation is concerned, there also he has shown enough wisdom. I know that, when Prof. Madhu Dandavate presented the Budget, at that time, out of Rs. 2000 crores as resource mobilisation, the States could get only Rs. 3 crores; whereas this time the resource mobilisation is made in such a manner that the States will get a bigger share.

When there is a commanding height of the public sector, that will automatically have a more revenue to expand the private sector in the mixed economy. That you cannot deny. Today, the Indian economy is aiming towards self-reliance and can yield better results than short cut processes. I feel that we are going to adopt some of the easier ways and means for achieving self-reliance. Today, the country needs a self-reliant policy by which we must be able to determine ourselves with the determined effort to utilise our own resources in a better manner by which we can really fulfil the hopes and aspirations of our people. In this case, I do not know what is the answer. Why is such a large quantity of natural gas being flared up every day? Whereas power and fertilisers industry can come up and take this country towards self-sufficiency.

Today, coal production is about 200 million tonnes per annum. But I understand that they are planning to have 400 million tonnes production by 2000 A.D. I do not know why it took forty-four years to reach this level of 200 million tonnes and how we are going to achieve this target.

MR. CHAIRMAN: Please wind up.

SHRI MANORANJAN BHAKTA: I come from a very backward, remote island, isolated island territory. Please give some sympathetic consideration.

What I was saying is, today in this country we need a determined effort

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to create employment both in the private and the public sectors, joined together and to achieve a target of 400 million tonnes of coal production in the coming year. ECL has sliced down target for stopping hiring of equipments. This should be looked into.

Again coming to crude-oil production, we are producing 34 to 35 million tonnes and our requirement is 55 million tonnes. Mostly, our foreign exchange demand is from the oil side, and that is why we should go in a bigger way to increase our crude production. I do not know why nothing has been said so far on this. The crude production in this country should reach at least a high level that we achieve self-sufficiency in oil.

Again, in the core sector particularly, where the money borrowed from World Bank is invested. How has it been utilised? Was there proper monitoring as to how the money was utilised? Or, if it has not been done, then it is necessary to see that it is done in a proper way.

Again, in our banking sector, we hear every day about some scandal or the other. In the United Kingdom also the BCCI has rocked the whole world. We are hearing some reports that a number of our banks have become bankrupt. But what has been done, subsequently we do not know. It is absolutely necessary to see that these public sector banks work properly. At present on these nationalised banks are having no parliamentary control, I request the Hon. Finance Minister to see that, for having more Parliamentary control over these nationalised banks, they should be brought under the purview of the Public Undertakings Committee of Parliament, because these are also public undertakings.

Again, I am sorry to mention one very important matter. That is, in

all the speeches of the earlier Finance Ministers which I have heard, there was a word of caution or warning to the black-marketeers, hoarders and smugglers. Unfortunately, except giving a bonanza to the black money holders the Finance Minister could not utter a single word of caution or warning to the black marketeers and smugglers, except that he was going to regularise their money.

SHRI KALKA DAS (Karolbagh): That is why we have criticised the Budget.

SHRI MANORANJAN BHAKTA: What I am saying is that all the past sins of the black money holders are going to be regularised. But the Government has not come out with any warning to them in the Budget Speech. I would like to request the Finance Minister to say what his intention is about this matter.

Lastly, Shri Nirmal Kanti Chatterjee in his eloquent speech referred to land reforms. I agree with him that in an agrarian economy land reforms are most important. Otherwise, we cannot ameliorate the poverty of the people, and particularly of the poorer sections. But I would like to say that the Congress alone can do this. In West Bengal the land reforms which are now being implemented were passed by the then Congress Government of Shri Siddarth Shankar Ray. In Kerala they were passed by the Achyuta Menon Government which was supported by the Congress Party.

AN HON. MEMBER : They are implemented now.

SHRI MANORANJAN BHAKTA: Yes, we compliment you. There is no question of any confrontation. So, it is a question of consensus and not confrontation.

MR. CHAIRMAN: I have got to tell you that the Congress party list has 53 speakers. You are the first in that list. Please wind up early.

SHRI NIRMAL KANTI CHATTERJEE: Kindly inform as to who will not be speaking from the ruling party...*(Interruptions)*

SHRI KALKA DAS: Is he criticising the Budget or supporting the Budget?

MR. CHAIRMAN: He is presenting his balanced views. I request Shri Bhakta to wind up his speech.

SHRI NIRMAL KANTI CHATTERJEE: If it is too much, he will wind up the Government.

SHRI MANORANJAN BHAKTA: Sir, I am sorry that the hon. Finance Minister has not mentioned a word about the Union Territory without Legislature in his speech. It is the direct responsibility of the Central Government to provide a good Government to the Union Territory. Nothing has been mentioned in respect of its development, mounting unemployment problems, transport, communication, etc. The backward remote isolated Island Territories have always suffered for lack of self-sustaining economy. As such, special provision particularly for generating more employment in such part of the country is absolutely essential. Island Development Authority need re-orientation with fiscal support to fulfil the dreams of late Shri Rajiv Gandhi, who was the architect of Island Development Authority.

I want the hon. Finance Minister to say, while replying to the debate, as to how a massive employment programme would be created.

I request the hon. Finance Minister to restore the fertiliser subsidy looking at the poor peasants in the country. The price of sugar also should be reduced.

Sir, in Andaman and Nicobar island wood based industries are in a bad shape because of high price and a large number of workers are facing the threat of retrenchment. This has to be looked into. Adequate raw material should be supplied to them.

While supporting the Budget, I must admit that under the existing condition, we should have given a direction, a clarion call to the people to rise to the occasion for the pride of Indian nation which perhaps is lacking. A very simple method we have adopted giving a message to the world that NRIs money and I.M.F. loan can save India; otherwise Indian nation will be in peril. But, Sir, I think, 85 crores of Indian population can sacrifice for the mother India, keeping up her prestige, dignity and the pride of the Indian nation. I request the honourable Finance Minister to consider in this line as to how we can maintain, up-keep and hold the dignity of mother India.

With these words, I conclude my speech.

17.00 hrs.

SHRI BOLLA BULLI RAMAIAH (Eluru): I have great respect for the Finance Minister not only because he is a very eminent economist but also because of his deep sense of commitment to the nation. But in his very speech he expressed that the crisis of today's problem was started from November, 1989. Unfortunately I have to disagree with him because if you look at the problems those had happened right from 1981 onwards when the dollar was worth Rs. 8.19. It has been continuously going up and by April 91 it has come upto Rs. 21. So it is a continuous process. It is not that in one day the whole crisis has happened. But he should have been very cautious in doing these things. We have started borrowing from the international financial institutions not only long term but also short term at large interest rates. If this money could have been utilised properly, this crisis

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would not have come. There is nothing wrong in borrowing. Even Japan and Germany borrowed from marshal AIDE. They repaid it. Today they are the biggest lenders to the rest of the world. The problem is that we did not control it properly. The financial discipline did not work. The infrastructure was lacking. Look at the way we spent money on Asiad, loan melas and other things. Even on defence we have spent a lot of money in hard currency. Instead of that we should have gone in for MIG-29 which was a best bargain and an excellent equipment.

17:01 hrs.

[SHRI SHARAD DIGHE in the Chair]

We must avail of such opportunities instead of going in for something else and thus conserve money and utilise it for developmental purposes. Unfortunately, the reason of it is the cumulative effect of all these things. The recent crisis is not due to any one single factor but due to a combination of many other factors like Gulf crisis, political uncertainty, etc. etc.

The devaluation of the rupee was not a wise step. Instead of that we should have allowed our currency to float in the international market in order to find its exchange rate itself. When the devaluation took place, the Finance Minister expressed the hope that the prices would not go up. But unfortunately the shock of devaluation has affected every field in this country. In Delhi itself overnight the price of bread had gone up. Even the vegetable prices had gone up. He said that he is going to reduce the inflation. But if you look at the fertiliser prices, sugar price, LPG price, railway freight and increase in special excise duty from 5 per cent to 10 per cent, all these will effect the inflation and it will never come down. Every one of us will be feeling the pinch if it.

Today morning we were discussing about increase in fertiliser prices by 40 per cent. It is really going to cause a lot of problem to the farmers. The hon. Member comes from a rural area, agricultural area and he really knows the problems of the farmers. If the Finance Minister contests an election from any rural area he will understand the problems which the elected representatives face there. If he goes to rural areas, he will find the type of reaction which is coming. There is a lot of agitation going on. Road blocks are coming. The railways are going to be stopped. The farmers are not going to keep quiet. This steep rise of 40 per cent is really going to affect the farmers. In fact, the farmers were not given the treatment they deserved.

We have also been repeatedly told about crop insurance. Even in areas where crop insurance is there, what is happening there? It has not been effectively working. Though they say that there is plant protection for cotton and for some other cereals, it is not sufficient for them. In fact, in Andhra some of the farmers had committed suicide because their crops had been damaged and there was no insurance cover for them. The Finance Minister must look into these problems of the farmer because he is the backbone of the country. A substantial number of Lok Sabha Members who represent rural areas, are very much concerned about rural problems. I am sure, the Finance Minister will be able to do something in this respect and announce some relief to the farmers. Otherwise, what has happened today in the House will again be repeated. I am sure, he will be able to re-consider this aspect and do something at the earliest.

Then coming to the Industrial problems, I do not want to go into the entire Industrial Policy. But, I would cover only few of the items which come along with the Budget.

Today, you can see that the private sector has invested more than Rs. 75,000 crores and the public sector including the Telephones Department and others, more than Rs. 300,000 crores. But the return on this is very poor. The infrastructure performance is very poor. In the background of these facts, we have to see the return of the public sector units. It is coming only one per cent, whereas the private sector are able to give a return of more than 10 per cent. It is not only this factor, but the effect of this you can see when you have to open up to international competitions. There are going to be some socio-economic problems. And we have to be cautious in competing with those international markets.

Further the banking should be improved because the hon. Prime Minister himself has said in the House that a rural Bank Manager is the richest man as compared to all the farmers in that area. This obviously shows that there is a lot of corruption in the banking. Unless you control this and improve the efficiency, you cannot do justice. Banks also should have experts in every field wherever they participate, including financing the project. They have to monitor at every stage the performance of those organisations, whether the quality is upto the mark, marketing is upto the mark. They have to watch carefully, and I prefer that competition should be there. Customer should be the boss and they should be having the option in case they want to buy. They should have the price, quality and the credit. You can control advances to the agriculture and small sector, but you should have the expertise to see that they are properly utilised and monitored at every stage. Otherwise, you are not doing enough justice.

Another thing that I would like to say is that India is one of the paradise for smuggled goods. They are available openly in the market. Un-

less the Finance Ministry controls it, it is not possible to develop our own industry in this country. And even if you auction confiscate goods, you can make it a condition that they are not for re-saleable.

Another problem is in India with regard to the sickness of the industries. It is not only in India but also in other developing countries. May be here it is due to lack of management, lack of technology or due to frequent technological changes. But in other countries the banks and financial institutions will be able to see that proper measures and amalgamations take place quickly. In other countries, wherever there is sickness, the financial institutions, banks would deal with the problem. They will be able to immediately match this with somebody else who has got the capability, management expertise, similarity and adaptability and they immediately see whether the Budget could be increased or there will be some other way by which they could utilise the resources as fast as possible before it gets into sickness. But, here what happens in our country? One of the causes of sickness for these institutions is lack of expertise. This results in management deficiency and lack of technological improvement which is bound to happen in any country. But if you are able to take some of these measures, the sickness can be prevented, otherwise it will keep on growing. Today, I can say you have a list of many such cases of sickness.

I have got the figures for the year 1988. In that year 2,17,000 units have become sick. The amount that is blocked in this is more than Rs. 1,542 crores in the small scale sector, leave alone the other sectors. It is bound to go up and up—provided you take proper steps as has been suggested by me. If you want to improve, you have to keep in mind the importance of other sectors.

In common market countries, goods can go from one country to another

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country without any hurdle. Here from one State to other State, if you have to send goods, you have to pay tariff, octroi duty, entry tax and so on. These sort of hurdles will create lot of problems. In such circumstances how can the trade improve? How can the business improve? How can the efficiency improve?

And next is the problem of red tapism. This is causing a big problem. I do not know how the Government is going to solve this. I do not know how you can simplify the procedures. A project which can be completed in two years in a foreign country, it takes here four to five years to complete a substantial part of it because of the delay in the Government offices. I do not know whether you have any mechanism with which you can improve the situation. If these basic things are provided, we will definitely be able to compete with the rest of the world.

Look at the case of FERA. You have made it 51 per cent. I know that is probably one of the conditions on which they are insisting. But why should you do that? If you give them 51 per cent, then an absolute control will go to their hands. From the present level of 40 per cent, you can increase it to 49 or even 50 per cent; not to 51 per cent. As you have said that if it is absolutely necessary, you would go in for 100 per cent foreign investment. But that should be very small and negligible percentage. It will not be a healthy sign for us immediately to take up this sort of harsh measures.

In the case of MRTP, I thought you will go on the basis of purchasing power of the rupee 100 crore limit. But, instead of that, you have jumped up. This will enable the big houses to enter in the other medium and small scale sectors. Unless you make a provision and insist that they are reserved for those sectors, it will create a problem for us.

In the case of NRIs, I know that you have given a lot of concessions in the provision. This is the only way by which you can think of getting more foreign exchange from outside. Otherwise we have to take some other alternative measures.

As I said earlier, in the case of agriculture there is lot of opportunity. You can export lot of agricultural products. To Gulf countries, from East Africa and Thailand, jumbo-jet loads of vegetables, fruits, eggs, meats and so many other things are reaching daily. We are the nearest people. We can reach any part of the Gulf countries within 3 to 4 hours. Only if we take interest, we can have the best opportunity to improve the agriculture production in this country. We should take special care for all these things. Of course, you have given encouragement to the food processing industry. I wish that you do something more for other items also so that we have the opportunity to develop these things.

Coming to tourism, I am really surprised that in spite of so many years of efforts, our real earning on tourism is very poor. As I said earlier, this is all because of lack of infrastructure. In Spain, they are getting more than 48 billion dollars from tourism per year. They have got tremendous number of people. Quiet often they are telling that they would like to see India. They have lot of interest in seeing the historical places of India. But they have no facilities which are available here. The Indian Airlines will not give them accommodation. They will not confirm the tickets. They would like to have a streamlined scheme for the tourists. If you streamline those things, it is the easiest way to earn foreign exchange. If you are able to concentrate a little more on this, millions of people will come to our country. They would love to see India. We have got lot of opportunities. I hope you would take special care and do something and we have the best opportunity in this regard.

Well, when I come to the population part of it, I would like to say that we have a large population in this country and we are even exceeding China in this respect. If we don't take proper care to solve this population problem, whatever progress we make in all other fields will be diluted. So, even if it costs extra money, the hon. Finance Minister has to take immediate action and do something in this respect as it is very important for our country's progress. How we can do it at various levels is to be considered. Even if it requires some cess to be collected, it must be done. Control of population is an important thing and we should concentrate on that.

When we look at the employment opportunities, a question arises as to what will happen to the employment potential. We are not able to give enough opportunities for the educated unemployed and the problem of educated unemployment is going to be a big problem in our country, unless you pay some attention to it. Unemployment is increasing day by day. So, some opportunities should be given to the unemployed people.

On literacy programme you are spending Rs. 100 crores and on self-employment scheme you are spending several crores of rupees. These schemes are good, but in practice they are not properly operated and you require some monitoring. Whatever changes that are required, you must effect them as early as possible.

Sir, I will not touch the main taxation side. But I would like to say only two things on the tax structure. Today in the Stock Exchange we have millions of small investors. The small investor becomes the backbone. The Stock Exchange rules provide that the small investor should be given the highest preference and the large investor should be given the lowest preference. All the investors look for their dividend. The cor-

porate tax has increased from 40 to 45 per cent and reduction of depreciation allowance from 33 to 25 per cent and there is tax on interest. All these things will affect the dividend paying capacity. So, these investors will find it difficult to come to the market after a few months.

Now, I have to suggest a few things. These are all routine type of things. The first thing is about the tax exemption limit which is now Rs. 22,000. I do not want to suggest any arbitrary figure, but in 1985 when you have introduced Rs. 18000 limit, from that day to this day, what is the purchasing power of the rupee? So, proportionately you can increase the limit. Whether it is Rs. 30000 or Rs. 28000 or Rs. 32000, it should be on a scientific and more rational basis. And I hope you will be able to examine this issue and do accordingly because the inflation is going up whereas the tax limit not going up becomes a problem for most of the tax-payers.

Regarding the salaried classes, when employees are transferred from mofussil area to urban areas, especially cosmopolitan cities like Delhi, Bombay, Calcutta, Madras, Hyderabad, Bangalore etc., they are compensated with city compensatory allowance to meet the special needs in cities and also cost of living. However, this special allowance particularly granted to meet the cost of living is being taxed, which is against the purpose for which it is granted. Therefore, it may be exempted in the interests of the salaried employees.

It is very appreciable on the part of the hon. Finance Minister for providing a different system of accounting for interest on sticky advances. However, on the principles of equity and natural justice the same may be extended to other concerns which are doing financial business in private sector also as interest earned in such business is being similarly proposed to be taxed under the Interest Tax

[Sh. Bolla Bulli Ramaiah]

Act. Further, this provision may have to be given application retrospectively so that frivolous litigation could be set at rest without much cost and time.

Sir, earlier the interest on excess advance tax paid is being granted at the rate of 1-1/2 per cent per month whereas now it is reduced to one per cent which is not justified when interests under Section 234 for delay in filing return of income and Section 234B for shortfall in payment of advance tax are being charged at the rate of 2 per cent per month by the Central Government. Similarly, interests under Section 243 (interest on delayed refunds) and Section 244 (interest on refund where no claim is needed) granted at the rate of 15 per cent per annum shall also have to be increased to 24 per cent or at least 18 per cent per annum which will be equitable and on par with that of interests charged by the Central Government under Sections 234A and 234B.

Another point I would like to make is that when Section 40 of the Finance Act 1983 was brought into statute for levying wealth tax on companies, so many realities were not thought of and were ignored. Therefore, amendments are being made excluding certain assets from the purview of wealth tax by Finance Act 1988, as well as this Finance Act, as for example, any asset held by the assessee as stock-in-trade is a business carried on by it etc. So, it is against the principles of equity and natural justice to levy tax for old assessment years on the same assets which are excluded from tax for prospective years. Hence, all the amendments that were brought in Section 40 of the Finance Act, 1983, should be made applicable right from the inception of Section 40, i.e., from the assessment year 1984-85.

Sir, there are a large number of cases where certain new assesseees

and non-assesseees who are not aware of the intricacies of the provisions of Income Tax Act and as such do not strictly comply with the provisions either out of ignorance of law or lack of proper advice. However, they are being prosecuted for default in payment of TDS to the Government, although they paid the TDS belatedly in addition to charging of interest for the same under Section 201(A). Therefore, these harsh provisions may be omitted from the Statute by introducing a token penalty for such defaults to ensure better compliance in future.

With these few lines, I thank you very much for giving me an opportunity to speak on the Budget.

SHRI ANANTRAO DESHMUKH (Washim): Mr. Chairman, Sir, I rise to support this Budget and I also commend the Finance Minister. I commend the Finance Minister not because I agree with him totally on his Budget. But, he had a difficult task to perform. On the one hand, there was a heavy balance of payment position, an economic crisis of an unprecedented magnitude, foreign exchange reserve was almost empty and on the other hand, he had to make provision for financing the Central Government's share to the States and the Union Territories for their outlays and also the Central Government's own outlay. Everybody expected that with this situation, a heavy axe of taxes was going to fall on all the individuals. But, to everybody's surprise, he has relied more on the corrective fiscal measures such as the reduction of non-plan expenditure, rather than relying on the excessive tax enhancement.

Sir, a lot has been said in this House about the hon. Minister's remark that he was dedicating this Budget to the inspiring memory of Rajivji. Rajivji was the symbol of the aspirations of the millions and millions of toiling masses. The Finance Minister has done a meticulous job by ensuring that the axe of

taxation does not fall on the toiling masses and that is why he has dedicated this Budget to the inspiring memory of Rajivji. The Finance Minister has made it amply clear that, to cure the ailing economy the policies and directions of the Government henceforth would be towards the reduction of fiscal deficit, the reduction of revenue deficit and the reduction of current account deficit in BOP. If we see the Government's decisions which have been taken in the last couple of days such as devaluation of the currency, the new Industrial Policy and then this Budget are the steps taken in this direction. It is our firm conviction that if we want to cure our ailing economy, then the generation of wealth or creation of wealth in this country is a must and a liberalised industrial policy in some sectors is the only answer for the generation of wealth in this country. More than once, the hon. Finance Minister has stated in this text the measures he is going to provide to the working class. He said that a high-powered body would be set up to ensure the social security to the working class which are likely to be affected by the process of modernisation or by the rehabilitation packages of the BIFR. They are going to be taken care of by this high-powered body. The Government has also proposed to set up a National Renewal Fund which is also going to protect the persons against retrenchment which may happen due to the measures that the Government is contemplating.

Sir, rural development and employment generation always remained our top priority. If we go through the Budget speech carefully, we will realise that this year, the Government has provided an amount of Rs. 3,508 crores for this very purpose. The Government has provided enough outlay for the generation of 900 million man days and despite all this, we have been often criticized by my Opposition colleagues that this Government does not care for the rural masses and this

Government does not care for the employment. We have also tried to honour the social commitment by providing enough for women and child development. We have enhanced the outlays for this sector much more than that of the previous year.

Yesterday there was a lot of discussion about the Government resolve to contribute Rs. 20 crores to the Rajiv Gandhi Foundation. A feeling was created in this House as if the Government is squandering away the scarce resources. Let me tell the House that. Here, the Government has resolved to make contribution to two similar trusts which are essentially non-Governmental bodies. One is National Foundation for Communal Harmony and another is Rajiv Gandhi Foundation. This National Foundation for Communal Harmony is also going to be non-Governmental body, with eminent persons as its trustees. Rajiv Gandhi Foundation is also having eminent persons as trustees including the Prime Minister and the Vice-President. Mrs. Sonia Gandhi is also a trustee of this foundation.

Nobody will dispute with me it. I say that all of us sitting in this House are committed to the social upliftment of the downtrodden people. We may differ only on the measures and the means to achieve it. This is exactly what is happening. (*Interruptions*). If you go through the objectives of the Trust, you will realise it. (*Interruptions*).

SHRI SRIKANTA JENA: There are thousand trusts in this country having the same objectives. Would you give them money?

SHRI ANANTRAO DESHMUKH: That is what I am trying to point out. There are two similar non-Governmental organisations. One is a National Foundation for Communal Harmony which is also going to be non-Governmental body. It is also committed to social cause just as Rajiv Gandhi Foundation is.

[Sh. Anantrao Deshmukh]

(*Interruptions*). I agree that you may have different perceptions on eminence of trustees when I say that Mahatma Gandhi was an eminent person. He was the Father of the nation. This is my perception. But there are also some Members sitting on the Opposition Benches who consider Nathu Ram Godse was an eminent person. That is their perception, so we have difference of perceptions.

When we have two such similar organisations, my Opposition friends are contradicting only one Foundation *i.e.* Rajiv Gandhi Foundation and they have nothing to say about another non-Governmental body which is also mentioned in this very text, namely National Foundation for Communal Harmony which would also work on par with Rajiv Gandhi Foundation. But unfortunately my Opposition friends are averse to the very name of Rajiv Gandhi which is very unfortunate.

SHRI SRIKANTA JENA: It is a private trust. Some of the trustees are below 16 years also.

SHRI ANANTRAO DESHMUKH: I do not want to enter into an argument. (*Interruptions*) since I have already made my point.

These are your perceptions about eminent persons. You cannot change them. I cannot help it.

I would like the hon. Finance Minister to enlighten me on certain issues.

I would like the hon. Finance Minister to enlighten me on the issue of NRI. We have decided to open new sectors to the NRIs. One such sector is going to be the investment of NRIs in residential properties. Now it is obvious that these NRIs would like to invest in residential properties in metropolitan cities such as Bombay, Madras, Calcutta and others. Every-

body knows the seriousness of accommodation problem in Bombay and I think the Finance Minister also knows it. It is much possible for anybody living in this country to transfer his unaccounted money in foreign land through Havala transactions. Everybody knows what Havala transaction is. What I say is that by dispensing with the FERA Regulations, there may be many persons having unaccounted money, who would ultimately transfer their money through Havala in foreign land and get back the same money under some fictitious NRIs' name into the country, to grab the residential properties. This is going to have a two-pronged effect. It is going to generate more unaccounted money and it is also going to add up to the accommodation problems of metropolitan cities. So, I would like the hon. Minister to enlighten me as to what measures he has proposed to contain it.

As everybody has said in this House, we have decided to hike fertiliser rate by about 40 per cent. This is the second issue on which I want to have enlightenment from the hon. Minister. The rationale which the hon. Minister has given is that since 1981, there has not been an increase in fertiliser rates while the procurement prices of many of the foodgrains have increased. This is the rationale which he has given.

Let me tell him one point. Last year, country had produced about 170 million tonnes of foodgrains and out of 170 million tonnes of foodgrains, only 20 per cent was procured by the Government under the appropriate schemes. So only 20 per cent of them have got the advantage. The remedial measures which the hon. Minister proposed, are that he is going to increase the procurement prices of foodgrains thereby compensating for the loss he would incur in terms of rise in fertiliser price. This rationale does not hold good. I come from a place which is essentially a dry land area. People do farming and agricul-

ture out of compulsion because they have no other source of income. For kind information of the hon. Minister I will give him an example. I would give him 100 names from my Constituency who hold 20 acres of land and who would not mind surrendering their lands to the Government provided Government gives a job to any of their family members. The rationale which the hon. Minister has given here is not good. That is why, I would like the hon. Minister to reconsider the hike in fertiliser prices.

In paragraph 116 of this Text it has been mentioned that Government is going to waive excise duty on agro-based industries which are producing absolutely agro-based products. They may be agro-based industries but are private ones. But I have not heard of any private industry, whether it may be agro-based or not and has shared its profits with the consumers or with the farmers. I know that Nagpur is an orange-growing area. There also some agro-based industries like the Jam Industry. I know what plight the farmers are having there...*(Interruptions)*. In a way, whatever encouragement we have proposed by waiving this excise duty, it is going to help the big industrialists and not the farmers. The only industry which I have heard of, and which shares its profits with the agriculturists is the Co-operative industry. And that is exactly where the govt. should have helped now. But the Government has mentioned nothing about Co-operative industry. I would like to ask the hon. Minister about NCDC. Has the whole programme of NCDC IV been included in the pipeline for this year's funding by the World Bank? Nothing has been mentioned. If at all it has been included, when and who is going to take up the appraisal and when actually work on this NCDC is going to commence? We should get answers on these issues. That is what I would like the hon. Minister to speak in his reply.

Sir, there are two more suggestions that I would like to give to the hon.

Minister before concluding. There has been a growing demand from various States—such as my own State of Maharashtra, about royalty on off-shore drillings. As you know, over the couple of years, it is becoming difficult for every State to finance its outlays since the revenue mobilizing avenues are becoming scarce. Therefore it has been the persistent demand from my State that the State should be given a royalty on off-shore drillings. Presently, we don't give such royalty. It has been told that we will have to change our maritime zone Act to give this royalty. We should explore the possibility of amending this Act.

Now, I would like to make my last point. We have laid a lot of stress on the Small Savings collection in our Budget. Over the last couple of years, there has been discontentment among the various States that they do not get an equitable share in terms of the net Small Savings amount collected by the respective States. Those States have taken up this issue with the Central Government persistently over a couple of years, without any results. What I would like the hon. Minister to do and what I would suggest to him is that he should take up this issue at the earliest. So that we can increase our Small Savings investment of the current year which is playing a major role in our Annual Plan outlays. Unless and until we do it, certain States going to suffer. This is one aspect about which I would request the hon. Minister to come out with some positive results.

With these words, I conclude.

SHRI P. G. NARAYANAN (Gobichettipalayam): Sir, I want to offer my views, on behalf of the All India Anna Dravida Munnetra Kazhagam, on the General Budget for the year 1991-92 which was presented by the hon. Minister for Finance. It is an admitted fact that the country is now facing a severe financial crisis. At

{Sh. P. G. Narayanan}

this critical juncture, this Budget attempts to give some relief to the poor people by providing them kerosene at cheaper price—by 10 per cent. But at the same time, the increase in the prices of sugar, petrol, cooking gas and fertilizers will definitely hit the common man, particularly the subsidy-cut on fertilizers items will definitely affect the agriculturists. So, it is a very serious matter. In the interest of farmers, I appeal to the Government to drop the subsidy cut on fertilizers items at once.

According to our Finance Minister, at this hour of financial crisis, large scale adjustment was needed to safeguard the national interest and social concern. But the poor people must be protected from the burden of taxation. The burden is primarily on corporate sector and on rich and on the upper middle class section. The magnitude of fiscal adjustment is reflected in the substantial reduction in the Budget deficit from Rs. 10,772 to Rs. 7719 crores.

This Government is firm on the fact that resources for development must be raised from those who have the capacity to pay. Our Finance Minister has introduced a new scheme to the tax-evaders by giving them another chance to disclose voluntarily their unaccounted money. They can deposit their unaccounted money in the National Housing Bank. Such deposits will be utilised for the achievement of social objectives such as slum clearance and low cost housing for the poor people living in rural areas. Depositors can draw 60 per cent of such deposits through 'Account Payee Cheques' in one or two instalments. The Non-resident Indians also stand to benefit by this Budget proposals. They are being offered new areas of investment including housing and real estate development.

I welcome the proposal of the Government to give tax concessions on the income of the physically handicapped

and blind persons from Rs. 15,000 to Rs. 20,000 in order to help them. I am happy to note that the public distribution system is being strengthened to serve the weaker sections of society more effectively. It is a welcome feature that in order to boost the interest of the tourists, the Government has announced exemptions from the expenditure tax for hotels in hilly and remote areas.

In order to make the education viable, the Government has come forward to give some incentives by way of tax concession to authors and publishers of educational books.

The Government of Tamil Nadu has been implementing the Nutritious Meal Scheme effectively for the past several years in order to bring forth healthy, disciplined and brilliant students from the down-trodden and weaker sections of society. I am sorry to note that such a noble scheme does not find a place in the Central Budget. I think that this Government may reconsider this and include the Nutritious Meal Scheme in the Budget or else the State has to be adequately compensated in some other ways.

I am happy to note that fishermen are benefited in this Budget as the fishnets are exempted from the excise duty. I hope that this step will increase the employment opportunities in various departments.

I am also happy to note that the Co-operative Societies which are run by women in rural areas are benefited by way of excise duty concession.

The exemption given for drugs, cottage, Khadi and Village industries, synthetic detergents, waste paper, wood, aluminium doors and window frames is highly note-worthy. The proposed plan of the Government to establish a Corporation for the welfare of the backward classes is commendable. The Government, in order to augment the industrial development of this country, announced its new

Industrial Policy. I am sorry to state that the Central investment in Tamilnadu has come down considerably. We are getting only 5 per cent of the investment; 25 years back, Tamilnadu got 20 per cent of Central investment. But today it has come down to 5 per cent. I do not know why this steep down-fall. I appeal to the Government to rectify this and the Central investment must be raised in favour of Tamilnadu.

So far as Central assistance is concerned, according to Gadgil formula. Tamilnadu has the right to get more assistance. But Tamilnadu secured only 9.7 per cent increase for the year 1990-91, while many States received higher Central assistance. For example, Maharashtra has got 42 per cent; U.P. 33.5 per cent and so on. Tamilnadu is getting the lowest Central assistance. I do not know why the Central Government is neglecting Tamilnadu in respect of its investment and assistance.

The proposed Aromatics project at Manali near Madras is a long pending project. The Letter of Intent was issued in the year 1987. All the legal formalities have been completed. But still, the Central Cabinet Committee on Economic Affairs has not given its clearance inspite of repeated requests from the Chief Minister of Tamilnadu. I appeal to the hon. Prime Minister and the Union Minister for Petroleum and Natural Gas to give a serious thought to this very important project for speedy clearance, as this Aromatic project will create opportunities for a large number of down-stream industries with considerable employment potential.

Generation of power is very important for industrial growth. Tamilnadu Electricity Board has now been facing serious crisis due to inadequate coal stocks at the Thermal Stations. Two Thermal Stations at Mettur with the capacity of 210 MWs each are kept shut down for want of coal. The State

had to impose power cuts, though the capacity to generate more power in Tamilnadu is available. If the coal in our country is not sufficient for prompt supply, the Government of India can permit Tamilnadu to import coal from foreign countries like Australia and some other countries to tideover this situation or the Central Government must ensure Tamilnadu for getting adequate coal supply within this country to meet its requirements. I request the Central Government to attend to these genuine requests of Tamilnadu at once and do the needful.

The Government is taking several steps to boost export business in order to earn more foreign exchange. In Tamilnadu, Tiruppur is a fast developing industrial town which exports textiles fabrics and Hosiery products worth about Rs. 400 crores per annum, earning considerable foreign exchange for this country. But Tiruppur town is not having basic amenities like drinking water, roads, electricity and hotels. The business community and industrialists feel that export business in this town will be accelerated to more than Rs. 1000 crores in the next few years if proper infrastructural facilities like roads, electricity, water supply etc., and better hygienic environmental conditions are provided. We have to spend nearly Rs. 150 crores to provide such facilities. The local Municipal Council cannot afford to provide such facilities due to lack of funds. The Central Government institution, Apparel Export Promotion Council is getting huge income from Tiruppur town through export of textile goods. The body is now ready to spend on this project. I urge the Central Government to instruct and give consent to Apparel Export Promotion Council to take up this project immediately to provide civic amenities to Tiruppur town to promote export business.

In September 1990, Government of India enforced 10 per cent diesel cut to transport corporations due to financial crisis. This proposal was not

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applicable to private operators. It was applicable only to public sector transport corporations. In Tamil Nadu, 70 per cent of the passenger bus transport has been rationalised. Due to diesel cut, State Transport Corporations had to cut a number of services. Now, the people of Tamil Nadu want the services which are already cut to be reintroduced quickly and new routes also have to be sanctioned to connect unserved areas. It will not be possible for State Government to entertain these requests of the public unless the 10 per cent cut now in force on the supply of diesel is lifted by the Government of India. Therefore, I appeal to the Government to take all possible steps to lift that 10 per cent diesel cut in the interest of the public.

Sir, Tamil Nadu has discontinued the cheap liquor scheme with effect from 16-7-91. It involves a loss of revenue to about Rs. 390 crores per year. The Government of Tamil Nadu is now facing a huge revenue deficit. So, I request the Government of India to take adequate steps to provide compensation to Tamil Nadu Government for the loss of revenue at the earliest.

With these words, I conclude my speech.

[*Translation*]

SHRI BHUPINDER SINGH HOODA (Rohtak): Mr. Chairman, Sir, keeping in view the present economic crisis I would like, first of all, to congratulate Shri Manmohan Singh, Finance Minister, who is a world-fame economist. As he has presented the most balanced Budget, I support it. Today, the Finance Minister has presented this historical budget for so many reasons. The first reason is that...(*Interruptions*).

[*English*]

MR. CHAIRMAN: I am told that as there are many Members to speak, the House may be extended

for one hour. Do the hon. Members agree to this?

SEVERAL HON. MEMBERS: No, Sir.

[*Translation*]

DR. LAXMI NARAYAN PANDEYA (Mandsaur): Mr. Chairman, Sir, not even a single Member from our party has got a chance to speak during whole day.

MINISTER OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD): We are extending the time of the House just to give a chance to speak.

SHRI RAJVEER SINGH (Aonla): Mr. Chairman, Sir, when the opposition members walk out, there is no quorum in the House, what sort of sincerity you show with regard to the Budget?...(*Interruptions*).

DR. LAXMI MARAYAM PANDEYA: What is the use of extending the time when not even one member from our party is getting a chance to speak?

SHRI GHULAM NABI AZAD: We are extending the time just to give a chance to speak.

[*English*]

SHRI RAM NAIK (Bombay-North): There cannot be a system which may deprive the BJP members from getting a chance to speak during the whole day. (*Interruptions*).

[*Translation*]

SHRI GHULAM NABI AZAD: Every party has been allotted time.

DR. LAXMI NARAYAN PANDEYA: The whole day has passed, but not even one member from our party has spoken.

SHRI GHULAM NABI AZAD: That is why we propose to extend the time, but they are not ready to do so.

SHRI PHOOL CHAND VERMA (Shajapur): Not even one member from the Bharatiya Janata Party has got a chance to speak....(*Interruptions*).

[*English*]

SHRI RAM NAIK: Out of a total of 117 members, not even one member is given a chance to speak. Do you expect co-operation from us?

[*Translation*]

SHRI GHULAM NABI AZAD: If the time is not extended, they will not get chance to speak even tomorrow. That is why I am insisting on extending time...(*Interruptions*).

Their colleagues were also present in the meeting held just now. But the problem is that their colleagues who were present in the meeting are not present here.

DR. LAXMI NARAYAN PANDEYA: We are aware of the discussions held with the leaders in the meeting. But what I want to say is when not even one member from our party has got a chance to speak, during the whole day then what is the use of extending the time? Our party still has enough time.

SHRI GHULAM NABI AZAD: Time is not allotted to individual members, it is allotted to party. If one member of his party takes one hour and 45 minutes, what can be done....(*Interruptions*).

[*English*]

MR. CHAIRMAN: After Shri Hooda, you will get a chance.

SHRI GHULAM NABI AZAD: May I request the Chairman to tell them about the time allotted for them and the time consumed?

SHRI RAM NAIK: We know that. Our complaint is that we have not been given a chance to speak during the whole day.

SHRI GHULAM NABI AZAD: You may be knowing, but the press does not know.

SHRI RAM NAIK: Are you addressing the press from here?...(*Interruptions*).

MR. CHAIRMAN: Your Party has still got one hour and 21 minutes. You will be given a chance.

SHRI RAM NAIK: That is not the point. You understand our agony...

(*Interruptions*)

MR. CHAIRMAN: I will allow you after this gentleman.

[*Translation*]

SHRI GHULAM NABI AZAD: His party has still got one hour and twentyone minutes. The hon. Member may utilise that time.

SHRI RAM NAIK: Won't even one Member from our party speak during the whole day?

SHRI PHOOL CHAND VERMA: Whatever time is still available, won't even one member from our party speak during the whole day?

SHRI GHULAM NABI AZAD: Five minutes have been wasted unnecessarily. (*Interruptions*).

[*English*]

Well Sir, we are not going to press for extending the time, if they are not interested. (*Interruptions*)

MR. CHAIRMAN: As the House does not agree to extend the time, we may now adjourn. The House stands adjourned to meet again at 11.00A.M. on Thursday, August 1, 1991/Sravana 10, 1913 (Saka).

18.00 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Thursday, August 1, 1991/Sravana 10, 1913 (Saka).