

(viii) Need to extend orraia Gas Pipe Line to Ferozabad, Shikohabad and Agra, in Uttar Pradesh.

13.07 hrs.

The Lok Sabha then adjourned for lunch till Ten Minutes Past Fourteen of the Clock.

[*Translation*]

SHRI PRABHU DAYAL KATHERIA (Ferozabad): Approximately 5 lakh workers have been rendered unemployed due to the closure of 147 factories and mills in my constituency, Ferozabad, and they are on the verge of starvation. This has generated a lot of public resentment and indignation. The Government have been embarking upon its policy of employment generation. If the Government want to give employment to these workers, they should extend the Orraia Gas pipeline up to Shikohabad, Ferozabad and Agra so that the workers thrown out of job are re-employed and the development of the area achieved.

14.19 hrs.

The Lok Sabha re-assembled after Lunch at Nineteen Minutes past Fourteen of the Clock.

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

**GENERAL BUDGET, 1994-95-
GENERAL DISCUSSION**

[*English*]

SHRI RAMKAPSE (Thane): Hon. Deputy-Speaker Sir, Dr. Manmohan Singhji has presented his fourth Budget in succession. Before the presentation of his Budget, there were crores of people in the country who did not know what the Finance Minister would do through his budgetary exercise and what its effect would be on each of their lives. But today, Dr. Manmohan Singh is the most talked about man in our country.

Lastly, I would like to urge upon the Central Government to kindly issue orders for extending the Orraia Gas pipeline up to Shikohabad, Ferozabad and Agra so that the unemployed workers can get employment.

He has become well known in the last 15 days. I can give you one example. Even the rag-pickers who are getting daily wages of Rs. 10-15 will have to search for new jobs because of this Budget. After the new tax structure, recycled plastic and plastic from abroad will almost cost the same. Because of the levy of 30 per cent excise duty and reduction of import duty from 88 per cent to 65 per cent, these rag-pickers will have to go in for some new job. This is the fact we will have to perceive. The same is the case of the persons who are collecting waste lubricant oils and then refining them.

SHRI SYED MASUDAL HOSSAIN (Murshidabad): Mr. Deputy Speaker, Sir, this has been done as per the direction of the supreme court. I fail to understand how are you granting the permission...(*Interruptions*)..

[*English*]

MR. DEPUTY SPEAKER: Anyway, we can discuss it at some other point of time. The office will examine it.

The House now stands adjourned to meet again at 2.10 P.M.

[Sh. Ram Kapse]

I call this Budget as anti-poor and anti-small scale industry Budget. All the hopes of the common man have been belied. This Budget is a death knell for small scale industries. Small scale industries in almost all parts of India, especially in Gujarat and Maharashtra, have been closed one after another.

Generally, when the Budget is presented, we take it that it is for the next 12 months, but this year we experienced that this Budget is for 14 months. It started with an increase in the administered prices of LPG, wheat, rice, sugar, diesel, and petrol. The Government has collected about Rs. 6000 crore worth of levy out of LPG, wheat, rice, sugar, diesel and petrol. After this, a cut in the food subsidy to the extent of Rs. 1200 crore was announced before the Budget. The upwards graph of price rise is going up and up. Even in Delhi, where it is said that Government cares for the citizens more than in other parts of the country as it is a capital city and a seat of power, the prices of vegetables never came down in the last year. Under this situation how can we expect a better life for the common man in the next year? That is the real problem.

There is no upward trend in the income of people. People are losing their jobs. Continuous hike in prices is the first attack. On 24th February, the Railway Minister announced the fare and freight increase of Rs. 1000 crore. When the Railway Budget was discussed in the House, Shri Gaffer Sharief, when asked about the hike in rates, said that it is bearable. Now, even Shri Manmohan Singh or Shri Murthy on behalf of the Finance Minister may say that it is bearable. I would like to know whether it is really bearable. A person who is not getting any increase in his income—who, of course,

has to maintain his family also—will he be able to maintain his family? This is the real problem. About the Season Ticket holders in the Metropolitan cities the Railway Minister thinks that they can bear this burden. I would like to know whether they have started earning more or have their other expenses come down. How can the Minister say that the hike is bearable? All this is in the background of a good monsoon.

Your Government is lucky in one way that for the last six successive years, we have had good monsoon. If the monsoon was not good, what would have been the situation? You just imagine this.

The world oil price has come down. In spite of that, you have no mercy for the common man and the middle class. You are actually responsible for the price rise. You compare the prices of the consumer goods in the last three years, then you reply as to whether the prices have come down. Do not talk of Wholesale Price Index, you talk of Consumer Price Index and then, you will be able to know what is the real situation. During last year, there were reports of 900 starvation deaths from Orissa and Maharashtra. In Maharashtra, whether it is Amravati or whether it is Jawahar and Mokharaj of Thane district or Dhulia, these districts have reported starvation deaths. In spite of your godowns being full, the people died because of hunger. They did not get medicines in time. When the 400 million Indians could not afford two square meals a day and they have no shelter, no bed, here, you are saying that the economic situation is better. I request you that if you are not in a position to check the rise in prices, at least, don't take away the jobs of scrap-pickers and other poor people. Don't take the industries which provide jobs for the poor people. At least, you give some consideration for these people. Which the people who go to

the ration shops? It is the poor and the middle class people who travel by buses or somehow get entry in to the railway coaches? It is the poor and middle class people. You taxed them before the Budget and brought a deficit Budget Rs. 6000 crore you are charging less on cosmetic items. Laundry etc. You have increased the price of Janata Soaps. Is this the rationalisation? I have with me an advertisement of Hindustan Levers which appeared in *The Times Of India* of 3rd March, 1994, it says:

“Shampoo prices will be less hereafter. Skin preparation Fair and Lovely Cream, Winter Special Cream will cost less. Liril Talcum Powder will cost less. Laundry Soap-Sunlight which was costing Rs. 21 per kg. will now cost Rs. 22 per kg.”

This is in a way tax on cleanliness. You care more for cosmetics and you care less for the items of mass consumption. I think it is nothing but Dunkelisation. Dunkelisation has already started. You have seen what had happened in the last three months. You will see what will happen next year. I suggest that the Government should sign the Dunkel Draft on the 15th April and see how the people will react. This is the warning which I am giving today.

Take the example of Hawaii chappals. You go to Room No. 7 in the Parliament House. There, you will see MPs from all over India.

The Members of parliament belonging to all political parties came there and requested Shri Manmohan Singh to have some consideration for their request. When I was sitting there, MPs from Kerala came and were requesting him with regard to *Hawaii Chappal* and rubber *Chappal*, which is a common man's wear. The reply of Shri Manmohan Singh was in the negative.

Even for congress MPs, the reply was the same. They will bear me out now. I would like to know from him whether he is considering their request. I know what he replied to them.

Actually, those who have to go and ask for votes in their constituencies will get the experience. Shri Manmohan Singh will not have to go there; you will have to go and ask for votes. He can gamble with the people; you will not be able to gamble with the people.

There is duty on pipe fittings and umbrella and PVC cloth. The people will prefer to have canvas shoes from abroad in place of our own shoes. So, please consider all these aspects before you decide.

You have brought down excise duty from 75 per cent to 50 per cent on cosmetics. But as far as laundry soap is concerned, you have raised the duty from 5 to 10 per cent. Is this your rationalization? On white cement, It has been brought down from 40 to 30 per cent. For rawmaterials for pesticide, you have raised it to 10 per cent. Ultimately, the farmer will suffer; the horticulture will suffer.

Then you have not spared even the Ayurvedic, Unani and Homeopathic industries- where there is a brand. Ayurveda is our own system. Therefore, you are putting a duty on them.

What about the yarn cloth which the common man uses? You have levied duty on lower count cloth; it will cost more because there is 430 per cent duty on yarn on lower count. As far as best cloth is concerned, it is only from 12 to 43 per cent. So, the powerloom and the handloom sectors will be doomed. At least, you should think that these are the bare necessities of life.

[Sh. Ram Kapse]

As far as food is concerned, you have shown no concern. As far as cloth is concerned, you have shown no mercy. As far as the plastic industry is concerned, you have hit it. For glazed tiles, you have raised it from 40 per cent to 55 per cent. On carpet and floor covering, it has been brought down from 35 per cent to 30 per cent.

On Umbrella, there will be a price rise. An air-conditioned car will cost less because the duty has been brought down on it. Whom do you care? (*Interruptions*) But the Government is concerned with an air-conditioned car and not the umbrella; that is the real problem; and they will have to face this problem during elections. not today.

There are 18 million farm workers, artisan youths and women who have no fixed wages. Every third family is in debt; and that debt is incurred only because they have to maintain their family.

For that they have to ask for loan. Per day earnings of so many families is less than Rs. 20. 20 per cent population have 80 per cent wealth and 80 per cent population have to share 20 per cent wealth. That is not the wealth but the real poverty which they have to share.

There are three lakh villages without any primary medical centres; thousands of villages are there with no water to drink for months. You want to provide Coca Cola and Pepsi Cola to them but no water.

"De de Khana Bhchcha. bola, Manmohan bola le le cola".

This is the reply of Shri Manmohanji.

Now Mr. Murthy you have been asked to reply to this debate and Shri Manmohan Singh has already left after gambling with the Budget.

In the last three years about one lakh youths from Bombay and Thane have lost their jobs because of closure and lockouts. You are happy that registration in employment exchanges has come down. The Finance Ministry is having the statistics about the employment and unemployment in the country but you are depending more on the employment exchange registration. Are you sure that you have provided employment for all of them? Why has this figure come down? You are very happy to say that registration has come down. That registration has come down because of disbelief in your Government. There is no other reason.

You just go through the Railway Manpower Management. In the last three years there is no addition of a single person in Railways. There is a cut and they want to bring more cuts. You have projected three million employment opportunities but actually today in all Government offices, in public sector undertakings, private industries, there are no jobs, not even for the reservation category. Whatever you have announced for the reservation category, there are no jobs available to them.

This is your fourth Budget and you have not come out with manpower management. You are not worried about the unemployment problem in the country.

Banks after banks are madly doing computerisation and there are 10 million youths who have graduated and are waiting for jobs. They are in search of jobs. They

must be meeting you! They may be having chits from you and still they do not get jobs with all those chits they are gather from you? (*Interruptions*)...I would like to comment. Do they not come to you?

SHRI UMRAO SINGH (Jalandhar): You provide them liquor.

SHRI RAM KAPSE: What you provide them, you know better.

One after the other the public enterprises are closing down. NTC was the latest experience.

We will observe decorum here, we will show all parliamentary courtesies but these youths when they come out on the streets they will not show any decorum as far as you are concerned. At least learn lesson from Gujarat experience. What happened in Gujarat in 1974?

Employment in organised sector has come down. Between 1980-90, in those ten years only there was a reduction; less jobs because of automation. The SSI units which provide employment are being closed down because you are not interested in all those public enterprises.

I will show you the pictures of a public enterprise which they will have to run. I will submit these photographs to you, Sir. This is about steel circle, i.e. patta, in my constituency.

They employ ten persons in this factory. The factory is closed for the last 15 years. They are not working, because you are offering them MODVAT. Can they avail of MODVAT? It is almost a one man show. The same person does marketing, gets produc-

tion and you want him to avail of MODVAT. Otherwise he has to pay excise duty and compete. How can that factory run?

As on today after the 28th of February lakhs and lakhs of people are jobless because the factories are closed. Except one in Jamnagar district of Gujarat, since the 3rd of March no factory is working. All the shutters are closed only because of your behaviour. Why are you doing this?

Whether it is waste scrap, whether it is lubricated oil, the position is the same. For instance, you decided in 1975 that we should care more about petrol and diesel. Lubricating oil is totally imported. It is not manufactured in India. There was a national seminar in 1975 about the conservation of petroleum. The Ministry of Petroleum formulated a scheme of voluntary registration in 1978. Re-refiners collected lubricating oil waste from factories, workshops, garages and so on. Thousands get employed for collecting waste lubricating oil. Several hundred re-refiners and small scale factories employ thousands of employees. Fresh excise duty is charged and import duty is reduced. So, these people have lost jobs. These factories are closed. At least, you consider about this demand that if imported oil will be economical and excise duty is not withdrawn, it will affect the common man and the small scale industry which provides more employment than large scale industry, than the multinationals.

At dabole, one electricity generation plant is coming up. The cost is Rs. 9,000 crore and only 300 persons will be appointed. So, for every Rs. 3,000 crore there will be one employment at Dabole. (*Interruptions*)

[*Translation*]

All right, let you reveal the truth.

SHRI MURALI DEORA (Bombay South): You said that there is one person employed for every Rs.3000 crores which is wrong.

[*English*]

SHRI RAM KAPSE: Yes, that is the correct calculation and if it is not correct, you ask Shri Manmohan Singh on my behalf of the Lok Sabha and on behalf of the people. If you bring all these multinationals for Rs. 3000 crore then only one person will be appointed. Only 300 persons will be appointed in the whole factory.

[*Translation*]

SHRI MURLI DEORA: My submission is that your statement is wrong as per your own reckoning. You are saying wrongly of two zeroes.

[*English*]

SHRI RAM KAPSE: It is a Rs. 90,000 crore project.

SHRI MURLI DEORA: That is exactly what I am telling you.

SHRI RAM KAPSE: Thank you for the correction. Please correct Shri Manmohan Singh also.

MR. DEPUTY-SPEAKER: *Anyhow, he was successful in correcting you. The next step is for them to correct.*

SHRI MURLI DEORA: I am not interrupting him.

SHRI RAM KAPSE: I will never interrupt him, because he will agree with me. I know.

He is having himself a small scale industry in my constituency. I want to ask whether he wants to wind it up.

SHRI LOKANATH CHOWDHURY (Jagatsinghpur): His industry will not be affected. Shri Manmohan Singh is very clear.

SHRI RAM KAPSE: So, what about the unemployed youth? Ultimately they will be taking to terrorist activity.

Kindly engage them in creative work. Now you want to say, "We have nothing against small scale industries and we will try to develop them," These were the announcements made by Dr. Manmohan Singh before he presented the Budget. I will just remind you about all these announcements made by him. These were pre-Budget statements. When he went from city to city throughout India, he said: "It will be survival of the fittest hereafter; face the global competition; do or die; reduce prices or face imports. "So, you had forewarned them. And after those warnings, these SSI units are willing to pay the taxes. You ask for pre-emptive tax. You just think about my suggestion. You do not ask them to appoint a person who is specialised in that job. It is not an easy job. They cannot appoint a new person. You ask for pre-emptive tax. They may accept it. But do not create new corruption areas in Excise Department which are already there. The new structure will not work in any case. MODVAT is not going to help them in any way.

There are large scale industries and small scale industries in paints. There was a difference of about 15 per cent. Now it is only 3 per cent. The people will go for brand

products. Now you have already informed all the tiny industries and small scale industries that if they make any attempt to prepare of manufacture under a brand name, then they will not get any facility as far as small scale industry is concerned. On 1st of March 1994, by one notification you have withdrawn all these 389 notification which were giving some concession to these small scale industries. You have withdrawn all of them by one stroke. You should have tried with two or three notification's. You should have thought about them. It is only because you want to go and sign Dunkel formula on 15th of April, this has been started. At the cost of small scale industries, which provide employment to a very large extent, you want to welcome multi-national companies from out of India. Do you want to help their labour? The recession is already there in USA and Japan. Do you want to see that their recession is over? We just welcome them with all their new formulae.. (*Interruptions*)..

SHRI SRIKANTA JENA (Cuttack): We must go to their rescue.

SHRI RAM KAPSE: Who will come to our rescue? That is the problem.

About agriculture, the disguised unemployment in agriculture is already there. Agriculture's share of GDP is 35 per cent and work force dependent on this is 65 per cent. It is *vice versa* as far as manufacture and service sector is concerned. It is 65 per cent of GDP and dependence is 35 per cent. So, as far as agriculture is concerned, the population depending on agriculture is already having less employment. What have you done for them? You will say that for agriculture you have provided more. Have you provided that? In real terms you have provided less taking in to consideration the inflation which we having today. So, the in-

built situation of unemployment and poverty is there.

What about irrigation? In the revised estimates of last year, it was Rs. 200 crore and in this year's Budget, it is Rs.260 crore. In real terms it will be only Rs.230 crore. So, you do not want to spend more on irrigation. In real terms, you do not want to spare more on Defence. What about the human development? The index you must be knowing. We are 134th nation as far as human development is concerned out of 173 countries. Even Pakistan is 132nd nation and China is 101st nation as far as education medical care and family planning are concerned. We are the 134th nation in the whole world. Are you spending more for these human amenities? The answer is no. And you say that economic situation has improved. Is it real? As for as prices are concerned, it has not. As far as employment is concerned -it has not. As far as housing is concerned -it has not and as far as water is concerned it has not. What about the external debt burden? In 1980-81 it was only Rs. 70000 crores and now it is Rs. 280000 crores. It is four times. You say that from 1 billion we have gone to 13 million. We want to know the exact position as for what foreign investors have brought what NRIs have brought what the foreign banks, who had a share in the scam, have brought here. Should we be happy about the external debt, loan and interest thereof? But you want us to be happy for that. You say that gold will be brought back. But you are not saying when you are bringing our gold back which was placed abroad three-four years ago. Have you kept it for new loans to come? Why have you not brought it back? I would like to know whether Mr. Ghulam Nabi Azad did not help you. What was the reason? The collection of customs duty is less than the expectation by Rs.4000 crores and you are happy about it. The real reason for collection of less custom duty is reces-

[Sh. Ram Kapse]

sion in India. Therefore, things were not brought from outside. You accept the fact that you do not gamble with the figures as far as the Budget is concerned. You state face, that this is the position of the day about the loan and the inflation. You say that the wholesale index has come down. But it is for 360 commodities. The middle class serving people, especially Government departments get D.A. You please give the figures whether 1st is increased or decreased. As far as consumer price index is concerned, it has not come down. So do not speak of wholesale price index. The fiscal deficit has risen from 4.7 per cent. So, should we be happy about it? Last year your assumption went wrong and you want us to believe now that whatever you are projecting today will be true. What about the foreign debt? We are not very sure about the fiscal deficit. The revenue expenditure is rising. Even expenses on the Ministers tours are four times high. Last year, you spent Rs. 50 crores for the tours of your Ministers. Dr. Manmohan Singh says that he has no control on his colleague and on his bureaucrats. If you have no control on your bureaucrats and colleagues who else can control them? The repayment which is due this year is Rs. 63632 crores and the interest payment this year will be Rs. 46000 crores, that is, 53 per cent of revenue receipt because revenue receipt is only Rs. 86000 crores.

Before 1980, it was always observed that the revenue receipts should never be less than revenue spent. But thereafter they have not at all been worried as far as the revenue receipts are concerned, even if they are less. And 53 per cent of the revenue receipts they will spend on interest payments. There is a BIFR Act which says that

if the management behaves in this manner, the management needs to be changed. If I ask you that if the BIFR Act is to be taken into account, why should we not say that the management needs to be changed? These *charwaks* should be asked go leave the place and come out of the Government.

As far as income-tax is concerned, whatever concession was given to salaried women, that has also been cut by fifty per cent for Hindu Undivided Families. Same is the case about section 80L and same is the case with income-tax exemption. As far as income Tax exemption is concerned, we asked to raise it to Rs.50,000. But they not accepted that demand and have raised it from Rs.30,000 to Rs.35,000 only, which is already wiped out because of the inflation. So, all these *charwaks* deserve to be kicked out. I ask, on behalf of the people that please change the management or change the behaviour.

SHRI MURLI DEORA : Mr. Deputy Speaker, Sir, at the outset, I would like to congratulate the hon. Finance Minister for presenting, for the first time in the history of India, his fourth consecutive Budget to the people and to this Parliament. I would also like to congratulate the Prime Minister who has completed to say this 1,000 days in the office... (*Interruption*).

[*Translation*]

SHRI RAM KAPSE : There is a saying in Marathi, "Harmare 100 din bhar gaye."

SHRI MURLI DEORA : There is a proverb in Hindi Jaswant Singh ji will tell you that everything looks yellow to a jaundiced eye. Kapse ji has developed a cynical eye that is why he can view pessimism alone.

[English]

You see darkness in everything. Nothing is good for you in this country.

SHRI NIRMAL KANTI CHATTERJEE (Dumdum) : Except the T.V. light.

[Translation]

SHRI MURLI DEORA : He sees darkness even in the T.V. light.

[English]

Sir, if we think of our country, if we think of India, three years back, if we think of India 1,000 days back, anybody will agree that the economic situation which is prevailing in our country today is much better than what it was then. That certificate even Jaswant Singh ji or anybody will give. Can you imagine that the Government, under the leadership of Shri V.P. Singh and under the then dynamic Finance Minister, Prof. Madhu Dandavate from Bombay ... (Interruption). Sir, they do not speak, they only interrupt. However, he is my friend, so I do not mind that.

I remember when Prof. Madhu Dandavate, my friend from Bombay, supported by BJP, become the Finance Minister, the first major statement that came out from him was that the coffers of our country were empty, and throughout the year when they were in power, they made an attempt and worked in that direction to see that the coffers of our country were empty. That was the first time that any Finance Minister could go on record to say that the country had no money at all. And, Sir, What was the result? The result was, and Mr. Jaswant Singh knows this very well, - he may accept this or not that the credit rating of India in the international market went down substantial-

ly. We must have lost almost half a billion dollars in extra interest payment... (Interruption). Mr. Jena, today you are here, tomorrow you do not know where you will be. So, please do not interrupt me today. I know what problems you are having in Orissa. I shall come to Orissa later on and you will agree with me then. So, please let me complete.

SHRI SRIKANTA JENA: When Prof. Madhu Dandavate said that the coffers were empty, were they full at that time?

15.00 hrs

SHRI MURLI DEORA: I did not say so. Please hear me. I am trying to say that a Finance Minister of India said that coffers of our country were empty. This is the height of irresponsibility. Nobody in the world has ever said what Prof. Madhu Dandavate had said. Prof. Madhu Dandavate is personally a great friend of mine and everyone knows about it. I am not criticising him personally. I am trying to tell you the economic philosophy which the Government was carrying at that time. What was happening in the international market? Every Indian was worried whether we will be able to pay back or honour our commitments of debt. Today, I remember about one incident. Mr. Chandra Shekhar is not sitting here now. I remember a party on the occasion of the anniversary of Sunday magazine in which Mr. Chandra Shekhar said that he was scared and he did not know whether day after tomorrow our name in the international market will be that India had failed to honour its commitments. This was the state of affairs at that time. What was the inflation? ... (interruption).. Budget is not only talking about rubber, sarees or yarn. Budget is the economic policy of India. Budget is the direction which is given to Indian economy. Budget is not only raising duties on yarn and talking about

[Sh. Murli Deora]

small scale industries. When I come to that aspect, I will support him. But Budget is the basic policy indicating where the country will be taken this year. This is what I am trying to say. Inflation was running the highest at 17-18 per cent at that time and the international standing of our country was the lowest possible at that time. Everyone will agree this and Mr. Jaswant Singh had himself said this. It is no wonder that you withdrew your support, Mr. Jaswant Singh. I congratulate you for that. I am not blaming you. Do not feel shy for accepting at least congratulations.

1502 hrs.

(SHRI SHARAD DIGHE *in the Chair*)

This Government came to power in June, 1991. What happened 1000 days before? The first time when Dr. Manmohan Singh presented his Budget was in July, 1991. He said that the first and foremost task of our country and the Government is to bring down inflation. Now, what is the rate of inflation? There may be some areas where inflation is still high. Everyone will realise today that in the course of these three years, there has been a massive drop in inflation. It was 6 or 7 or 8 per cent at least, it is not that alarming like 17 or 18 per cent or like what was there at that time. This was the monetary policy which was brought by Dr. Manmohan Singh and the Government of India which brought down inflation...*(interruption)*.. This is the problem with the Opposition here. They want to provoke the consumers not to pay more price. You cannot have both. You want growth also; you want employment also and you want industrial production to go up also. But you do not want a little bit of inflation. We

have to have some segment of balancing in the economy. I will criticise Dr. Manmohan Singh where I think that his policy is not fit like in regard to small scale industries. I will come to it later...*(interruption)*...I am trying to say that the country's economic management in the last three years has been excellent. Mr. Ram Kapse said just now that everyone in the country knows Dr. Manmohan Singh in the last 15 days. It is not that know in just 15 days but anyone today in the developed and developing countries knows Dr. Manmohan Singh and what he has done. It is not only that they know what he has said in his Budget speech but also what he has done about the management of our economy....*(interruption)*....Now, the first and foremost point is during Budget preparation, the opposition blamed the Government that this Budget was presented by the World Bank and was made in Washington and not in India. I do not think there can be any bigger shame when responsible Members of Parliament or a responsible leader accusing Government of India for that.

Those people who were saying that this time also, the Budget was presented by the World Bank and those people who believed that our Government would again seek a loan from them, were shocked to see that in this very Budget, the Government of India has prepaid 1.4 billion US dollars to the World Bank, though, this is not even due now. What do they have to say on this?

The Government of India has increased subsidies on food and fertilisers. Was it the policy of Washington or the World Bank? It is our own policy. The World Bank desires that there should be a reduction in plan allocations in respect of poverty alleviation programmes. In the morning, Shri George Fernandes was enquiring about Anganwadi programmes. If you see our plan allocations, you will find that the allocations for

these programmes have been increased by 17 per cent. The allocation on Defence has been raised from Rs.21,500 crore to Rs. 23,000 crore. Subsidy on food and fertilizers is Rs. 4,000 crore each in other words, an additional amount of Rs. 2,000 crore for food subsidy and Rs.900 crore for fertilizer subsidy has been provided this year. Allocation on welfare sector has been increased by 14 per cent. Allocation of Department of Rural Development has been increased from Rs.5,010 crore to Rs.7,010 crore. So, you can very well imagine the massive increase in these sectors.

Now, let us come to income tax exemptions. Our BJP friends have been asking for these exemptions so very vehemently. Shri L.K.Advani is not even present here. They have not even issued a statement congratulating the Government even when the Government has done something which they themselves have been seeking. As per the present tax structure, no one earning less than Rs.50,000 per annum and in the case of women, Rs.52,00 per annum, need pay income tax. The surcharge of 12 per cent on non-corporate income tax has been totally withdrawn. The exemption limit for tax is increased to Rs.100,000.

[*Translation*]

SHRI NITISH KUMAR (BARH) : In this way the dowry has increased.

SHRI MURLI DEORA : There are extra-dowry gifts as well. They have said that there are marriage expenses too. This does not necessarily imply that it involves dowry alone.

[*English*]

Outlay on education has been increased by Rs.250 crore, which is a rise of almost 20 per cent. There is also a provision for tax

exemption for loans taken for the purpose of higher education. All the donations to educational institutions are eligible for tax exemption. As per the provisions, if any corporate company or individual donates money to educational institutions, he will be exempted from paying income tax. You will find that a lot of money will be coming to the starved educational institutions all over the country.

SHRI NIRMAL KANTI CHATTERJEE : In any case, those people do not pay any income tax.

SHRI MURLI DEORA : They do pay taxes ! How can you say that?

Sir, the economy is back on the rails. Inflation which was varying between 17 and 18 per cent has come down to a manageable single digit. Many people are unhappy with the high figure of deficit projected by our Finance Minister. To be true, the Finance Minister himself has stated that he is not happy with the deficit which comprises almost 7.1 per cent of the GDP. But what can we do?

AN HON. MEMBER : Yes. What can one do in an election year?

SHRI MURLI DEORA : The truth is that we want more subsidies for fertilisers; we want more poverty alleviation programmes; we want more allocations to PSUs and so on and so forth. The only consequence of all these is that we have to put up with this deficit.

But here I must congratulate the Finance Minister that in spite of the fact that there is such a massive deficit and in spite of the fact that there is actual fall in revenue collection, which turned out to be even less than what was projected, he has not raised

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any tax. Now why has he chosen to take the risk of this gamble, if at all it were a gamble? According to me, it is not a gamble. What has happened last year? As Shri Ram Kapse has rightly pointed out, we were passing through a massive recession and there was less production.

There was no production at all in several industries. Their capacity was lying idle or unutilized. The present Budget will give a massive boost to the industrial production, employment and investment. And with this reduction in the interest rate and massive production the deficit will be wiped out. As a result of this will be more revenue and much more development than has ever taken place in the past. This is the only time when this risk can be taken. I will give you two-three reasons for this.

Our foreign exchange reserves are at all time high now. They have risen from 1 billion dollar to 13-14 billion dollar.

Our foodgrain reserves are nearly 23 million tonnes, which was never there in the last 7-8 years.

Inflation is within the manageable limits.

And, there is a massive direct and indirect foreign investment to the tune of nearly three-and-a-half billion dollar during 1993-94 which will boost industrial production and will help the Indian industries to come up.

Last year, the Indian financial institutions had sanctioned more than Rs.5400 crore extra loan, but during the course of 9 months, that is from April to December, only Rs.900 crore have been disbursed. There is

a time gap between the sanction and disbursement. When this massive amount will come to the Indian industrialists there will be more production and more investment. During the period from April to December 1993, the Indian companies raised Rs.18,000 crore in the capital market and they are expected to raise 2.76 billion during this year. This will not only boost the stock market or share price, it will also be used to some extent for productive purposes. This will give more job opportunities because there will be more investment in the industries. I hope the entrepreneurs will take the message given by the Finance Minister in the right spirit. You are right in saying that industrial production has stagnated at two per cent or less than two per cent. I am sure it will go up. I am confident that if the politicians, economists, entrepreneurs and general public cooperate, we will have a growth rate of 7-8 per cent.

SHRI SRIKANTA JENA : What are you talking?

SHRI MURLI DEORA: You just wait and see. Please do not be pessimistic. Your party is not in power, so, you do not have to worry.

This Budget is welcomed by each and every citizen. I remember, during a massive meeting held by Shri Nani Palkiwala in Bombay city, each and every citizen welcomed the Budget. The time has come when by streamlining the tax collection system, we can generate more revenues. I remember, Shri Pranab Mukherjee used to tell a story in AICC meeting. It is like this.

A Poojari of a temple asked his Chela to guard the shoes of each and every person who is coming to the temple to have a darshan of the Lord.

[Translation]

"Take care of their shoes and do not allow any person unless he keeps his shoes with you."

[English]

A dynamic young man, like Shri Saifuddin Choudhury came in his car. On seeing too many shoes lying there, he kept his shoes in the car and walked towards the temple. The Chela caught hold of him and asked, "Where are you going?". Where are your shoes? The man replied: "The shoes are in my car." He then told him: "No you cannot keep your shoes in the car, I had got the order that the shoes must kept here only."

This is the situation of Dr. Manmohan Singh. His instructions in some area have gone in different directions. The *Poojari* is always correct.

[Translation]

The shoes should not be lost; shoes should be taken care of but the disciples guarded shoes in a manner that they caught hold of the people who came without shoes. Therefore, I would request you to .

[English]

Agree with him. I support what he had been doing for the 15-16 days. Mr.Kapse, I myself had taken six or seven delegations from Maharashtra and Gujarat and even from Silvassa. There are some anomalies. I am very sure that Dr. Manmohan Singh will see to that before the end of this Session, all these anomalies are removed. These anomalies must be removed.

Sir, I want to read Paragraph 56. I am

supporting Mr. Kapse's contention. I quote:

"Customs duties though lowered in the past three Budgets need to be brought down further to make key imported raw materials and capital goods available to Indian industry at reasonable costs and also to reduce unduly high levels of protection to industry. At the same time, the scale of duty reduction has to be so calibrated as to ensure that it does not place unreasonable pressure on domestic producers of similar products."

Unfortunately what has been said in Paragraph 56 has not been correctly translated. You take the examples of umbrella its parts. (*Interruption*)

SHRI JASWANT SINGH (CHITTORGARH): Mr. Chairman in this case, as the hon. Member who is intervening on behalf of the ruling party has said, the small scale sector is disturbed. It is because either, perhaps, they have not understood the modification that you have brought about or they are disturbed because earlier the excise collection etc. was not in the net of excise duty collection. Now, they have come either by way of excise duty or by way of MODVAT. Would you first examine and then recommend to your Government for consideration that just as in the direct taxes, you have introduced a very worthwhile measure called Presumptive Taxes? The Presumptive Taxes had freed the citizen from the thralldom of officials and corruption etc., etc. Would you examine the possibility of a Presumptive MODVAT or Presumptive Excise Duty so that the difficulties of the small scale sector, the difficulties of the tiny sector and the tyranny of the officials are eliminated? If that is done, then a great of deal of

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sectors that are coming in delegations and are representing to your Government perhaps might be eliminated.

SHRI MURLI DEORA: I am grateful to Mr. Jaswant Singh. It is very easy to calculate direct taxes on the basis of presumption, but, according to me, it will be very difficult to calculate indirect taxes on the basis of presumption. But this does not mean that the Government should not draw some line on this particular thing. On the one side, the Government will collect taxes in a perfect manner and on the other side, there will not be any inconvenience caused to anybody else. What is MODVAT? It is correct system. Every country is going in for this MODVAT scheme. Instead of collecting excise duty from one producer, they are widening the tax net. It is good to collect money from more and more people by bringing them under the tax net. You take the example of people who produce yarns, handkerchieves, umbrellas etc. You see there is a sub-Section in the Excise Duty Act which says that there will be Excise Duty on the products made out of cloth. He referred to ties. And we see they levy excise on handkerchiefs? Actually, that was not their intention also. I know that in Gujarat, there are ladies who just sit at their homes and are making handkerchiefs. We took of their delegations to Dr. Manmohan Singh and Mr. Murky. They said that if they are coming within the total turnover of Rs. 30 lakh, then they need not pay tax. I went to say to the hon. Finance Minister that that is not correct. I have found out from them today.

As per section 1/93, I believe even though their total turnover is less than Rs. 30 lakh still they are coming under the net of tax. These anomalies must be removed. I appreciate that you are talking about pre-

sumptive tax. Excise department proposed to have Gate pass and invoice on the book to help declare correct invoice value to them to write on the back of the invoice. So, those who are declaring different invoices with different angles will be eliminated, which is a good thing. Some industrialist in Bombay told me that now they have made a provision that every Director of the company must himself sign an invoice on the back. Well, we do not expect a Director of a Company to sit in the factory. Mr. Raghunandan Lal Bhatta will agree with me in this respect. So, there have been anomalies and Shri Manmohan Singh or his Government has not said something about them.

Yesterday he replied to the budget in the Rajya Sabha and also met several delegations from Bombay - both Congress and -Congress - he assured them that he is looking into it. So, I would request him without any waste of time, he should do it, because these industries are totally exploited; it is not possible for them to work - the industries all over Gujarat and even in Haryana. Mr. Jaswant Singh is right. Earlier, some of the people did not know what was the real impact on the industry; they only welcomed the Budget and rightly so. But, later on, they came to know where they were being harassed. So, they also got up from their sleep and now they say this is where they are put to inconvenience. There are people who want to pay honest tax. So, the Government, with the modified value added tax should see that the maximum tax is collected from them; and also they should see that they are not unnecessarily harassed. This is a good system; and it has to be introduced in India; but do not do it in a large scale which will cover even the very small and tiny sector. I would urge upon you not to bring into the net of tax this small tiny sector people. Mr. Ram Kapse is right. I support him. Those people who are having

30 or 40 or 50 people employed, there one man is everything; he is an engineer; he is also a Purchase Officer; he is also a Sales Officer and so on. So, please do not bring in to the net of these people? Otherwise, you will have very serious problems; it will not be possible for any Excise Inspector in Bombay or anywhere else to go and collect honest tax from there. I know that Shri Manmohan Singh himself deputed Revenue Secretary and the Cabinet Secretary. They went to Bombay and met people in Thane and other areas. I am very confident that in the coming days, they will find a solution to this. The small scale industry which has been in arms, So on strike all over India in some field, I am sure, will be helped by this. I am supporting Mr. Ram Kapse; he is very right. (*Interruption*) He is coming to Bombay; he is ready to meet you. You know, every day, your own BJP people and people from Gujarat come over there. We are with you. Why did you say that there were differences between the Congress and the BJP? We do not have any difference between Congress and the BJP on these issues—for SSI units.

Mr. Ram Kapse said about the competitiveness of the Indian economy. If one sees what has happened to the Indian economy for the last several years, three days or four decades, one will find that there was a time when the Bajaj Scooter was delivered after 12 years. Tata Telco truck—the devilry was four years. The market price of that Scooter was three times the official price. So, this gave undue protection to our Indian industry. There was no Marketing Division in some of the companies; they had only Despatch Division because there was no need of having a Marketing Division. A Member of Parliament would have to ring up to the Managing Director to get it. What has this resulted to? The new technology has not come; more production has not come. There

was an artificial scarcity always continued in the licensing system of our country.

I must congratulate Shri Manmohan Singh for allowing the Indian industry to face the competition. Now they will face the competition where not only Bajaj will manufacture scooter but 2-3-4-5-6 other people will also manufacture scooter; where not only Tata and TELCO will manufacture TELCO trucks but some other people will also manufacture trucks. So there will be a competition, there will be price competition. There will be competition on quality, maintenance, services, etc. and this will really help.

Our country has vast resources. This can only be exploited if we are allowing our industries to compete. I may remind that within one generation the countries in East Asia like Indonesia, China, Korea, Thailand, Malaysia, Etc. today have a living standard which is much above ours. The proportion of poor in these countries has declined from 40 per cent and higher in the early 1960s to below 10 per cent.

20 years back they were just like as we are today. Why? Because they adopted the reforms and we continued to follow with the same licensing and permit policy. So let us not worry about the past now (*Interruptions*) I am trying to say, let us not worry about what has happened in the past. We must open our doors, we must liberalise.

Our Prime Minister, earlier this week, was in the UK. I just want to quote a little line from 'The Economist' which was reproduced by the 'Sunday Times'—What was the state of affairs of Indian economy and what should he done now? I am quoting:

“The Economist' recently concluded nowhere else, not even in Communist China the Soviet Union the gap

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between what might have been achieved and what has been achieved is as great in India."

This is really true. I liked when Shri Saifuddin Choudhury was telling me in the morning that we must change and we must correct our mistakes. If we do not correct our mistake today, the world and the future generations will not forgive us and I am ready to say that we have made mistake also.

SHRI LOKANATH CHOUDHURY: We do not agree with you.

SHRI MURLI DEORA: You do not agree with what China did, you agree with what Russia did, I do not know which country you will follow. There is no other country left for you now.

SHRI LOKANATH CHOUDHURY: You are a country and other should follow you.

SHRI MURLI DEORA: Yes... (*Interruptions*) But I agree at the same time with the Indian industry's demand. There should be a level playing field available to them. What are the disadvantages they are facing, we must look at them also.

Our Indian industries are paying very high rate of interest and the foreign industries are paying low rate of interest 6-7 per cent. The Indian industries are paying, after the reduction of 3 percent, 15-16-17-18 per cent interest. We must see that welcome the foreigners for a healthy competition and not at the cost of our industries.

You are talking about free trade. If you see in America and Japan, there is more managed trade then in India or anywhere

else. I agree with you. You hardly can take a product and sell it in Japan. What has happened between President Clinton and the Japanese Prime Minister, last month, in Washington? They did not agree. They are thinking of putting Super 301 on them. So we must protect our healthy industries. We must protect our indigenous industry in a healthy manner. But that does not mean we should curtail the production. That does not mean that we have a licence and when you need 100 cars, you give licence for 90 cars. That will not bring prosperity. (*Interruptions*)

MR. CHAIRMAN: Not like this. Let him continue.

SHRI ABDUL GHAFOOR (Gopalganj): He is the most independent Congress MP of whole of India.

SHRI MURLI DEORA: Sir, we had a securities scam.

SHRI JASWANT SINGH: Sir, with your permission, may I ask the hon. Member about Manhattan clarification?

There are three figures which intrigue me. There is roughly Rs.13000 crore in foreign exchange.

SHRI MURLI DEORA: It is not Rs. 13,000 crore; I want to inform you. A dollar is no more Rs. 10; it is Rs. 34 or so.

SHRI JASWANT SINGH: All right; 13 billion. Roughly it comprise the FCNR, NRI deposits and the monies that have come in for investment. (*Interruptions*) Then there is roughly an investment proper in Indian industry, the venture capital which amounts to roughly about Rs. 3,000 crore to Rs. 4,000 crore— I do not have access to the exact figure and the Indian industry managed to have about Rs. 18,000 crore. On the surface

of it, that amount of 13 billion which they were speaking of is relating to venture capital money. It is in India today, it could be out of India tomorrow. Would you comment on that? That is one point.

The second point is, if the venture capital amount is only Rs. 4,000 crore, is there any institutional difficulty in greater absorption of money or are we doing something wrong and promotion that money, greater flows of money or is it because we have not created the right climate for it?

SHRI MURLI DEORA: I agree with him. It is 13 billion dollars. Even though it falls as a foreign exchange, it is not all the earned money. I agree with him. The FCNR and NRI money is there. What is FCNR? Foreign Currency non-resident Indian deposit. And when they think that the rate of interest is higher in another part of the world, they have seen that the money is not recovered, when they will withdraw. I agree with you. But just see the confidence of these FCNR people! The same people who were thinking otherwise—I am telling you, now nobody will listen, that is the problem—they have confidence in this Government.

Yesterday, the representatives of Merilync, which is the world's biggest investment banker were here. All the world's leading bankers are now coming to India. They were having mutual funds; today it is 'IND America. Nobody was ready to touch it. Two per cent, three per cent of Libo, the London rate of interest. Today we are paying 0.3 per cent above that rate. Very soon, we will be getting some opportunities. That is what the economic stability of India is. That is what exactly I am saying. The Prime Minister and Shri Manmohan Singh have provided political and economic stability to India. That is why the people are ready to come.

The same FCNR, when the Government supported by Shri Jaswant Singh was there, started withdrawing. What happened to the Bank of England? The Bank of England was not trusting with the place of the gold. They said that they need the final possession of gold. It has never happened in the world. Forget India; not even in the history of Russia has it happened.

Shri Jaswant Singh knows it.

We had this massive security scam and I had the unfortunate or fortunate experience of being in the JPC.

SHRI MANI SHANKAR AIYAR (Mayiladuturai): Say 'unfortunate'.

SHRI MURLI DEORA: I agree with you.

I would remind the hon. Finance Minister that several economic reforms in the financial sector which he had promised last year—I am going to read some of them—are still not implemented. I agree with what happened in this year. We had the JPC which did not allow several institutions to function. We all know it. What I am trying to say is, let us forget the past but now there are several reforms which are needed at the Bombay Stock Exchange and at the SEBI. Strict transfer of assets etc., that must be implemented now. The hon. Finance Minister had mentioned it in his Budget speech. He mentioned it in the earlier years also.

The first thing is about the Reserve Bank. He had promised that a Board of Supervision of financial institutions will be again formed. A lot of time is taken. He has mentioned it in the Budget speech. I would request him now to set up a Supervision Board.

The hon. Finance Minister spoke about

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recovery of bad loans also. Yesterday we discussed about it. This morning also there was a question. For shares a board will have to be set up. So far not even one has become operative, whether may be the reason. I would request the Government not to spend more time but to do it quickly.

Proper transfer system should be there in the market. Scripps are transferred but the assets are not transferred physically. This was also promised. What they call national depository system has to be introduced, were the physical transfer of shares does not take place.

I would request the Finance Minister to see that it is implemented early.

About setting up National Stock Exchange, a promise has been made two years back. I know the steps taken in Bombay in this regard and National Stock Exchange is coming. Now the time has come. It should not be delayed.

They are several FERA amendments, which have been promised by the Government. They have been delayed considerably for a long time. The promise made in the last Budget has been implemented during the year 1993-94. I am sure that this will be implemented early.

One other point is about the reconstitution of the RBI Board. This Board was constituted some eight to nine years back. I know what the Finance Minister has said in the JPC meeting when he appeared before the Committee. I would submit that the Government should not take any more time in reconstituting a dynamic RBI Board giving representations to all sections and to those who can contribute.

Sir, now I would like to go into three vital sectors of our economy. The first one is oil. In 1993-94, the target fixed was 31.6 million tonnes and the actual production was only 28.6 million tonnes. That means, the production is less by 16 or 20 per cent. The Eighth Plan target for 1994-95 is 44.35 million tonnes, it is like a dream. We are all aware that we cannot achieve that target. The target is not achievable. The largest amount of our foreign exchange is spent on oil and petroleum products. The import bill for crude and petroleum products in the Eighth Plan, Shri Mukherjee will agree with me, was estimated to be of the order of Rs. 8,900 crore. And it is estimated to go up to Rs. 1,09,107 crore. There is a massive increase of 25 per cent, that too when the oil price is not very high in the world market. Plenty of oil is available at quite a competitive price in the world market today. This is what is happening. In the early 1980s, the domestic production of oil was two thirds of the consumption. In the early 1990, the domestic production of oil was one third of the consumption. From two thirds, it has come down to one third. What is to be done? Everyone is aware as to how ONGC and other oil departments are working. I do not want to comment on that. Everybody has commented about that. They are not working well. What is needed is that must revamp our domestic oil industry. ONGC, which has been converted into a public limited company, should be given a good Chairman, good powers, good managerial skill with proper control and autonomy, in order to see that this largest sector, this vital sector in our Indian economy is not allowed to go haywire.

Sir, large scale investments on exploration of oil by big giants from the West are coming. Big giants from the West like SHELL, OMACO, GULF, CALTEX are coming back to India now. I remember that near my

constituency, there are ESSO and SHELL. They are going to wind up. But they were nationalised. I am not against their coming back. The hon. Finance Minister is aware that they are coming back to market lubricant and aviation oil—that is not enough—which our Indian oil can do. What is needed is this. They have a massive technology. They are doing exploration in Vietnam, Cambodia, China and Mexico. They must be asked or rather forced to invest in exploration work.

(Interruptions)

SHRI JASWANT SINGH: Then, why have you given it to Videocon.

SHRI MURLI DEORA: If they have got the technology, then why not? We should give to any Indian company. Why do you worry about the name Videocon? If any Indian enterprise in joint or private sector is willing to explore oil, then it is better to explore oil. Shri Jaswant Singh, I had been to Saudi Arabia and Dubai twenty five years back. I had also been there eight years before. Now, you see what is happening in Dubai now and what had happened there twenty five years back and also what is happening in Indonesia now. They have allowed their oil to be explored by these multi-nationals. I am sorry that some Members of my Party or the Opposition may not like this. We should have allowed our oil to be explored by them. I have said this for the fourth time in my speech. Last year the Government has agreed to give oil exploration to these big multi-nationals. You have no other way because they have the technology and the amount of money, which is required for this is Rs. 5,000 crore and it is over 2 billion dollars. And no Indian industry will be able to do this. I would request the Government to see that this exploration of oil is done by these big multi-nationals rather

than marketing tube oil, lubricant and aviation oil.

I come to the second most important infrastructural sector in our country and that is power. We have 73000 mw capacity in private, State and Central Sector under the three heads—hydro, thermal and nuclear. This is not enough. At the peak shortage, the availability is nearly 30 per cent of the total demand and supply. Those who live in Delhi know how the power goes out. This is not good for our country. The massive investment in power sector has to take shape. I must congratulate the Government for allowing these multinationals and private sector to come into the private sector. *(Interruptions)*

SHRI MURLI DEORA: I congratulate the Government because it is better to allow the multinationals in the power sector. It is better to allow private sector than to starve the power sector. *(Interruptions)*.

SHRI MANI SHANKAR AIYAR: Sir, if we exclude the three States that is Bihar, West Bengal and Orissa, we will have all the power in our country. *(Interruptions)*

SHRI SRIKANTA JENA: If you exclude Bihar, Orissa and West Bengal then no multinationals will come because coal is available there. *(Interruptions)*

MR. CHAIRMAN: Some intervention is good but not for all the time.

(Interruptions)

SHRI MURLI DEORA: Sir, the Plan allocation for the power sector in 1993-94 was Rs. 7461 crores and in 1994-95 it is only Rs. 8484 crores and the budgetary support has gone up by 27 per cent and that is from Rs. 2445 crores to Rs. 3117 crores. How

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much power can it bring in real terms? I think, it can bring a very little, may be 4500-5000 mw. So, this is not enough. The government has done rightly to allow the multinationals and Indian private industries, large and big, to come into the private sector. Sir, I have a suggestion. I do not want to go into the leaflet which has been circulated by Shri N.K.P.—Salve the case for the privatisation of the power sector— which has been given by my friend, Shri Srikanta Jena. (*Interruptions*) there has to be one uniform policy. You cannot treat one American company in a different manner with another American company. What has happened? We have guaranteed 16 per cent minimum return. That means money will be given if the State Electricity Boards like Orissa do not pay. (*Interruptions*) I have learnt this from the Energy Committee because I was a Member of the Energy Committee. I went into all these things. Otherwise, I did not know, Sir, I raised this point in the Standing Committee also. The Government is giving over and above 16 per cent a bonus for higher PLF and that higher PLF is over and above 68.5 per cent. The leaflet supplied by Shri N.K.P Salve says that the average plant load factor of these industries will be 82 to 83 per cent and privately Mr. Salve says it is 90 per cent. This is not correct. I am all for the investment of multinationals in power sector whether someone likes it or not. I am for one thing that there has to be one standard and one criterion for everyone.

The Chief Minister of Orissa— I am grateful to Shri Jena who has given me this information— because he made a private deal with somebody, has given one per cent bonus instead of 0.7 per cent on every one per cent increase in the Plant Load Factor. Normally, after 68.5 per cent, if you increase

the PLF by one per cent, you get, 0.7 per cent extra bonus, but the Orissa Government has given one per cent bonus. The other States which are negotiating are giving 0.7 per cent. So, there has to be one barometer for this. I do not want to take the company's name because I have got nothing to do with the name. What I am trying to say is that the Government of India has to direct that there has to be one uniform policy, be it Orissa, be it Maharashtra, be it Delhi or be it any other State... [*Interruptions*]. To a Communist, you can never teach. They will always say that they are teaching you. They know it very well. (*Interruptions*) O.K., I am sorry. I apologise.

Sir, you are yourself an hon. Member from Bombay. We must see that the consumers are also protected in the future power tariff. There are dangers that if the Government is going to make agreements with the multinationals now, I am speaking against the multinationals here—that power tariff is done in dollar terms, and god forbid, if the rupee devalues a little more, Jaswant Singh ji, what will you discuss in the Committee? Instead of paying Rs. 1.80 or Rs.1.90, the consumers of India will have to pay Rs.5 per unit, or may be even more than Rs.5. (*Interruptions*) In Orissa, it may be even Rs. 7, because by that time Mr. Jena may take over. I would request the hon. Minister, through you, that: (a) the Government must have a uniform policy for both, the Indian companies and the foreign companies, as far as the privatisation of power sector is concerned; and (b) the Government must protect the overall interests of the consumers and see that they are not unduly and unnecessarily paying a very very high price.

One suggestion that I have is about giving fiscal incentive to industries for captive power generation... (*Interruptions*).

[*Translation*]

SHRI NITISH KUMAR : You did not touch the matter of equity.

[*English*]

SHRI MURLI DEORA: I agree with them, Sir, Wherever they are right, I support them. There is one more point that the rate of interest in the world market is 5-6 per cent. My friend from that side has just said that debt charges are very high and it is good to have equity rather than loan. Equity is always better than debt. I agree with him. But in the case of power sector, it is not good and, I am sure, the Finance Minister will agree with me that today we can borrow money from the world market at six per cent or seven per cent or eight per cent. On the other side, if we allow the equity participation by foreigners in the power sector, we are at a great loss. We are giving them a minimum of sixteen per cent, over and above that one per cent or 0.7 per cent bonus on the extra PLF, for which the base itself is only 68.5 per cent, which is very low. So, in real terms, they will get 29-30 per cent. I would request the Finance Minister that one should not insist on this debt equity ratio. I know there are norms about the debt-equity ratio which the foreigners have to follow. But in the case of power sector—not in the other cases there has to be more equity than debt. In the case of power sector, when such massive guarantees are given, when such massive protection is given, this is not advisable, and grateful to Shri Jena for reminding me about this.

SHRI SRIKANTA JENA: Mr. Deora, how is it that the Orissa Government and the American Government agreed to come to the Government of India?

SHRI MURLI DEORA: Maybe, he has

promised that he will send some of the M.Ps. here. You may be the frist. So, do not worry.

Sir, I humbly suggest that sixty per cent of the commercial power by the State Electricity Boards in India is consumed by industries in India and one suggestion is that fiscal incentive should be given to the captive power generating comparies. Somebody may be putting up a refinery. He will spend 7,000 to 8,000 crores of rupees on this. He will be needing a 90 MW or 100 MW power plant.

Why should we given him the power from our own grid? It is better to force him to have his own captive power plant like what we have done in steel mills, collieries or in some refineries. One thing that is coming—I was told and I believe—is that in order to encourage captive power generation by industries, 100 per cent depreciation should be provided. I remember that I discussed this in the Consultative Committee meeting with the Finance Minister and he was rightly worried that if this is given, then we cannot depend on the imported fuel. I was told that using low grade residual fuel oil which is a sort of a waste from the refineries, if we can generate power, then it will be good and cheaper in a massive scale. I was told that the cost of this power generation will be really one-third and half of this. So I would request the Finance Minister to please consider giving more fiscal incentives to captive power generation which will be very useful.

I come to another point, that is, foreign investment. A few days back, I had the privilege to hear the speech of Mr. Nirmal Kanti during the discussion on the Mines and Minierals Amendment Bill. When I heard his speech I realised that these people are still worried about East India Company. At that time, Mr. Jaswant Singh was not present here. I do not think that this country is so

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weak and that our people are so foolish that they will allow the East India Company to take over this country again. Fortunately there are no Mir Zaffers found as everybody is a patriot here. If there is foreign investment in this country, this country can be taken over by multinationals or large houses but here, I would very humbly urge one point, About foreign investment, specially on equity, there have been lot of articles these days. Lot of media barons are coming to India and you know who they are. I know some of them and I have met some of them. we must see that their equity participation in Indian media like television centres and Indian newspapers should not be more than 50 per cent. Even in America, it is not allowed. Their equity holding must not be more than 50 per cent. I am saying this because some of them talked to me. I am telling you the truth and I am not ashamed of that. I am proud of it and so, I am saying it. We welcome foreign investment even in media sector whether it is CNN to Rupert Murdoch or whoever is there. But I am trying to say that it will be dangerous for our country allow them to hold majority share holding, that is, more than 50 per cent. They have come already and in Zee TV itself, Rupert Murdoch is holding less than 50 per cent and an Indian is holding more than 51 per cent. If we have a policy, they will follow, I guarantee you that if our policies are clear, any foreigner will follow the line. They will not get a market like what it is in India, a market of 400 to 500 million people who witness them or who can read their things. Nowhere in the world you can have such a market like India, Mr. Saifuddin Choudhury.

SHRI SAIFUDDIN CHOUDHURY (Katwa): The problem is with ourselves. It is not with them. If we are all right, then they cannot do anything.

SHRI MURLI DEORA: Then why are you worried about these things. Yesterday, your leader was telling about East India Company.

One-fourth of our population lives in urban areas and I know that a majority of Members of Parliament are from rural India. They talk about poverty, unemployment, etc. in rural India. It is all right But one does not know how much poverty, chaos, tension and crime is there in urban areas. Of course, urban areas are growing up and by the end of the century, one out of three Indian will live in urban India like in Delhi, Bombay, Madras and other big cities. Now the time has come that we must have a national urban policy. We should see to it that the mistakes committed by other countries in the world should not be repeated by us. People say that if you go to Bombay, you will get a job. But I want to tell you how much unemployment is there in Bombay itself. Slums and crimes are because of unemployment. I have a suggestion to make here. This is the ninth time that I am making this suggestion.

SHRI NIRMAL KANTI CHATTERJEE: Therefore, Bombay employment exchange register does not show any decline. Is that true?

SHRI MURLI DEORA: I do trust employment exchange in Bombay or Delhi or anywhere.

You may very well quote me. I am on record and I say that these employment exchange do not indicate the real extent of unemployment because people do not go there. I know my remarks are going on record but I am not worried. The Finance Minister himself knows this. At least, he is trying to do something about it. So, please

don't create problem for him. If you can, try to help him.

In every Budget, whenever I speak, I am saying one thing and the Finance Minister knows about it. In every budget, he talks about the economic reforms. There is a thing called the ULCH Urban Land Ceiling which should be done away with. In Delhi, Bombay, Madras and Calcutta, thousands of acres of land is still available where houses can be constructed. In South Bombay from where I come and which is known as Manhattan, a newly married young man who is educated in America or some other country and who wants to serve his motherland cannot aspire to get a small flat. He may be earning Rs. 30,000 a month and his wife may be getting a salary of Rs. 15,000. But even this money will not enable him to get a small flat of one room and one kitchen. They have to pay nearly Rs. 30 lakhs for a house. Since they cannot afford it, they have to travel nearly one and half hours from their home to workplace. So, What is needed is a massive construction programmes for urban houses. The land is available. But this Urban Land Ceiling Act, which in my view is a foolish and retrograde Act that the Government of India has imposed on the people of India, should be withdrawn. It should be amended or abolished.

SHRI NIRMAL KANTI CHATTERJEE:
Activate Shrimati Sheila Kaul!

SHRI MURLI DEORA: I have told her so many times.

Shri Ram Kapse has mentioned in his speech about the huge capital required for a fertiliser plant. And how much employment is generated from it? On the other hand, with a minimum of capital you can generate maximum number of jobs from the

housing sector. Not only more jobs, it will give a boost to cement, steel and several other industries. I request the Finance Minister that before he goes to the next Cabinet Meeting, he should see to it that there would be a proposal for abolishing this ULC. (*Interruptions*)

I request the Finance Minister and the Government that they should see that this Urban Land Ceiling is removed. There is a great need for an Urban Infrastructure bank on the lines of NABARD. This bank can finance urban infrastructure such as bridges, water supply, sewerage projects, Calcutta Metro and so on. You can very well imagine the employment potential of these projects.

[*Translation*]

SHRI DAU DAYAL JOSHI (Kota): Mr. Deputy Speaker, Sir, an investment of Rs. 11 thousand crore has been made in the Chambal Valley factory and there are only 325 people working in it and you claim that fertiliser factories will generate employment. Likewise, Rs. 700 crores have been invested in Shri Ram Cement Factory of Kota where only 200 people are working. Thus you claim that the Cement factory will also be job-oriented. How it would be possible?

SHRI MURLI DEORA: I said that if there will be comprehensive schemes of Housing, the people of Cement Industry will be raising a hue and cry that cement is not being sold. You did not get my point. I tender an apology and yield to you.

[*English*]

I would like to make one more point about the PSU disinvestment. I would very much like the Finance Minister to pay greater attention to this aspect. Unfortunately, he

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is not in the House just now. In the JPC on Securities Scam also, we discussed about the PSU disinvestment. Day before yesterday, there was a short notice question and Shrimati Krishna Sahi was replying to it.

SHRI NIRMAL KANTI CHATTERJEE:
To put it correctly, she was not replying!

SHRI MURLI DEORA: In the first phase of disinvestment by the Government in 37 PSUs has yielded Rs. 3,038 crore. The Minister of State for Finance. Mr. Murthy may please bring it to the notice of the Finance Minister. Here, what I am trying to drive home is the point that while repealing, the hon. Minister for Industries has mentioned that they have some scheme whereby they auction the shares. This is not a correct scheme.

16.00 hrs.

This is not a correct claim. I would like to say it again. I would like to bring to the notice of the Finance Minister certain figures of disinvestment of shares. In the case of BHEL disinvestment if shares was 20 per cent. As against the market price of Rs. 130, the share was sold at Rs. 38.10. In the case of MFNL, disinvestment of shares was 20 per cent. As against the market price of Rs. 290, it was sold at Rs. 46.30. In the case of SAIL, as against the market price of Rs. 75, the share was sold at Rs. 13.20. In the case of VSNL, as against the market price of Rs. 1700 crore, the share was sold at Rs. 123.30. It is for you to say whether it is loot or something else.

I would like to bring to your notice that this system of bringing in a handful of organisations like the GIC, LIC, UTI, etc. should be scrapped. I would say that there

is a need for disinvestment. There is no reason for the Government of India to hold more than 51 per cent if the shares. Over and above 51 per cent share, each and every one of the 49 per cent shares from the PSUs should be disinvested. Public Sector shares are not available to be thrown at any price. We must see that a proper price mechanism is followed and proper price mechanism can only be followed by having a proper equity ratio. I do not want to go into it just now. These shares should be allowed to be quoted in the stock market.

There is a huge unutilized World Bank's credit available with India. Over 15 billion dollars of loan, which was supposed to have come and for which we are paying the commitment charges, is still lying unutilised. There is so much delay in this and this needs to be streamlined. What is the use of getting a World Bank loan for Calcutta Metro; what is the use of getting IDA loans for Bombay Water Supply Project if the money is not disbursed by the Finance Ministry? There is a considerable delay in this. It must be streamlined from the time of project evaluation, sanction and execution. Thanks to the Standing Committee on Energy from where I came to know that some sanctioned projects were not given money in the midstream. For example, Bombay's Tarapur IV and V Nuclear Plants, which were sanctioned in 1989, got only Rs. 700 crores and now the cost has gone up by threefold. Similarly, in the Health Sector, we have utilised only 8 per cent of the World Bank's credit sanctioned for Family Planning programme and other health care programmes. I would say that all the commitments made by the Government must be honoured.

I am shocked to see that the Government, which is talking of liberalisation, international credibility and so on, had made a

commitment to export 1000 bales of cotton but, now they have directed the Maharashtra Cotton Federation not to honour this commitment. This is not correct. Once a commitment is made, whether by a Government or a private corporation, it must be honoured.

Otherwise, the country's name will not be anywhere in the international market. I was told that some promises were made in the backward areas for giving Central subsidies. Here, some hon. Members were talking about backward area development in Silvassa, Dadra and Nagar-Haveli. What had happened to the promise regarding release of money made to the Industries in 1986? Still, those moneys have not been disbursed. What is the use of going to the backward areas like Silvassa, Dadra and Nagar-Haveli? You know that 20 per cent subsidy is being given by the Government of India. Still this money has not been disbursed. So, this must be disbursed.

Sir, we have two main opposition parties here. They are the Left Front comprising of CPI and CPM. I must congratulate my friend Mr. Jyoti Basu. Even though his party's representatives here, were totally against the Reforms and Liberalisation Policy of the Finance Minister but Mr. Jyoti Basu was implementing them over and above what we were doing here. He is much ahead of Dr. Manmohan Singh.

When some multinationals or large house go from Bombay. Mr. Jyoti Basu, gives them the best lunch in Calcutta Gymkhana. I must congratulate him for that. The only State in India which has even privatised milk dairy is West Bengal. They have Mr. Viren Shah's company. There is nothing wrong in that. I am congratulating him for that. I am not against him. Now, take the example of Calcutta Metro. The first loan which was given by the World Bank had

gone to them. Mrs. Geeta Mukherjee knows about that.

SHRI SAIFUDDIN CHOWDHURY: There is nothing wrong in that. The question is not of public sector or the private sector. Just like public sector, it is harmful for this country.

SHRI MURLI DEORA: I fully agree with you. When the question of IISCO's privatisation came, the first man who advocated it was Mr. Jyoti Basu. You know very well. You people, whether it is Mr. Saifuddin Choudhury or Mr. Nirmal Chatterjee and Mr. Somnath Chatterjee and your friends may talk something else. So, Sir, they are following suit.

SHRI MANI SHANKAR AIYAR: They are running an export form oriented from of communism in the country!

SHRI MURLI DEORA: They are following a double policy. They first policy which they are following in West Bengal is good for the progress of the country. I am glad to say that hon. Members like Mr. Saifuddin Choudhury, Mr. Nirmal Chatterjee and Mr. Samnath Chatterjee are seeing the light now. They are realising that there has to be a change in this country. The country should be allowed to starve. This country cannot be anymore a victim of this old and foolish regulation which we have followed. I would say that, please wake up now and see that these Economic Reforms which you are supporting in your State, you please support them here also.

The second opposition party is BJP. They are the biggest hypocrites in the whole world. I am ashamed to tell you this. Whenever Mr. Advani unfortunately Mr. Jaswant Singh has gone out, I do not want to say anything in his absence—comes to Bombay,

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he meets Mr. Tata, Mr. Birla and Mr. Nani Palkhiwala and tells them that the reforms that are taking place are his party's. These are his programmes and the Congress Party had hijacked them. They even say that if BJP comes to power, they will make Dr. Manmohan Singh, their Finance Minister. Dr. Manmohan Singh is not a fool to go and become their Finance Minister. Everybody knows that they will never come to power. This hypocrisy will not do. When Mr. Viren Shah and Mr. Jaswant Singh went and talked on Economic Forums like the Chamber of Commerce, CII, FICCI and ASSOCHAM, they said that they are for the Economic Reforms. Here they say that the Government of India has sold both soul and sovereignty to the World Bank. This is not good.

I want to show you 'The Times of India' newspaper Report of 28th February, 1994. I was coming to Delhi. In the plane, I saw this report. I will just quote only one sentence:

BUDGET-Handiwork of World Bank - Advani

The Budget was not presented. I do not know whether Mr. Advani has any *Joytishiji* who has told him that the Budget will be the handiwork of World Bank. This is not good.

[Translation]

SHRI DAU DAYAL JOSHI: This year's budget, of course, has been prepared by Manmohan Singh ji but they have been your guide

SHRI MURLI DEORA : This is why, probably, that we repaid some of their loan... (*Interruptions*)...But Joshiji Advaniji did not say what you are saying.

[English]

Sir, I hope in the future elections, the time will come in our country when the issue in elections will not be construction of temple or jathi or whether you belong to Scheduled Caste or whether you belong to a particular language or whether you belong to particular State and so on.

I hope the people of India will choose their candidates and their political parties on the performance of their economic agenda. Let the people decide what is the economic prosperity that we had promised; and let them decide within 2 1/2 years whether 2 1/2 we have achieved it or not; whether we have delivered the goods or not. The economic performance of any Government in power should be the agenda for the election. That should be the real issue, and not temple and caste.

I am sorry, in his concluding speech, Mr. Ram Kapse says, "when the people of India will vote, they will come to know." He has made up his mind. Again some other astrologer has told him that his party will be voted to power. I wish him good luck. I think he knows what he will get.

[Translation]

SHRI SHARAD YADAV (Madhapura) : Mr. Chairman, Sir, just now our hon. Member, Shri Murli Deora was delivering his speech. The points he raised.... (*Interruptions*)

16.12 hrs.

[SHRI TARA SINGH in the Chair]

Mr. Chairman, Sir, just now Shri Murli Deora spoke on the dreams of Manmohan Singh ji and the hon. Prime Minister while

referring to the new economic policy and tried his level best to acquaint the House with those dreams. I would like to draw the attention of the Government and the House on two-three principal issue while I commencing my speech on this years' budget. No nation, no country and no society can be formed in the absence of dreams. Different people may dream differently but now we should start thinking upon our dreams. At the time of India's struggle for freedom, Mahatmaji had conceived a vision of ideal villages and rural India. Mahatma ji had seen the plight of India when she was under foreign yoke which compelled him to analyse as to the why English dreamt of taking charge of India's polity and administration and made endeavours in that direction had set its feet on Indian soil after the East India company. If we glance through the contemporary history, we can find that Mahatma ji perceived that our indigenous industries though they were only a few and could be counted on figures, had such an impact that the whole European market was repelled with product. The mechanised civilisation of Europe paled into insignificance before it. When European machines could not compete with it and all the efforts of East India Company in this direction failed, they, lastly resorted to grabbing the political power in India without which they could not have ruined the cottage industries and the handloom industry.

Mr. Chairman, Sir, it was after that dream that Mahatma ji refrained from wearing the machine-made foreign cloths. Mahatma ji himself spinned the yarn, wore the cloth made of it but never covered his whole body. He told the freedom fighters that one who did not reach at the doors of the jail of Satyagraha using exclusively Indian goods could not fight the war of independence. During the country's war of independence, people observed fast within the walls of jails

demanding the spinning-wheel of khadi. The history is replicated with such incidents. Gandhiji had visualised such an Indian and I would like to make a mention of a letter at this time. Mr. Einstein, on learning that Gandhiji was vehemently opposed the development of science and machine, wrote a letter to him and Gandhiji gave a reply to that letter. I may tell you, Murti Deora ji, that even today, that letter alone can guide us otherwise nobody can save this country from going to the dogs.

Sir, I have listened to the two budgetary speeches. We have taken it very lightly and I have witnessed many budgets but never before, there was such an inevitable need of a debate on the issue as to where shall the budget take us in so far as this budget has been out come a serious yet funny exercise. I rarely speak on budget but this time I have been constrained to speak on it because this budget has given rise to many apprehensions in my mind which remind me of the letter of Einstein addressed to Mahatma ji in which he had expressed his apprehensions that the letter was against all scientific and technological development. Gandhiji replied that Einstein was well informed by one of Gandhiji's friends and that he might have fallen a prey to misunderstanding without Gandhiji getting an opportunity to clarify his position. In his letter, Gandhiji wrote that all discoveries made in human civilisation, be it a machine or anything else, was meant to save human beings. He apprised Einstein of the disadvantages machines had brought with them, particularly in India where it had deprived many of their livelihood, made the survival of our country's artisans difficult, rendered their skilled hands worthless and on the whole put their lives in peril. He added that he was deadly against the machines which instead of helping human beings, threw them out of jobs to perish in despair. Murti Deora ji, I surely, do not doubt your

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bonafides in what you have said. You have portrayed a bright picture of the budget, that is to say that you have merged your dreams with the hand, a big machine with that of theirs. Gandhiji, too, saw a dream that was different and that replaced machine with a small one. 70-80 per cent of India's population get jobs from the villages and the fields. Those villages have to be uplifted first. I tell you about Gandhiji's dream. He had told the India's independence would be deemed fit accomplice would be, when a daily wage worker, the person of weakest section of Indian society felt satiated. The data provided by Shri Murli Deora and Shri Manmohan Singh can be taken as true and right only if the life of this daily-wager is transformed and if the resultant of prosperity makes his face glows with saliety but if there is no such transformation and no glow, then people should resolve to dislodge the people in power at Delhi and Lucknow even if they have to lose their lives in this attempt as our independence will be incomplete without it. This was the dream of Gandhiji. Mani Shankar ji, please sit down and listen to an insignificant man like me... (*Interruptions*)...

The dream of Mahatmaji's of Independence has not come true as yet. Similarly, Marx and Mao-tse-tung too had seen a dream. You speak a lot about communism and Marxism... (*Interruptions*)...

Inder Jeetji, I am like your younger brother; what are you saying. Their joy knew no bounds on the dismemberment of erstwhile USSR and they said that things were in bad shape there, but Inder Jeet ji, that dream of Marx has not shattered as yet as China still stands strongly integrated and undaunted. Raising of Kashmir issue at Geneva sends a flutter in you but it hardly affects China when question of Tibet is

raised because China is strong enough to challenge America on the difference of approach on human issues. Marx had dreamt of a new race of human being but it should not be taken for granted that his dream has shattered... (*Interruptions*)...

SHRI MRUTYUNJAYA NAYAK (Phulbani): Tell something about your self.

SHRI SHARAD YADAV: Mr. Nayak, the Khadi you wear and the party you belong to have been rendered worthless. Therefore, you can never understand this.

SHRI MRUTYUNJAYA NAYAK: You were refuelling foreign planes at time of Gulf-war?

SHRI SHARAD YADAV: I will tell you Iraq war as well.

Mr. Chairman, Sir, I was saying what was the dream of Mathatmaji. Chandulal Chandrakar ji is present here. Gandhiji fell assassinated before his eyes. Marx, Mao and Lenin had dreamt of a new man and Gandhiji had seen the same dream of building a new man, a new country in India. That new man, new nation will be built from the villages, the daily-wage worker. Nayakji comes from Phullbani, a place that constitutes the largest contingent of 52 per cent of daily-wage workers of India but Nayak Sahib looks so healthy as if he as solved all their problems. There is no sign of dismay on his face through people are starving there. Here, you have become the leader of the shouting bridged and when you stand up, nobody can speak... (*Interruptions*)... Please listen one thing more Nayak Sahib, something vital for you as you come from Phulbani. Mahatma Gandhi had seen a dream and Jawahar Lalji had also seen a different dream after observing situation in Russia, China and Yugoslavia.

There was a dream to set up Public sector. I do not want to mention as to how many thousand crores of rupees have been invested in this sector in 45 years. After independence, Jawahar Lal Nehru saw a dream. Russia, Yugoslavia and China were his models. Our Capitalist are reluctant to invest in the fertiliser and steel sector for the fear of meagre returns.

He described the basic sectors like electricity and dams etc. as temples of modern India. In today's changing world order, Narasimha Rao ji in place of Manmohan Singh ji saw the dream. Murlu Deoraji's dreams is related to that dream...*(Interruptions)*...

SHRI UMRAO SINGH (Jalandhar): Did not Shri V.P. Singh see a dream?

SHRI SHARAD YADAV: It is said that terrorism has been eradicated from Punjab but this seems to be untrue when one looks at your monstanches. Something seems to be slipping out of one's pocket when you stand up...*(Interruptions)*.. we shall have to see ourselves in Punjab whether terrorism has been rooted out or not. It hardly matters if Shri V.P. Singh from the Government or Shri Narashima Rao. I am saying it because Shri Narasimha Rao is in the Government at present...*(Interruptions)*..

[English]

MR. CHAIRMAN : Please come to the point. There are one hundred Members, who want to speak on this.

(Interruptions)

SHRI NITISH KUMAR : Sir, he is the leader of our Party. He has just started his speech. Kindly do not interruption his speech.. *(Expunged as ordered by the Chair)*.

MR. CHAIRMAN: This is not the way..*(Interruptions)*

SHRI NITISH KUMAR: This has never been the convention of the House.. *(Expunged as ordered by the Chair.)* He has just started his speech... *(Expunged as ordered by the Chair.)*

[Translation]

SHRI SHARAD YADAV: You must have an detailed knowledge of the independence struggle and that era of pain and agony you have passed through might make you feel..*(Interruptions)* You are not stopping him but me.

[English]

SHRI NITISH KUMAR: Sir, you know that is the life of the Parliament. *(Interruptions)*

MR. CHAIRMAN: Do you think that you only know that that is the life of the Parliament and others do not know that? *(Interruptions)*

SHRI NITISH KUMAR: Otherwise, this House will become a dull Chamber.

[Translation]

SHRI SHARAD YADAV: Manmohan Singh ji has earned applause throughout his life and he may deserve it. In my opinion the country way suffer from the shape which the country will take and the nation that will emerge after his incumbency. His new dream, that Murlu Deora ji has tried to put forth deftly; I would, through you, like to mention to the Government that since the inception of this Government in the Parliament, it has become a fashion.

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In 1990-91, the country was in a grave crisis. Any statement made by Manmohan Singh ji or by a spokesman of the Government says that there was grave crisis during this period and they have averted it and saved the country. What type of crisis was there? Foreign reserves had come down to the dangerous point. The industrial production was 8 per cent. We should not forget that the time of war between Kuwait and Iraq in 1990-91 and the cost of crude oil jumped from \$18 barrel to \$ 40 per barrel.

I agree with Deora ji that we pushed the country into crisis and not bring it out of that crisis and could not bring it out of that crisis because we did not follow Gandhi's path. Had we adhered to his path, we would have been in no crisis today.

Oil has become a trap for this country—a kind of crisis. It has happened so because we consume the maximum quantity of this oil. If we observe ministry we will find that the oil being taken one in our country is sufficient for the poor of this country. You have said that we want to invite the Multi-national companies for exploration of oil. If we want to tide over the oil crisis, then definitely we should invite them and exploration of oil should be done because we do not have enough capability, money and resources. We have not been able to make our country strong. That is why we are unable to extract oil. I would like to say that even if we have to bow before a demonic power for exploration of oil we should also do that. Similarly, about the question of resolving power crisis in the country we should adopt the same policy of collaboration with the multinational companies. But it has become a fashion to say that there was a big crisis in the country in 1990-91.

Today the rate of crude oil is 13 dollar per barrel. Shri Manmohan Singhji can think as to what will happen to this country if the price of crude oil reaches 40 dollar per barrel. You are saying that we have a foreign exchange reserve of 13 billion dollar. I would like to know as to how much you have earned? It should be clarified. A mention was made here about NRIs that they are investing their capital here and the Government is giving incentives for it. In China also, their N.R.Is are investing their capital. Because of Mao-Tse-Tung, the China of today has reached to such a position. There is a great difference between the NRIs of China and the NRIs of India. Our country has reached this position through the efforts of Mahatma Gandhi.

Had our country been built according to dreams of Gandhiji then the situation would have different. Yesterday you said in the Rajya Sabha that there was a lot of harm was done due to the incident of Ayodhya and many NRIs did not invest left many of NRIs fled the country. When there was a bomb blast in Bombay. If there is no favourable condition, the NRI will not invest his capital here. Then where will your 13 billion dollars of foreign exchange reserve he left? There is a loan of 90 billion dollar on you. Now, you can see the difference. How will you pay back? In your Economic review, 1993-94, it is clearly mentioned that there is a slump in industrial sector and stagnation in agriculture sector. When price are increasing how can you say that everything is all right? You are saying that we have made a lot of Progress in compared to 1990-91. At that time, the industrial production had increased by 8% and at present it has increase by 1.6%. At one time you march forward but the other time you move backward. This is the economic scenero which is not stable. On the one side, you are saying that our foreign exchange reserve is full. I would like to have

a clear picture from the Minister of Finance, as to how much he has earned by exports, how much he has received from NRIs and how much is given by the foreigners and how much money of the foreigners has been invested in the share market? So I would like to say that when we enter into 1994-95, we will find ourselves in debt trap. But you are not ready to accept this fact. I wish may not happen and for this we will be depending on God.

You have said that your achievements are many. But I do not think so because until you present a clear picture we will not be able to get the information. You have mentioned about revenue deficit which is Rs. 58 thousand crore and your budgetary deficit is Rs. 6,000 crores. How much efforts you have put in to reduce this deficit. Till now you have presented three deficit budgets and I am of the view that you have drafted these budgets on the guidelines of IMF. Now why have you drafted the fourth budget also on those lines. In spite of your best efforts the deficit has not come down. Just to reduce the deficit, you have increased the prices of electricity, fertilisers, water, sugar, petrol, and diesel. The Finance Ministers have been trying to bring down the deficit during the last 45 years but nothing much has been achieved. This time the deficit of Rs. 6,000 crores in this Budget has been very cleverly worded by the Finance Minister. How you have increased the budgetary deficit? Figures are fictitious. In this country English language also helps in juggle of these statistics. I would like to say that you have taken many steps for reducing this deficit but it has not been brought down. The deficit will keep on increasing. You have earned enough through loans, but when you started paying back the loans what will be left with you? If it is started with 50% then what will be the economic condition of our country? If you start paying back long term as well as short

term loans, then I think our country will not be able to save itself from entering into debt trap. Shri Murlidhar Deora has painted a very rosy picture here. But it is true that we are going to be entrapped and Manmohan Singhji also knows in his heart about this fact. This is a budget of a frightened Finance Minister who is afraid of future disappointments.

SHRI PRAKASH V. PATIL (Sangli):
How will we come out of this disappointment?

SHRI SHARAD YADAV: I will also explain that. I will tell you through my experience because I am not an expert of Economics. I am an engineer. I am a student of Mathematics. But I am not an economist. I will not only speak on budget but I will also give their alternatives. You have increased the prices of sugar, diesel, gas etc. prior to the presentation of this budget as you have done for the last 4 years just to reduce the deficit.

SHRI JAGDISH TYLER (Delhi Sadar):
From where the expenditure of increasing population will be met?

SHRI NITISH KUMAR: You can ask this from Narasimha Raoji.

SHRI SHARAD YADAV: Now Shri Tyler is clearly telling that population is a compulsion for us. All countries have come within the purview of GATT and that is the compulsion. Our foreign reserves have reduced. Therefore it is an obligation to collect from abroad. We were on the verge of bankruptcy and if Russia had not helped us I think, India might have been able not to save its freedom. It is a fact, but when B.J.P. members speak about this truth, they say that it is a matter of self-respect. To over-emphasise their points, they say many irrelevant things but that will not solve the purpose. Now our matter is

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also settled. Whenever they speak irrelevant things, we tell them not to behave in a uncivilised manner.

I would like to say that this is a fact that the Finance Minister has tried his level best to meet the deficit but people want to know that truth. I would like to say this also that the budgetary deficit will not decrease rather it will increase and it will reach a dangerous situation. At present, you have mentioned it as about 6 thousand crores rupees. It will go on increasing. It is not under your control to check the price hike. Now I am telling you the dates for which you have asked. You said that we have foodgrains stock. When Shri Murli Deora was speaking on this subject then the Members of treasury benches were thumping their desks. I would like to say that it is good to thump, but this thumping should be for both the things. The foodgrains stock of FCI is not the result of our efforts alone. There is a bit of a dream realised of Pt. Jawahar Lal Nehru also.

He constructed big dams and created an infrastructure according to his vision which has helped in making the country self reliant in the matter of foodgrains. As a result thereof, Agricultural Revolution took place in the areas where farms were irrigated. Just now, Shri Saifuddin Chaudhary was saying that it will be good if the Finance Minister becomes the 'Monsoon Mantri' because our production of foodgrains has declined in comparison to last year and we have saved ourselves during the last 3 years because of good monsoon. I would like to give you the details.

In 1951-52, 60% of our total national income was contributed by the rural areas. Broadly, it is not necessary to be a scholar. One should hold a firm conviction like Gandhiji

about a simple concept. Mao was not a scholar. If you talk to the farmers, rickshaw pullers, tangs pullers and common man, then you will understand. If you listen to the songs of the farmers, you will that he problems relating to irrigation. And if you appoint any illiterate person as Finance Minister, then first of all he will provide irrigation to the fields. Till today 70% of our population is engaged in farm sector and in 1951-52, 60% of national capital was in their hands. But today, Mr. Finance Minister, only 30% of national capital is in the hands of those 70% people. Therefore, we should learn a lesson from it. What will happen in the near future. Only 30% of capital is left for 70% people who are working in the fields. I fail to understand from where you have brought the figures regarding poverty. And why do you say that our country is becoming prosperous. Previously, 70% people were holding 60% of national capital whereas at present they are holding only 30% of it. That is why our villages are being ruined.

Murli Deoraji has mentioned about slums. It seems as he is very much worried about them. I would like to say that in this country, unemployment will reach such a point that the position will become miserable because you have brought such a budget I have come here to speak on this aspect: Many delegations came to meet me. a group of scarp selling had also me. In this country, one crore people are earning their livelihood by selling the scarp. I do not know what is in Government's mind that it has reduced the import duty on it. Australia as if the Australian traders are going to dump their scrap to India. One crore people had been well earning their livelihood through this. They were getting Rs.5 per kg earlier but now it is not selling even for Rs.2.50 per kg. Have you considered this fact or not?

Just now Nitish Kumar ji was telling that

we are going to cowdung from Holland which will contains some chemical. He had raised this issue here. We cannot forbid any one from throwing cowdung here. There cowdung is not very precious thing because it is found in large quantity. Here we call our cow mother. Holland's cows give more milk. People drink milk and eat beaf also it is natural that. When she gives more milk she will more.. This is basic thing and you are not understanding even this. If you tell this to any one, then people will laugh at you. If Shri Nitish Kumarji raises this issue, our Prime Minister will say do not make flippant. But can you stop the scrap from Australia. Mani Shankarji, I know that you are very close to Nehru family. It is possible that you may be changing loyalties. I had also links with Rajivji and I know it very well that you were his favourite and you to loved him very much.

What mean to say is that certain employment opportunities had been generated in this country by installing steel factories or paper mills and they were all due to the efforts of Nehruji. But today the situation is like this that the Government has exempted the customs duty totally on the special paper and on the other hand, you have imposed customs duty on paper on which children are writing. I would like to say that our paper industry is in danger.

What have you done for the villages? I have already explained this fact. Now, I would like to give some Figures. Why don't you make our country according to the drams of Gandhiji It is possible that after suffering a lot, you may learn a lesson, but till then, you will not make any budget for the commonman of India. It will not solve the problems of the country till then.

Last year you had allocated Rs.280 crores for flood control and irrigation. But

this year, under the head of "floods and irrigation," you have allocated only Rs.261 crores i.e. you have reduced the amount and this is an important issue. I would like to tell Shri Murlidhar ji that only one thing can change the future of this country. There are many in our country and the highest mountain of the world, the Himalayas, is also situated in India from which many rivers originate. But we don't have electricity. If you provide hydro-electricity to the fields of the farmers that wild work wonders. In those areas where the fields have been connected with electricity, the labour charges have increased to Rs.40. Such schemes have been implemented in Punjab, Maharastra and Haryana and they have shown a record progress. There, the people demand water and electricity. But eastern U.P. and Bihar have no electricity and irrigation facilities, though their land is very fertile. Therefore the people are in pitiable condition there.

Shri Chandrakar ji is sitting here, and if the water is made available in Chhattisgrah area the commonman will not remain poor anymore. It cannot be removed by installing steel factory there. If you want to change the fortune of the people of that area and want to give them employment, then connect them with the fields which will be possible when you fields with water and electricity Mr. Finance Minister, you will not understand this. If same old person is at the helms of affairs, first of all, he will instruct his officials to get rid of this type of weather. He will try to make available water and electricity to the farmers so that they can be saved from floods and draught the by which himself has been suffering badly.

You have made a provision of Rs. 261 crores for irrigation and floods purposes. It shows that you have completely ignored the issues pertaining to unemployment and poverty because you are thinking in one

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direction only and that is, how to minimise the loss. Why do you want to do so? You are making up your losses by increasing rail fares and the prices of petrol, rice, sugar and wheat. The revenue earned by the centre in this manner is not distributed among the states. It is in the Constitution that the states will also get their share but you have raised the prices in such a manner that the states will not get even a single paisa from this increased revenue of the centre. What will be the share of the states in the revenue earned through the taxes levied as per our federal structure? Likewise a cut has been made in the shares of all the states.

While making a reply in respect of your foreign reserve of 13 billion dollar, you must tell about the percentages of import and export in it. The country does not wait in this manner. If you insist, I may tell you that there was a war between Kuwait and Iraq during our times but we did not say that during our times we were heading towards a golden period. If we did so, you can catch hold of us. We rather blamed you for misleading the nation. In this budget we have put stress on industries but your balance of payment has reduced which indicates that industries in the country are in a miserable condition. You are trying your level best to promote industries but one does not see any development on this score. The growth in industries has been 1.6 per cent. It means that even after providing concession by the Government the capital could not be raised.

17.00 hrs.

The people are not ready to set up industries in this country even after the custom duty being fully waived off. With God's grace, the weather has been

favourable for the last three years. I want to know that what we have you done for the 75 percent population of India which includes Advisies Dalits and backwards. Have you done anything for the people whom Baba Saheb Ambedkar had given rights in the Constitution? Previously, you had made a provision of Rs. 14 crores for giving fee concession etc. Upto matric standard for the students belonging to scheduled castes, but this time you have reduced it to Rs. 10 crores. A provision of Rs. 73.20 crores was made for Safai Karamcharis in the previous budget. After deducting 10 percent on account of price rise from it, it will come down to Rs. 63 crores only. The new trend of consumerism has ruined the forest living Adivasis the most. You made a provision of Rs. 295 crores for them in the last budget which has been reduced to Rs. 275 crores this time and if you deduct the price rise from this it will hardly reach the mark of Rs. 200 crores.

You had set up a commission for backwards. It involves 43 crores population of country and an amount of Rs. 32 crores was provided for this purpose. This time, you have raised it upto Rs. 35.90 crores. If price rise is taken into account only Rs. 30 crore will be left. Gandhiji and Baba Saheb Ambedkar had dreamt of upliftment of these sections. I want to submit that be it Valmike, backwards or Adivasis, in toto you have provided only Rs. 383.90 crores to 75 percent population. You very well know that what have you given to the 70 crore population of the country. How the lot of the poor will be improved. You must fight for this cause, collectively, with other poor nations of the world. You have waived custom duty from imports, how it is going affect rural areas and the people living there. I would like to tell you in clear terms that this budget is not meant for poor. You have increased excise duty on rural industries like Agrobased

paper industry which manufactures paper and boxes from husk, brom and Jute. You have increased the excise duty by 10 percent. You have also increased duty on the items like pesticides, generators, chappals, shoes, stainless steel, rough cloth, washing soap and umbrellas which are generally used by the poor. On one hand you have discouraged rural industries and agro-based industries and on the other given relief to big manufacturers like Tata and Bata. You have done major changes in this budget under the influence of Dunkel and I.M.F. Your style of promoting the industry is strange enough. You have given relief on those items which are used by the efficient people like lipstick and powder. You have an impression that it will help in promoting the industry. Previously you were depending on Russia and Yugoslavia but now a days you depend on Japan and Taiwan, which have open market system has played an important role in their development.

Mr. Chairman, Sir, this budget does not favour rural areas or poor it is targetted at ruining villages and rural and ago based industries which employ nearly 3 crore people. No other area can boast of employing people in such a large number. I want to tell you that this budget is going to ruin us. This budget has been prepared under the pressure from Dunkel, GATT, IMF and the World Bank, which is going to hit us adversely and the coming generations will have to bear its brunt.

Mr. Chairman, Sir, statues of Gandhi and Baba Sahib Ambedkar holding a copy of constitution have been installed outside the Parliament. Ambedkar is holding a copy of constitution, close to his chest because this book contains their rights. I have told you

about the feelings of Baba Sahib Ambedkar. The statue of Mahatma Gandhi conveys his ideas and dreams.

He moulded the destiny of the world and tried his level best to knit the whole world into a family. We have installed his statue in a sitting position in front of the Parliament. The regime which has buried the ideas and dreams of Gandhiji is now other than of Narasimha Rao Government and his Minister Manmohan Singh. When our forthcoming generations will go through the pages of History they will come to know about the facts that how just to conceal your weaknesses, you played frivolously with the ideas and dreams of Gandhiji and you want to save your skin simply by paying floral tributes at the Gandhi samadhi. India has a crowd of 10 crore unemployed persons. As you might be knowing, there is a water and electricity crisis; the poor and helpless people are leaving their villages. The India of tomorrow will be a country of unemployment, poverty and helplessness. The people who will be attracted by your ideas of liberalisation will certainly take on the path of violence by completely shattering the dreams of Gandhiji and will create a war like situation. You very well know the fact that import of goods as well as machinery will make lakhs of labourers unemployed. All of us will be blamed for allowing Shri Manmohan Singh to ruin India whereas he could have saved the country by not importing petroleum products and could have followed the simple path shown by Gandhiji. I strongly oppose this budget. I want to warn you that you have brought India to the brink of destruction. When poor and unemployed people of India are awakened you should be ready to face its consequences. You should reply to all my points. With these words, I conclude.

[English]

17.17 hrs.

PROF. SUSANTA CHAKRABORTY (Howra): Mr. Chairman, Sir, this forth Budget of Shri Manmohan Singh very successfully projects the picture of an economist who has very rapidly changed into a politician, a typical politician of the Congress variety, who in his Budget expresses his glee in the fact that they have managed the number games engineered by defections and who does not even take the responsibility of the country's worst scam and finds glee even in that.

I am not, therefore, surprised that the Budget is full of political rhetoric, bereft of any substance, any reality, any accountability and any sanctity. If there is anything in the Budget, that is the irrational passion, for a philosophy imported from outside; it is the philosophy of privatisation of opening up our economy, the philosophy of globalisation and market economy.

Sir, the experience of the world is that where the distortions of income, resource and political power has been uneven, the World Bank and IMF dictated reliance on market economy has led to disastrous consequence.

For the Finance Minister, I like to quote what the famous American economist, Mr. Paul Streeten has said about market economy. He said:

"Perhaps the most serious problems arise not from market failure but from market success. If the signals propagated by the market are based on a very unequal distribution of land, other assets and income it is market success in responding to these signals that causes troubles."

(SHRI NITISH KUMAR *in the Chair*)

But the Finance Minister is not willing to learn any lesson from the experience of the history. What Streeten is trying to convey is simply that if purchasing power is concentrated in a few hands, all investments and production decisions are likely to be taken under the market system according to the wishes and decisions of these small sections of people. In spite of all these, the Finance Minister will stick to his theme, in spite of all these the Finance Minister will stick to his philosophy imported from outside. It reminds me, Sir, of the Boy on the Burning Deck. He will cling to his position and perhaps to these foreign masters, probably he has dedicated a couplet during his speech:

Mana ke teri did ke kabil nahin hum main

Tu mujh ko dekh aur mere munh ki taraph dekh.

That is what the Finance Minister has said. Although I am not worthy of your notice, you just look at me and see my longing for you. I know the longing of the Finance Minister for the people, his ideological and emotional attachment with the philosophy that has been doctored by the World Bank and the IMF.

At the very outset, we should say that in the now familiar fashion the Government hikes prices of rice, wheat, petrol, diesel, sugar and other commodities on the eve of the Budget Session. There is an element of insensitive involved in this. The sanctity of the Budget is absent. Besides, this leaves the State in the lurch. When you take administrative price hike, you were taking

away something from the States and the States will starve. Secondly, this imposes of a burden of Rs. 6000 crore on the people of our country. Through the Railway Budget, you have raised another Rs. 1,000 crores. Having thus raised Rs. 7,000 crore, he gives concessions in direct and indirect taxes and announces a budgetary deficit of Rs. 6,000 crore. Now, it is a hoax, a cruel hoax upon the people, which will inflate the prices.

The people of our country will be led to misery. But the hon. Finance Minister has no concern for them.

Secondly, the Budget is a document of failures—failures in all fronts—failure in garnering resources through taxes—more than Rs. 8000 crores have not been extracted from the market—failure in the field of import, failure in the field of employment. There is industrial recession. The revenue deficit has increased. In fact, it has doubled. The primary deficit reached more than Rs. 22000 crores from a minus figure and the fiscal deficit has risen from Rs. 36959 crores to Rs. 58551 crores. Now the hon. Finance Minister seeks to make out that this massive fiscal deficit was a matter of deliberate decision in the case of continuing recession in the interest of reviving the industry. It is a weak attempt at making virtue out of necessity. It also manifests a poor appreciation of the micro-economic linkages.

So far as tax collection is concerned, as I have said earlier, you have failed there. Your new philosophy teaches us that we no longer need to depend on the theory 'ability to pay' give more concessions to the taxpayers, to those who can pay and we will receive more. But, what is the result? There has been failure. Still in this Budget too, you expect an increase of 12 per cent in customs revenue, 15.6 per cent excise revenue, 15 per cent income tax and 18.9 per cent in

corporate tax though you know that you failed during the last three years.

In your tax proposal, duty has been reduced on cosmetics from 70 per cent to 50 per cent and also on detergent power, on cooking gas ranges, on washing machines, on typewriters, on safe and strong boxes, on glazed ceramic tiles, on white cement. But there is a hike on biscuits, petroleum products, on handmade paper, on shoe and steel. On the one hand you have reduced the customs duty on steel from 75 to 50 percent in the name of rationalisation and on the other hand there has been an *ad valorem* excise duty of 15 per cent on all steel products. The net effect of the increase sometimes is over 300 to 400 per cent on alloy and special steel. What do you want to do? Steel will be imported at cheaper rate from outside. And inside our country you are going to raise the prices of steel. Do you think that our steel industry will survive?

I come from Howrah, an industrial town, that is my Constituency. Your provision of indirect taxes would severely affect the industries like iron and steel, jute, handmade paper and certain types of drugs etc. xyz

As regards the re-rolling industry, in West Bengal, 90 per cent of the re-rolling mills are situated in my constituency. The people from Re-rolling and Foundry industry and jute industry met me, not only the workers but the small owners also. What have you done in the re-rolling industry? 15 per cent *ad valorem* on the product has been imposed, which is 120 per cent higher than the conversion charges, or forty per cent of the value added by the re-roller in the input, while the Chelliah Committee has recommended ten per cent excise duty on value addition. At the same time, benefit of Deem Credit has been withdrawn. So, the industry is in a disadvantageous position. On input

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they pay 15 per cent ad valorem and on finished product they have now to pay fifteen per cent on added value. This will increase the prices of their products. The rolling mill owners and the foundry mill owners resorted to strike. They decided that they will go on indefinite strike. In my constituency alone, in these two industries, more than five lakh workers are employed. Already our Chief Minister has drawn the attention of the Prime Minister and the Finance Minister. I have written a letter to the Prime Minister on this aspect. I would request the Finance Minister, through you, to reconsider this issue. The burden of extra excise duty on jute fabrics has gone up by 120 per cent due to shift from specific to *ad valorem*. Previously the per tonne charge was Rs. 760, now after this new proposal, socking will cost Rs. 1,500, hessian will cost Rs. 1,900 and C.B. cloth will cost Rs. 2,200. Do you think that the small industries will survive and our economy will grow as a result of your tax proposals

Same is true in the case of belting industry. It is going to be ruined because of the excise duty hike that has been made in the present Budget. I would request the Finance Minister, through you, to reconsider this and to remove the anomalies in regard to all these industries. Look at the budgetary allocations. Hon. Murlu Deora is not here. He was saying that they have increased such and such amount on the social sector. But the budgetary allocations for 1994-95 cannot be expected to impart any significant growth impulses to the economy. The Government's aggregate expenditure in the Budget is to rise by 5.2 per cent, but as a proportion of GDP, it will be decline from 18 per cent in 1993-94 to 16.7 per cent in 1994-95. So, in absolute terms, you are increasing the figure but as a proportion of GDP

from the previous year it is being declined. Plan expenditure will go up by Rs. 556 crore or 1.2 per cent from the previous year, but in real terms there will be decline. The budgetary support for the Central Plan, surely Mr. Finance Minister, you have raised from 25,200 to Rs. 27,2768 crore but, at the same time, the Central assistance for the State and Union Territories has been reduced by Rs. 1,710 crores. So, whereas there is a decline of more than eight per cent in the State fund, you say that you are increasing it. What is the actual increase. You have given a good-bye to the planning process. We are in the era of indicative planning. With the projected curtailment of Central assistance, the shortfalls in the State's Plan outlays are bound to further aggravate in 1994-95.

Coming to the system of allocation for agriculture, it has been marginally raised by 7.7 per cent knowing fully well the fact that it is the public investment that has preceded the private investment in the agricultural sector and also in the industrial sector. You say that you are looking to the interests of the youths. Toddy the youths from West Bengal have assembled in Delhi on various demands. You say that there is Prime Minister's Rozgar Yojna and certain other yojanas for these youths. But you fail to understand that allocations for employment and self-employment programmes cannot be any substitute for growing impulses emanating from regular developmental programmes. You are forgetting this fact and you should learn a lesson.

The Reserve Bank and the Government of India are patting themselves on their backs over the success of the new policies of aggressive export-oriented policies and import liberalisation. You claim that as a result foreign exchange reserves have increased to 13 billion dollars compared to

1991? What is the background? The background is this that bulk of the reserves has been achieved with borrowed money. Secondly, it is the depressed import and demand that explains the excess of dollars in the domestic market. This year, import is only four per cent of what it was in 1990. Has there been any normal increase, then it would have been 12 per cent. Then, we should have reached the amount of 34 billion dollars of import. And we are proud that we have a reserve of 13 billion dollars. Thirdly, the increase in exports which the Commerce Minister has stated is because of the phenomenal rise in export of agro-based products and plantation crops which have gone up by 59 per cent and 76 per cent respectively. Fourth point is about foreign debt. In the Economic Survey, we find that it is 90 billion dollars. This year we have to repay some 8.5 billion dollars. In the coming years, if we start repaying the assistance that we have received from international development banks, it will reach more than 10 billion dollars. What would you like to do? How shall you repay it? You like to increase the import from the budgetary proposals. What will you export and to whom will you export and what is the market of the world today? There is recession everywhere. The situation is not satisfactory and that is why, GATT is there. They are trying to exploit our market but they are not ready to allow their market to be exploited by us. You know all these things. But you are expert in hoodwinking.

The Finance Minister claims that foreign investment is rising. In the year of 1991-92, it was 148 millions and in the last nine months of 1993-94, it has increased to 3.5 billion dollars. But why is it that our industry has not picked up? Why has it not been revived? The fact is that out of this 3.5 billion dollars, direct investment is only 350 million dollars and the rest is portfolio invest-

ment which these foreigners are willing to spend not for development but for purchasing certain concerns which we have declared as sick concerns which we could nurture after taking them over from the private sector. You promised the people that you will nurture and modernise them, but you did nothing.

Take the cases of NTC, NJMC, Hoogly Docking and Port Engineering. You have done nothing for them. But you are thinking of selling them and the foreigners are willing to purchase them. You cannot find any other way of funding them! You say that the only alternative is to disinvest the public sector, which of course has been prescribed by the IMF! When questioned 'why', you answer that they are inefficient. But is that a fact? Are these public sector units really inefficient? I will just cite one or two examples. I will not go into the details. Let us just take NALCO as against INDAL AND HINDALCO. In fact, NALCO can compete with any of its counterparts outside the country. Take the case of Hindustan Zinc also. It too can compete with any of its counterparts anywhere in the world. Compare its efficiency with the Reliance Industry. This Hindustan Zinc was going to open a new unit at Gandhar. But I have gathered information that pressure has already started mounting on it, so that ethylene is not secured from this unit but from the RIL. So, this is your attitude. With this sort of an attitude, whom will you benefit? Who will benefit from your policy of disinvestment? If some of the precious results of the research and developmental efforts of Hindustan Zinc are sneaked out and passed on to its rivals, who will benefit? Can you please tell us? And who gave you the authority to squander the research efforts built up by the people of our country over long years? Who has given you the authority to sell these units at a throw away price? Here I am not even going into

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the details of how you did it and at what price. All that I am asking is very simple question. Who gave you the mandate to sell the HZL? After all, we are not in distress. Is it for want of money.

Just consider the quantum of capital flight that has taken place in India. From 1981, some 8.1 billion dollars of capital flight has occurred. In our country, every year, black money to the extent of Rs. 40,000 crore is generated. Why can't you collect that money? Secondly, what is the amount of bad debts? Who are responsible for these bad debts? You admit that some Rs. 36,000 crore are lost in bad debts? Who prevents you from collecting this amount and spending it for the development of our people? Now, you are selling out the public sector. But who prevented you from recovering these bad debts and using the same to save the public sector units? But you have not done it. And you don't want to do it because you are imbued with an ideology doctored from outside.

Today, the extent of control by foreign companies in our private sector is on the increase. The percentage of capital employed in foreign companies climbed from 25.86 per cent in 1961 to 30.57 per cent in 1965. Their share of profit increased from 24.9 per cent in 1980-81 to 30.66 per cent in 1988-89. These are the data available with me. And this was the situation when FERA was there. Now, with the dilution in the FERA what shall be our fate? Well, it is not very difficult to imagine!

The net impact of all these policies will be that the commanding heights of our economy will pass into the hands of the multinationals and the self-serving brokers in this country. All this will result in India

becoming a victim of neo-colonialism.

But, this is the fate of all those countries which have treaded this path. Even after 47 years we are going from being an ex-colony to a more developed-colony. What we are witnessing, Sir, is, if I am permitted to say, restoration of East India Company without any resistance, without a shot being fired and without the presence of the occupation forces. Is it meaningful then to carry out on the logic of the World Bank and IMF? But, you did not listen and you have already signed the Dunkel Draft which prohibits you from giving any concession to low technology, labour intensive industries saying that it will lower the tosts of production, and, therefore, put the foreign nationals into difficulty. You are following the path which teaches you not to increase the purchasing power of the 80 per cent of the population of our country; not to take recourse to land reforms, not to place faith upon indigenous technology, not to garner the resources that are in the mines of our country and use the talents of the Indian youths. You are not treading that path.

We are less than a decade away from the 21st Century and yet even today the country is mired in ignorance, poverty and squalor. Despite 47 years of democracy and development, India has not been able to resolve the major contradictions and divisions that imperil its social structure. There are social and political tensions that rive the country apart. With all the scientific discoveries and inventions, which we did not even think of even half-a-century ago, a large number of population still goes to bed hungry. People die of starvation. Little children have to walk more than ten hours a day just to earn their subsistence. Sir, it is against this background that one needs to pause and think verily the moment of truth for the Indian nation has now arrived.

What sort of economy do you want in India? Do you want to have an efficient, forward looking dynamically growing economy? If so, that would require, hon. Finance Minister, a structural change of a different type which probably you are not ready to accept. Or, do you want a willing, razzle-dazzle economy for some 10-15 per cent of the Indian population?

You depend on that island of affluence on whom depend the external forces. Ten to fifteen percent population constitutes a big market when compared to other countries. So, Sir, I again repeat the question. Do you want a willing, razzle-dazzle economy for some 10-15 per cent of the people, the people who play the game of compradors, Jaichands and Mir Jaffars for their own petty gains?

Sir, we are sinking gradually into the pool of debt trap. We are sinking into the pool of unemployment and stagnation. A large number of scientists, economists, academicians and literary people have come forward to present an alternative.

But you have monopolised patriotism. You shall not talk to them. You shall not pay any heed to them. Please believe that those people are also patriots. They also want that our nation should progress. You talk to them and change your attitude. Even sections of big industries, they have started raising their voice, demanding level playing ground as against the multinationals. The small and medium industries people have come to streets. People cutting across party lines are also becoming gradually united. They are on the move. Some lakhs of oppressed workers will be coming to Delhi on the 5th of April for raising their voice of protest against your designs. Do not think that they are coming with folded hands. They are not coming to beg but they are coming to pro-

test. They are coming to say that they will no longer allow themselves to be shackled to the chains of slavery to foreign power. That change is coming. Listen to it. the trumpet is blowing. Please pay heed to it. The change is coming. I also believe that the change will come in the midst of this inclement weather. Once great Tagore said in Bengali and I quote:

"Damama oi baje
Din Badaler pala elo
Jhoro Hayar Majhe"

Storm is blowing. Change is coming. People are not going to tolerate serfdom. So, before it is too late, hon. Finance Minister, I will request you most humbly that do not sell the country; do not go ahead with the Economic Policy that has found expression even in this fourth year's Budget. So, Sir, as one of those who believe in democracy, as one of those who believe that it is the man who will ultimately triumph and not the oppressor, I cannot but oppose the Budget proposals tooth and nail.

SHRI LOKANATH CHOUHDHURY (Jagatsinghpur): Mr. Chairman, Sir, thank you.

Before I speak, I want to give my own opinion. I want to go through the Budget itself.

Sir, Dr. Manmohan Singh who started the Reforms, his main contention was to contain the deficit. do not know whether it is due to the Finance Minister's efficient management or due to his mismanagement, he has failed in every respect. He has failed because, in 1993-94, there was a fiscal deficit of Rs. 36,959 crore of 4.7 per cent of Gross Domestic Product (GDP). The revised estimate shows it as Rs. 58,551 crore which is much higher than 5.7 per cent in

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1992-93. So, Sir, he has failed and now again, if you look at the Budget Estimates of 1994, the fiscal deficit is shown as Rs. 5495 crore. The Budget deficit was Rs. 4340 crore but it has doubled to Rs. 9060 crore in the revised estimate. The Budget for 1995 anticipates a deficit of Rs. 6,000 crore. It may be more than that.

The Finance Minister has admitted by telling, for the first time, the Reserve Bank about the deficit of Rs. 9000 crores. He is already conscious that this deficit will not remain within Rs. 6000 crores; that means the popular opinion that is being created in this country is that in the Budget there is no taxation. But the price hike is there which comes to Rs. 5000 crores; that burden has fallen on the common people. Then there is hike in railway fares and freight. It is Rs. 997 crores; this will affect also the price position and the earnings of the people.

So, taking in totality, if you see the Budget you will find that it is against the dictum of a welfare State. So long as we are a welfare State, we are taxing the rich to help the poor.

Once Pandavas were in the forest. When they were in the forest, Lord Krishna in the shape of an animal came there to see whether they could recognise him. His whole body consisted of nine types of animals. That animal is known in the mythology as *nabagunja*. There was a chakra in his hand from where they could recognise him that he was Lord Krishna. So, similarly, whatever formulations he has added to this Budget, it is only after the Prime Minister's speech at Davos with some populist touch, but the basic thing is the same. So, they are given tax concessions to the rich, for the customs duty to the corporate sector worth

Rs. 4081 crores through different cuts. So, while they have given these concessions to the corporate people, middle class people and others, on the other hand you will find that the actual contention of the Budget is, the very thrust of the Budget is that the common man is not taken into consideration.

The excise duty has been reduced. The customs and the excise duty is so much juggling that all discussions have taken place to help a particular class. You take certain items like iron and steel production, man-made filament. There is both customs and excise duty increase. The intricate nature of the Budget is that while giving a rebate of Rs. 120 crores in the customs duty, they raised the excise duty for iron and steel production to the level of Rs. 350 crores. This will affect our steel industry which is a basic sector. I think this Budget will affect our steel industry in an adverse manner. The Finance Minister should explain about it. It is claimed that the fertiliser subsidy of Rs. 4000 crores is kept intact for 1994-95.

This is against the revised estimate of 1993-94 for the fertilisers, which in the revised estimates is Rs. 5,200 crores. This includes a carry over of Rs. 1,900 crores from the previous year, which means allocation in 1994-95 for fertiliser is Rs. 320 crores only. Naturally, I will ask the hon. Finance Minister to explain the position. The first one is about the food subsidy and the second is the fertiliser subsidy.

Sir, in 1994-95 Budget the estimate is Rs. 4,000 crores. In 1993-94 revised estimate the actual fertiliser subsidy bill in the current year is estimated at Rs. 6,600 crores, including a carry over of Rs. 77 crores from 1992-93. This means Rs. 4,400 for 1994-95 includes a carry over of Rs. 2,200 crores. Thus reducing the actual allocation of Rs.

1,800 crores against Rs. 6,000 crores of the current year. This completely proves that the promise given to the World Bank to cut down the subsidy of both fertiliser and food is being reflectal in this Budget.

While going to other aspects, they say that in the Budget the central plan outlay is 80 per cent higher, that means Rs. 220 crores. But it has been done against the background of disinvestment of public sector. Even the disinvestment of the public sector has not been added to the plan expenditure. It has been taken for some other purposes. This shows where the Government is going, that only I want to point out.

Since, next year the inflation rate will be 8.5 per cent, I do not know how you are going to check it, I think the Finance Minister while replying will tell us. Actually the plan will be much less than the plan size. Do you know what is the plan size?

Another important and remarkable thing in the Budget this time is that estimates for police and law order is Rs. 4,433 crores. This big thing, I think, the Government apprehends that there will be such a situation. There are certain situation in the country already for which police force is required, but there will be certain situations for which the Government is already ready. But the Government is not ready for other aspects or things.

SHRI RAMESH CHENNITHALA (Kottayam): What are the other aspects?

SHRI LOKANATH CHAUDHURY: The other aspects are the people, their living standard, etc. There is very much crave for the BOP, so they should give us a break-up as to how much we have earned. Can the Minister tell the House, this 21 per cent

earning is in what way; whether it is by exports or by undervoicing or by some other things? You should give the fraction of it.

You may say that our industry is sluggish having 1.6 per cent growth and our agriculture is stagnant. Can you rely upon the investment and loan that you have got from the NRIs? I will tell you that whenever they find the interest higher than you earn they will take way the money.

18.00 hrs.

So, the Government need not think that their BOP position is very stable. They can stabilise their BOP position, if the industrial production and agricultural production are increased. Without increasing the agricultural production and industrial production it cannot be done. On the other side the Government is hampering the industry by removing import duties and making it a competitive with other countries. I will come to that later, it is not possible to mention now.

The other thing I want to say in this connection is that the Prime Minister told us after he assumed office that he would make bypass surgery, that Rs. 30,000 crore during this Plan would go to the rural sector, the poor people. So far he has given Rs. 15,000 crore in three years and another Rs. 15,000 crores will go this year. But how is it working?

There was a review by the Programme Implementation Committee. I think that review will throw some light and it will be clear that there is no registry to watch it.

The Government says that they will create so many mandays. Let us see how many mandays were created by them. The mandays were only three hundred and something. Will the Government add 10,000

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more? The money will be spend at the end of the year. If the money is spend at the end of the year, how do the mandays help the common man? This alone is a prominent feature which should be taken into consideration by the Finance Ministry and the Government.

Let us see the other Plan allocations. Never in the history of Indian Budget was there such a big gap between the Budget Estimates and the Revised Estimates. This is the first time that it has happened. You can understand it. What was the reason behind it? There is such a big gap between the Budget Estimates and the Revised Estimates.

The Government is saying that it is increasing the provision for agriculture. But so far as the agriculture is concerned, there is a provision of Rs. 2,400 crore last year, but the Revised Estimates came down. When I put a question to the Agriculture Minister, he told me that the agricultural production has gone up because so much money has been invested. But not much has been realised out of that. Not a fraction of what was allocated has gone to agriculture. But still the Government claims that the production has gone up because of the bigger allotment.

I will now come to education. We should lay emphasis on elementary education so that we can get rid of illiteracy. *Otherwise, at the end of the century India will be the leading country in the world so far as moorkhas has are concerned.* There is a provision of Rs. 523 crore which is inadequate. The additional provision for our universities is Rs. 209 crore this year. If you want to upgrade the quality of education in the universities, we have to look into this.

Now people want to produce the scientists and others to cope up with the changing world, to give us a good position. The allotment for education should have been more.

Then I come to road transport. Road transport is carrying 40 per cent of the people of our country. Especially for the national highways which are under the central sector there is an outlay of Rs. 600 and some crore. I want to mention in this connection that since independence, the Government has invested a sum of Rs. 20,000 crore in the national highways. But the return or annual revenue from it is Rs. 8,500 crore.

The road transport today is 40 per cent of our total transport. The total investment in national highways is Rs. 20000 crore since independence. But it gave us a revenue of Rs. 8,500 crore. In other countries, they are allowed to plough back the whole money for the development of roads. But in our country, out of the total income of Rs. 8,500 crore we allow them only a sum of Rs. 2,250 crore to plough back for development of roads.

Last year the Parliament has passed a resolution. The Government should immediately implement it. In spite of the Speaker's ruling the Finance Department sits on it. Even the Central Road Fund, which was previously 30 per cent came down to the half a per cent in 1987. So, a Resolution was passed unanimously in the Parliament by the initiative of the Government to enhance the Central Road Funds. But the enhancement of this Funds has not yet been made available to the Centre and State Road sectors.

We are losing a sum of Rs. 2,250 crore due to bad roads, which is so valuable.

There is an element for national highways in the Budget. Today in a free market, our peasants cannot go the market because there is no network of roads.

By allowing foreign investments in this country, there is a possibility of take over of our industries by the foreign people. In the Dunkel proposal, there is a provision called TRIMS. According to that, the Government cannot restrict any foreign investment in areas, where the Government has allowed it. So, naturally, there is a possibility of take over by the foreign companies.

Finally, I would like to say about Members of Parliament Development Fund. A sum of Rs. one crore has been given to each M.P. I do not know what is the intention of the Government. I had gone through the paper, that has been circulated to us. I think, most of the Members of Parliament will be discredited. Most of our money goes to the pockets of our contractors.

Will the Members be given the responsibility in a manner that the local people will be allowed to involve in this construction work? The local people will contribute fifty per cent of the total construction work through their labour. It will create a new psychology in the country for national reconstruction.

Lastly, when a country dislinks itself from its heritage, it is just like a tree loses its root. With the advent of capitalism, the capitalistic countries always find ways to tap the surplus of the poor countries and the colonial countries. They have many ways to tap that have been doing it. Today, in the world, there is no particular national State called "Imperialistic" and it has been replaced by the monopolies. There are monopolies and MNCs. There are five monopolies. They are: monopoly in technology, monopoly in investment, monopoly to open

access to the natural resources of developed countries, monopoly of media and monopoly of armaments.

Again, I want to say that country was a developed country. When my comrade, Shri Nirmal Kanti Chatterjee was speaking about the battle of Palassy, many people were laughing at him I want to tell them that after the battle of plassy, when the dewani of Bengal, Bihar and Orissa was given to Lord Clive, he utilised the agrarian economy of our country for the development of British capital. The land revenue system was changed and the agriculture was drained to England and our peasants suffered from hunger and starvation etc. Now, again the same thing is going to happen by signing the GATT and Dunkel draft when the surplus of our country will flow to the developed countries and thereby it will result in the destruction of our industries and economy which we built during all these 45 years.

When Gandhiji started the movement, he never said that Britishers should leave India. He said that you should boycott not only the foreign goods but also produce yourselves. That is why in a simple way he told the people 'Kati Pindo Kunti Khao'. That was the essence of his self reliance. That is why the flag of the Congress Party carries *charkha* as its symbol.

When the National Economic Policy was formed by Pandit Jawaharlal Nehru, it was a mixed economy where the core sector was reserved for public sector. Then our petroleum product was only 9 lakh tonnes and now it is 30 million tonnes, our steel production was 1 million tonnes and now it is 17 million tonnes, our electricity was 233 MW and now it is 74000 MW. This was only possible through the vision of Nehruji. We were opposing Nehru because the fruits of these were not going to the commonman

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and the progress was not upto the requirement. Therefore, our struggle was a positive struggle.

Now, I know there is a change in the world. So, we will have to adjust keeping intact the independent basis which we have created and not selling everything but only adjusting in the areas where we have not made progress. Now, if we say that there is no alternative, then it will be cowardice.

History has never forgiven those who are afraid to evolve an alternative which will keep our sovereignty and will not destroy our economy and will not be used for exploitation by foreign countries.

I want to tell the Congress people that during the Second World War Shri P.C. Joshi wrote to Gandhiji to support the Soviet Union against Hitler's attack. Gandhiji wrote back that when a ship goes between two hills and storm comes it is due to save the ship and keep it in the middle.

You might not have been born at that time.

SHRI MURLI DEORA: The Communist Party is closed now.

SHRI LOKANATH CHOUDHURY: No, it is not closed. It is reviving. The dissolution of the Soviet Union is the dissolution of the Sovietism, not the close of communism. If you do not have a jaundiced eye, you see China, you see Hungary, you see the revival of the Communist movement in Italy, in France. They have now realised how to work under the new international circumstances. What is the outlook of a Communist? We, the Communists look to the world we take up a position taking the world into

consideration. The Dunkel will be discussed in the House. Mr. Manmohan Singh, with his present Budget, is not only hitting the poor people but is working out the philosophy of the IMF and the World Bank with his one mindedness. He is unable to balance between the Prime Minister's statement in Davos and his closeness with the IMF and the World Bank. Mr. Deoria must know it.

MR. CHAIRMAN: Lokanath ji, you are referring to some Deoria. Who is Deoria? Deoria is a place in U.P.

SHRI LOKANATH CHOUDHURY: The Prime Minister, in order to give shape to his ideas, has produced a child, who has neither legs nor head and who will make the country's economic condition worse.

With these words, I thank you, Sir.

SHRI P.G. NARAYANAN (Gobichettipalayam): Mr. Chairman, Sir, Dr. Manmohan Singh's fourth budget represents a high risk adventure that is perhaps dictated by the logic of the reforms process in the context of a sluggish industrial production. Much as the Government's spokesmen may try to put a gloss on what has come to pass, there is no getting away from the fact the fact that the figures for the current year show a scandalously high fiscal deficit, placed at 7.3 percent of the Gross Domestic Product (GDP), as against a target of 4.7 percent announced a year ago. Even the target for the next year is as much as six per cent of the GDP, a level higher than what was achieved in both 1991-92 and 1992-93. Virtually the entire arithmetic of the Budget that Dr. Manmohan Singh presented a year ago, has proved to be wrong. Revenues are well short of target. No convincing explanation is offered for this state of affairs.

In 1993-94 customs and excise duties

were reduced and the gross loss was Rs.5522 crore and it was assumed that there would be a gain of Rs.1000 crore through better tax collections from excise duties. After allowing for the States' share of Rs.541 crore, the net shedding of revenues in Centre's account was Rs.3961 crores. The overall deficit was assumed at Rs.4314 crore. The deterioration in central finances in 1993-94 was mainly due to the decline in collections from indirect taxes, even though the receipts from direct taxes in the revised estimates have accorded with the earlier projections. However, in view of the comfortable foreign exchange reserves and expectations of a continuing inflow of foreign investments and invisible receipts, the fiscal deficit is being brought down to only six percent of gross domestic product in 1994-95. Even this exercise would have been difficult in the light of the decision to streamline duties and rationalise the structure of excise duties.

The States also will be affected by shedding of revenues in a more pronounced manner on the present occasion as the adjustments of income-tax rates alone will result in a reduction in the contribution to the divisible pool of central revenues by Rs.625 crore. However, the Union Finance Minister has not made any announcement relating to changes in effecting subsidised sales of foodgrains or increased in prices for nitrogenous fertilisers minimising non-plan expenditure and subsidies. It remains to be seen whether new decisions will be taken about the restriction of subsidised sales of foodgrains to weaker sections of socially backward and whether the selling prices for nitrogenous fertilisers should be raised for ensuring reasonable profitability. Much depends, therefore, on what happens during the course of next financial year and now the efforts to reviving economic activity yield encouraging results. On the surface, the

budget looks traditional and lacks the element of surprise.

As regards the fiscal deficit, it is rather a surprise it has not been much higher than it has turned out to be. The Finance Minister and the Government have taken a risk with the higher fiscal deficit this year and the next year. We must remember that if Dr. Manmohan Singh has been able to manage the price situation this year, it has been because of the good agricultural season and recessionary impulses from the global economy.

The really disturbing dimension of the budget is the massive increase in the fiscal, revenue and primary deficits. This is a cause for serious concern. The reckless manner in which the Government has allowed the deficits to build was mainly due to the virtual abandonment of the programme of fiscal adjustment by mid-1993 which was launched in July, 1991.

Equally worrying is the continued attempt by the Government to shift the burden of fiscal adjustment on to the State Government. The plan that the Central Government, which runs a fiscal and revenue deficit of gigantic proportions and is unable to discipline itself, should short shrift the States in the matter. While the increase in the Plan outlay for certain infrastructure and development sector is welcome, the paltry provisions for capital expenditure in the Central Plans as well as in the central assistance to State Plans is regrettable. It would be more appropriate for higher Plan resource transfer to be made to the States enabling them to undertake key programmes in rural development and social sectors.

In fact, though the States had been pleading for the levy of a tax on services, unfortunately, there is no mention of sharing

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of the revenue with the States. As a tax on services is not specifically provided for either in the Union List or in the States List, it is but appropriate that the revenue is shared with the States. In addition, other services had to be brought into the tax net and necessary legislation to enable the States to levy tax on them should be brought in at the earliest. I urge upon the Finance Minister to consider this aspect because it was particularly relevant in the case of levy of consignment tax which the States had been requesting for more than a decade. It was a surprise that there was no announcement regarding the introduction of a legislation to provide for this levy in the Budget.

While welcoming the exemption limits and income-tax slabs, it is unfortunate that no special treatment for small savings has been announced. Of course, the withdrawal of duty concessions to small units using the brand names of other companies. I am of the opinion that it will create a level playing field between large companies making their own products and those producing it from SSI units. At the same time, some large multinationals will be severely hit. We hope that the concessions to the corporate sector would be properly utilised in promoting savings and investment.

I would like to point out that the increase in assistance to the States under the plan was only marginal and it is distressing that the States on the whole will not be gaining on the shareable revenues and are left to fend for themselves in the discharge of responsibilities towards the common man, especially the rural and the urban poor.

Last year, our Chief Minister, Dr.

Puratchithalaivi suggested that the five-year tax holiday be exceeded to industrially backward districts apart from the few Union Territories notified which was duly accepted by the Finance Minister. While welcoming this, we hope that a fair determination of industrially backward districts would be made to facilitate new investment.

However, the increased emphasis given to rural development in the plan for 1994-95, the initiative to double the outlay for the New Employment Assurance Scheme and the increase in outlays for education, particularly elementary education and horticulture are welcome steps.

It was heartening to note that the critical role of infrastructure has been recognised by increasing the outlays, which stimulated the demand for capital goods industry. We hope that the proposed fund for technology development and application would be utilised to develop appropriate technologies in various fields like non-conventional energy and environment.

It is also heartening to note that in the Budget, the Finance Minister has imposed Central Excise levy of 30 per cent *ad valorem* on monofilament made of HDPE (Plastic). Units manufacturing these articles are concentrated in Karur, Salem and Bangalore and employ about 50,000 workers. Most of the industries are in rural and semi-rural areas and this excise is too high which will cause undue hardship to the owners who are mostly illiterates. Due to this levy, most of the units are closed for the past two weeks. Unless the excise duty is withdrawn, these units cannot survive. So, I urge upon the Finance Minister to withdraw the excise levy imposed on this item.

18.32 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

Sir, excise duties have been levied on an ad valorem basis on yarn. So, yarn price has now gone up. Powerlooms and handlooms are mostly affected because of the steep rise in the price of the yarn. Spinning mills, handlooms and powerlooms are on the verge of closure now. In view of the grave situation, old levy system on yarn may please be restored in stead of this ad valorem basis.

The spate of increase in administered prices by the Centre on rise in the Public Distribution System, diesel, LPG and freight rates of coal, had added to the burden of the common man.

In this regard, I wish to make it clear at the very outset, that we are concerned not only because of the burden that is put on the common man as a result of inflation that has taken place and the recent hike that took place but also the style of functioning of this Government vis-a-vis introducing administered prices of various commodities. It is generally expected and for years in the past, it was always expected that whenever Budget session was approaching, people were always awaiting the burdens and the reliefs. Now that process has been decentralised. The burdens are being thrust even prior to the presentation of the Budget in this House and it has started becoming a regular feature that the resources that are generated through increase in the administered prices of commodities through increase in administered prices of commodities outside the jurisdiction of the Budget are far in excess of the resources that are mobilised through the Budgetary schemes.

We are talking big and liberalisation,

globalization, market oriented economic parameters are giving positive signals. We have foreign exchange reserve of over ten billion dollars. Exports are picking up at the rate between 15 and 20 per cent. The trade deficit in 1993-94 may end up in an aggregate of Rs. 9000 crores as against the target of Rs. 4314 crores. The pre-budget hikes in the remaining months of the year will only marginally reduce the deficit by Rs. 400 crore. Similarly, industrial growth has not picked up. These are areas of concern.

The rosy picture however fails to impress the ordinary citizen. He is totally disillusioned. He has no interest in seminars, workshops and symposia aimed at educating him on the advantages of economic liberalisation in the long run.

He is more concerned with the present than the future. He wants availability of essential commodities at affordable price and job opportunities for his children. The common man is baffled now. While the prices of essential commodities are increasing the wholesale price continues to remain stagnant. The Government, however, will have to understand its responsibility to the country at large better than function as an unimaginative accountant.

While implementing the new Economic Policy, it should not forget that the essential requirement which the policy will have to meet is the generation of more employment and purchasing power to make it possible for the community to bear the rigours of a rational pricing policy. The increases, which the Government has already effected in the issue price of foodgrains, have been harsh enough and there is no justification for making the price situation harsher.

The Government, while effecting the price rise of essential commodities, also

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expects that the State Governments implements the directions of the Union Government. So the State Government has to bear the brunt of anger of the people due to frequent rise in the prices of rice, sugar, coal, petroleum and other essential commodities. The Chief Minister of Tamil Nadu had already made it clear in the National Development Council meeting that the Central Government should not effect the price rise of essential commodities without consulting the State Governments. But, this seems to have been totally lost on the Finance Minister.

These, therefore, are the areas of concern which have to be addressed simultaneously within the frame of pragmatic and growth-oriented measures announced in the Budget. Any lapse at this stage will only expose the lack of our determination and the excellent base for economic development built after so much sacrifice and efforts may again slip out. Considering everything together, there is no basis for assuming that the fiscal deficit for this year, that is 1994-95 will be any less than that for the current year.

The Finance Minister remains unfazed. In his speech he failed mention that inflation is back to double-digit territory. Even with regard to the stagnant rate of industrial growth, he sees glimmers of hope where others see none. The media are a faithful lot. They will continue to beat the drum on the Finance Minister's behalf, so much so that he might start believing in his own illusions. That will not change the ground reality. The Budget has now revealed that the Indian economy is truly at the mercy of foreigners.

With these words I oppose this Budget.

SHRI RAMESH CHENNITHALA

(Kottayam) : Sir, I rise to support the Budget presented by our hon. Finance Minister, Shri Manmohan Singh. This is his fourth Budget. Certainly, this is a growth oriented Budget. Through this Budget the Minister has made a sincere attempt to carry out the economic reforms ensured in the year 1991.

Today, our country stands at the crossroads of its economic destiny. The whole world is looking at us. The reforms that have taken place in India are welcomed and appreciated by the world economic forum. All the countries have welcomed and appreciated our efforts in this field.

Sir, the aim of this Economic Reform is to convert our economy into a vibrant one, more competitive and to ensure that the poor, the downtrodden and the common man in this country get more benefits and their position is improved.

Sir, it is undoubtedly noticed that with certain efforts, international credibility of our country has increased and the commitment to the poor and the downtrodden in our country is fulfilled to a large extent.

Sir, the direct and indirect tax concessions worth Rs. 4080 crore and lowering of interest rates on term loans by one per cent is intended to help in accelerating the economic recovery.

Sir, look at our industrial sector. We could not progress much although we had made remarkable achievements in certain areas. There should be a concentrated attempt for the development and to boost our industrial sector. Now, I quote the Finance Ministry-

"Budget must provide a major stimulus for a strong industrial recovery e s p e -

cially for investment and capital goods production."

Sir, without industrial development, without boost in this sector, we cannot address the problems which are before the nation. We cannot solve the problem of unemployment. We cannot eradicate poverty and other social evils which are prevailing in our country.

Sir, we have to look at the Budget in a positive way. There are certain important positive features. They are:

- (1) Convertibility of rupee on current account following the healthy export growth of 21 per cent in dollar terms;
- (2) Comfortable foreign exchange reserve ;
- (3) Increase in the foreign currency retention for exporters;
- (4) Forty per cent increase in rural development;
- (5) Higher outlay for social sector;
- (6) Measures to strengthen banking system;
- (7) Rural credit systems;
- (8) Lowering of corporate tax rate;
- (9) Raising of the exemption limit of personal Income Tax; and
- (10) Simplification of Tax system.

Lower of Customs Duty and Excise Duty were done on the recommendations of the Raja Chelliah Committee's Report.

Sir, at the outside, I would like to mention that this is a bold initiative which the hon. Finance Minister has taken. Our deficit has increased to Rs. 5851 crore. We have a huge and significant revenue deficit. Lot of opinions expressed on this. Some people said that the inflation will shoot up. Some people said that this deficit will be mitigated. In such a situation, an ordinary Finance Minister will not give concessions on Excise Duty and the Customs Duty. He has given concessions of the order of Rs. 3600 crore. It requires an extraordinary courage and confidence to prepare a Budget like this.

Why did he prepare the Budget like this ? there were two options before him viz. (1) to impose more taxes on the people and cut down allocations for the social service sector. In other words, the deficit would have been less and (2) to assess the real potential of the economy and for thoroughly and carefully working out the incentives to be given to the people.

Sir, our Finance Minister Dr. Manmohan Singh had opted for the second option. This is the bold initiative which our Finance Minister had taken. Sir, the immense concession to our industries is the major pivotal point in this Budget. Sir, by cutting down Excise Duty on many goods, he had given concessions to the major industries. There were occasions when the industrial sector had brought down development.

Sir, the industrial production was only 2 per cent during the past two years. There was a reduction in the basic Customs Duty on the project imports and other capital goods from 35 per cent to 25 per cent, on steel from 95 per cent to 80 per cent and then 50 per cent. There were so many other concessions. These concessions will help to create a positive industrial environment.

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Sir, the major feature of the Budget is simplification and rationalisation of the tax system. Raising the exemption limit of Income tax Rs. 35000 will help salaried people. Sir the surcharge of 12 per cent on non corporate income has been withdrawn. The adjustment in tax slabs have been done. This too will help the taxpayers.

In this connection, I would like to urge upon the hon. Finance Minister to consider that the dearness allowance, given to the Government employees, should also be exempted from the income tax. The dearness allowance is not an income and it is said only because of the rise in prices. Reduction and classification of individual tax and making it more compact and simple was a right step. So I urge upon the Minister to consider exemption of dearness allowance from the income tax, which will be helpful to them.

Sir, major tax concession, excise duty concession and income tax benefits are there. This excise concession will give relief to the middle class people and will also push the demand and help the industry to come out of recession.

The Opposition has always been criticising that that this Budget is formulated or framed by the dictatas or directions from the IMF or the World Bank. Now another connotation is also coming up, that is about the East India Company. I do not understand their mentality. I do not know why they are criticising in this manner. They are saying that we are selling our country to the IMF and World Bank. I do not understand, of course, the Communists are always a close mind. You people always think like that. You are not interested in knowing what is happening in the world. You are not looking at

the world situation. The world is charging in a fast manner...*(Interruptions)*... You should understand the changing situation in the world. India cannot in isolation. India should go with the global changes without hesitation in the world...*(Interruptions)*... Our country has immense potential, we are not at the meray of live others. Our economy should be competitive. We should grow as a major competitor in the world market so that our economy can be vibrant and more strengthened. That is the whole idea of this. You people are always misinterpreting the facts and making confusion in the minds of the people. This will not work in this country. That has been proved in many state elections in the country..*(Interruptions)*... Our economy is capable enough to meet the challengings, now doubt. I have confidence in that ...*(Interruptions)*... You are not understanding the philosophy in which Shri Manmohan Singh has framed this Budget. That is the whole trouble.

What is the true philosophy of the Budget. The philosophy of the Budget is equity and growth.

This is the philosophy behind the Budget. By giving substantial concessions to the customs and excise duty the Finance Minister has given a vigorous push to the industrial sector. He is Walising a tremendous growth in this sector; this will generate enough revenue. *(Interruptions)* Mr. Lokanath Choudhury, you cannot understand this. Whatever you have said in not correct. Our industrial sector will grow. We will be able to generate enough revenue so that this deficit can be reduced; and we will be able to see it in the coming days.

He has given incentives for exports. What is the percentage of our export today? Today our export is 21 per cent. Are you not believing this. Sir, they are asking me to give

the break-up on this. I do not understand their mentality. This is a hard reality which you have to understand. We are expecting a good performance in the agriculture.

SHRI LOKANATH CHOUDHURY : Let them give the break-up of export.

SHRI RAMESH CHENNITHALA : I do not know how you are trying to understand this thing; you are not trying to understand these things, because you have a closed mind; that is your problem. We have to see that our agricultural products should be exported; there will be a boom in the agricultural sector; and agricultural goods should be exported so that we can earn more revenue. Then there should be an increase in the horticultural sector. He has correctly recognised the export potential in this sector and tried to increase the allocation.

The Finance Minister has mentioned about the subsidy of Rs. 4000 crores for fertiliser. This should have removed all doubts regarding fertilizer subsidy. With regard to agriculture more serious attention has to be paid. I think we are in a position to increase agricultural production in a big way. The food production in the green Revolution belt is levelling off. But the strategy should be to expand the area under wheat and rice. It must be remembered that the per capita production of wheat is a little over 1848 kg whereas the world average is around 2144 kg. Similarly, per capita production of rice in India is around 2025 kg whereas the world average is 3004 kg. The best production achieved in the eighties was in Korea which was 6304 kg. These figures show that India has to do a lot of hard work in the agricultural sector so that our per capita agricultural production can be increased. Basically, India is an agriculture country. We can do a lot for this. Our agricultural products will be

successful in the international market; internationally, it is acknowledged that our goods are qualitatively better order. Since food production is directly linked with the question of price stability, I think by boosting the agricultural sector, we can control the price structure also. This Budget shows a deep commitment for the social equity. To step up allocation in the social sector is another strategy of the Finance Minister. The question of equity comes in here. This reflects the Government's deep commitment to social equity for education and an increase of 17.6 per cent for health, 20 per cent increase for employment generation. Today, our country is facing severe unemployment problem. So, everybody is cutting across Party lines, worried about it. We have to address ourselves to this issue. The Government should address it self to this issue. Merely saying that unemployment rate is coming down is not fair; I do not believe this argument. In the rural area, in the urban area, in the semi urban area, our young boys are going here and there for want of jobs. The number of even educated unemployed and uneducated unemployed is increasing in our country. In one day, we cannot solve this problem. Everybody knows about it. This problem has to be addressed in a very serious manner so that it can be solved without inordinate delay. The incentive has been given by the Finance Minister for increasing allocation for employment generation by 20 per cent is a welcome step; and more serious attention should be paid for tackling this unemployment problem.

Sir, there is a question before us: What is the reality in the deficit? Many members are raising this issue, whether this figure of the deposit is correct or not. Definitely our Finance Minister has taken a calculated risk when the emphasis is being shifted to better tax revenue and tax collection.

MR. DEPUTY-SPEAKER : Please conclude. You have taken 15 minutes.

SHRI RAMESH CHENNITHALA : Everybody has taken one to one-and-a-half hours. Why are you restricting me ?

MR. DEPUTY-SPEAKER : For your information, there are 44 Members from Congress and 25 from BJP the total goes even beyond 100. All have to participate. Therefore, it is proper for us to restrict.

SHRI RAMESH CHENNITHALA: By the increase in the industrial revival and better food production it is hoped that the Budget deficit can be reduced. This hope is based on a better understanding of the economic forces which have been unbound by the Finance Minister through liberalisation. Here is a Finance Minister — we have to acknowledge it — who has reduced the inflationary rate from double digits to a single digit. There are developed countries where it is 150 percentage points above; in spite of their serious efforts they could not bring down the inflationary rate. Here is a Finance Minister who has taken a bold initiative and reduced the inflationary rate from double digits to a single digit.

There are certain very important points which I want to mention now. One is regarding the allocation of funds to States and Union Territories. The revenue of the States comprises the state plan, grants and the other devolution Non-Plan of funds under the tax sharing formula. That is the income a State. In 1994-95 Budget there is a decline in most of these items, which are the resources for the States.

The States have to undertake a lot of development activities a lot of social commitments have to be met by the State Governments and the Plan assistance for the

States and Union Territories is going down. On the other hand, the funds of the Centre are growing. The point I want to mention is, as the Finance Minister had rightly pointed out on so many occasions in this House there is a lot of mismanagement by different State Governments. But the State Governments have to undertake lot of developmental activity. We have to help them. Now the situation is that they are indulging in unchecked extravagant expenditure. The State Governments are diverting money from the Plan to Non-Plan expenditure sector and mostly they are not using them for productive purposes and they are spending them without paying attention to the resource availability. They know that finally — everybody knows — when the States have overdraft they come to the Centre will have to go to their rescue. That is the system we are following. But cutting across the party lines I am saying that if we want better economy, we have to continue the economic activities in a better way. The States should shed this type of attitude and they have to stick to the plan allocation and fiscal discipline should be observed by them. Definitely, the fiscal discipline has to be maintained by the Centre and the States should also follow otherwise, our economy will be in doldrums.

The Ninth Finance Commission has recommended that reasonable allotment should be made to the States. The customs and excise or duty concessions are definitely cutting into the revenues of the States. By the massive concessions given to the industry, or the industrial boost given to the industry as it is called, the States are going to suffer.

19.00 hrs.

So, the question is how to solve the problem. The Ninth Finance Commission

has recommended normative approach for resource transfer to the States. I think, the Finance Minister should keep that in his mind and try to solve this issue. What is the recommendation of the Ninth Finance Commission ? The Ninth Finance Commission recommendation says that the share of the States in Income Tax revenue is fixed at 85 per cent. But according to this Budget, there is a resultant loss of Rs. 4,081 crore and this will affect the States. Of course, I agree that the States should maintain fiscal discipline and they have to curtail extravagant expenditure. Also they have to follow the norms. But at the same time we have bear in mind that the State Governments are taking up lot of developmental work in the rural areas, they are taking care of the health of the people and the basic necessities of the people, who are living below the poverty line. I urge upon the Finance Minister to take care of this aspect very seriously. Otherwise our States will starve and our development programmes will be in jeopardy.

Sir, my point is that there is inclination of the Centre to reduce resource transfer to the States. This august House has passed the Panchayati Raj Bill. But it is going to be implemented by the State Governments. Of course, there is a Finance Commission. But when the State has no revenue, how can they carry out the programmes? So, a serious attention should be paid on this point and something should be done immediately.

Sir, I have got two or three suggestions to make. Adequate steps should be taken with regard to tax collection machinery. As regards rationalisation of taxation, the Finance Minister should see that better tax at collection is there, as per the recommendation of the Raja Chelliah Committee Report. But if the machinery is defective, how are you able to get better tax collections? By

giving a thrust in the Budget, we have to see that best tax collection machinery shall be made available. Otherwise, we cannot achieve the goal.

Sir, the taxation can be in other sectors also. When you are taxing telephone bills, why cannot you tax the service sector and advertisement sector ? There are lot of avenues. Those should be tapped. Those sectors should come under the net of taxation so that revenue position can be improved.

The most important point is that the concessions which were given to the industries should be passed on to the consumers. In the last Budget, the Government of India gave lot of concessions to the industrial sector and industries. We have to examine whether these benefits have been passed on to the consumers. So, we must ensure that the benefits which have been given to the industrial sector are passed on to the consumers.

Finally, I would like to tell two or three points, which affect my State as well as the poor people.

Rubber Chappal is being used by the common people and the poor people. It costs only maximum of Rs. 50. But, due to imposition of excise duty on rubber Chappal and duty on rubber compound, the price of Hawaii Chappal will increase tremendously. This is going to affect the common man. This being a mass consumption item, the imposition of excise duty on this item is going to affect not only the common man but also the small scale industries, which are giving jobs to thousands and thousands of people in the country.

Secondly, on umbrella also, excise duty has been imposed. Already this point has

[Sh. Ramesh Chennithala]

been mentioned by many Members. I am not going into it. Umbrella also is being used by the common man.

In our country, hand made soap is being used by the common people. So, excise duty on hand made soap should be reduced.

The import duty on Ayurvedic medicines, which is prepared according to the ancient Ayurvedic prescriptions, should be reduced because now the people are shifting from allopathic to ayurvedic and it is linked with our culture, heritage and our Indian origin.

Lastly, I would like to say a few words about the duty imposed on the electronic assembling units. Thousand of women workers are working in this area through co-operative societies. They are facing a lot of difficulties because of imposition of duty.

So, I urge upon the hon. Finance Minister to look into it and try to solve their problem, so that they can continue their work.

Finally, I want to quote from the Prime Minister's address to World Economic Forum at Davos. I quote :

"An India which is a successful democracy as well as truly dynamic and outward looking economy can play a significant role in this new changing world order. With its vast and growing market India can become a powerful engine for the growth of Asian as well global Economy".

Sir, with these Wards, I support the Budget. Thank you.

MR. DEPUTY SPEAKER : Shri Kashiram Rana.

Mr. Kashi Ram Rana, those hon. Members who had the occasion to speak earlier had taken more time. So, please restrict your speech to fifteen minutes... [*Interruptions*]...

[*Translation*]

SHRI KASHIRAM RANA (Surat) : Mr. Deputy Speaker, Sir, I rise to oppose the Budget for the Year 1994-95 presented in the House by the hon. Minister of Finance. This budget is being opposed because it will increase the sufferings of the common man instead of improving their condition.

Further, this Budget is not in the interest of small scale sector and it will harm it tremendously. That is why I rise to oppose this Budget.

It is anti-people budget because it is based on Dunkel Proposals. I believe the Budget has been formulated neither by the hon. Minister of Finance himself nor on the inspiration of the Hon. Prime Minister. That's why I told that it is not in the interest of industry especially small and petty industries. The intention of the Government as well as the Congress party is to invite the multinational companies and to establish their concerns in India.

The Budget deficit has been stated to the tune of Rs. 6,000 crore. Regarding this deficit the hon. Minister of Finance has stated that it will be recovered by improving administrative efficiency.

Mr. Deputy Speaker, Sir, I am amused by the statement of the hon. Minister of Finance that deficit of Rs. 6000 crore will be brought down. It is mentioned in the Budget

paper that the lays Year's estimated deficit of Rs. 4,314 crore in the Budget of 1993-94 finally shot upto more than Rs. 9000 crore. This Budget is pro-rich and anti - poor. Similarly the revised estimates of deficit for the year 1992-93 increased from Rs. 5382 crore to Rs. 7,212 crore and in the end increased to Rs 12,312 crore. This way, we see that every Year the figures of deficit are increasing. Therefore, from this observation it can be concluded that the deficit of Rs. 6000 crore will finally increase to Rs.20,000 crore by the end of the year. If prices of diesel, LPG sugar, rice and wheat had not been increased a fortnight earlier, the last years' deficit 's figures would have been around Rs.14-15 thousand crore. I would like to submit that they will do the same thing this year also. If the Budget deficit shoots up by the end of the year then again they will increase the prices of commodities used by the common will increase the prices of commodities used by the common man.

Mr. Deputy Speaker, Sir, much have been said here about the achievements of the Government for strengthening the economy. Sir, through you, I would like to submit about the increasing debt burden of the country during the last 3 years though in this regard so many points have been raised by Shri Ramesh Chennithala and Murli Deora. During 1992-93 debt liability of the country stood at Rs.3,54,262 crore but at present it has been increased to Rs.5,32,753 crore. All this is enough testimony of the deeds of this Congress Government which has put more debt burden on the country.

Mr. Deputy Speaker, Sir, I would like to make a submission about the annual interest burden on the country. In 1991-92 interest burden stood at Rs.26,563 crore but it has now increased to Rs.46,000 crore. In this way economy will never get strengthened if all such things are not checked. I

would like to submit that Dr.Manmohan Singh has misguiding the people of India, the phenomenon being also joined hands with the Congress in witnessed for years. At the time of the presentation of the Budget on 28th February treasury benches were praising the hon.Minister by thumping desks and the people of India were also quite happy. However, when full details were available to the people on 1st March they started criticising the Government. Dr. Manmohan Singh's North Block Office was being visited frequently by persons of small scale sector.

It is being asserted that this Budget is growth oriented. But, I fail to appreciate this very point. Out of 22,00,000 small scale units in the country around 5,00,000 units are lying closed, thereby, rendering lakhs of workers jobless. This is the report of the Ministry of Industry.

[English]

The Industry Ministry has estimated that there were over 2.45 lakh units assisted by financial institutions which have turned sick in the last couple of years.

[Translation]

Both Mahatma Gandhi and Deendayal Upadhyia advocated for increasing production and growth but also favoured that mass production should be undertaken by the masses. However, the present Budget being termed growth oriented does not recognised the importance of human beings. In a labour surplus country if labour is not fully used then growth is not possible. As per the Budget proposals which are being termed growth oriented, it is clear that the country is heading towards destroying the small scale sector because such signals have been received under the Dunkel proposals.

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In our country, out of the total revenue earnings, 31 per cent are from borrowings. Therefore, the debt burden of Rs.19,600 crore is definitely going to increase. Is this Budget growth oriented?

19.19 hrs

(SHRI P.C.CHACKO *In the Chair*)

On a number of occasions the hon.Minister of Finance claimed that the country will achieve the growth rate of 6 percent but the growth rate of only 4 percent had been witnessed. If the economy continues to march at this rate then the claim of 6 percent growth rate will never be achieved.

In the Budget, heavy excise duty has been levied on the small scale industries. On the one hand relief has been given to the big persons by reducing customs duty and on the other hand excise duty on small scale industries has been levied. I feel both the hon.Prime Minister and the Minister of Finance did not ponder over the adverse effects of these proposals.

I was attentively listening to the speech of my friend Shri Murlī Deora. On the one hand he was praising the Budget and on the other hand was opposing the excise duty being levied on the small scale units of Bombay, Surat, Ahmedabad and all over the country. Texturised yarn plants located in the tribal areas have been burdened with excise duty thereby putting these in dire straits. Since 1st March all such units are lying closed. This has resulted in loss of crores of rupees to the country and has rendered lakhs of workers unemployed. Probably the intention is to destroy the

industries located in the vicinity of villages.

There are factories of brass parts in Jamnagar and re-rolling mills in Bhavnagar. We had made efforts for the development of ship Breaking industry situated there. However 10 percent excise duty has been imposed on them through the budget for the current year. That too has been closed down. 15 percent excise duty has been imposed on Oil Engine Industry in Rajkot. This is a unit which has been supplying oil engines all over the country. This has caused not only the closure of the industry but also created problems for crores of farmers in the production of food grains and thus the farmers are finding them selves in great difficulty.

Small scale industries in villages which were manufacturing gold lace, ribbon, elastic tape, lace border and other plastic items are also on the verge of closure. Poor people engaged in these works are so much dedicated to their work they even stay and have their meals at their working place. But when an excise officer of the area comes and orders them not to take out their material without his permission. What is Government doing? What type of growth oriented budget is it? What do you expect from the country People are unable to understand all this. It would not help in developing the country, rather it would help in developing the multinational companies and only a few people sitting on treasury benches will be benefited from it.

When the Chief Minister of Gujarat went to meet the hon.Minister of Finance and asked as to why excise duty was imposed on Texturised Plants, he said that it was done because of wide spread practice of tax evasion prevalent there.

[English]

I want to ask Dr. Manmohan Singh, "Who is responsible for tax evasion?"

Dr. Manmohan Singh is responsible. His department is responsible. I believe, the people of Gujarat believe, it is an insult to the people of Surat, to the people of Gujarat.

[Translation]

If the Government want them to pay tax, they should find out some other way to it.

I would like to submit that Maharashtra and Gujarat are the two States which pay maximum revenue in the country. People of Maharashtra and Gujarat do want to share some part of what they earn, for the development of the country. But they if are being charged for tax evasion. My submission is that the course adopted by the Government in the present Budget would merely spread corruption and not check the tax evasion.

The Government may impose whatever percentage of excise duty they want. But in order to recover excise duty, the number of officers would also have to be increased which would automatically increase the expenditure. While going through the Budget I noticed that an amount of Rs.2000/- crore has been increased in the Administrative Expenditure as compared to that, earmarked in the last year's budget. I would like the Government to withdraw the excise duty imposed on small scale industries. So much so that the excise duty on man made fibre is about 300 percent, and the way the Budget has been prepared, it provides relief to the consumers of high quality textile materials and imposes heavy duty on the cloth used by lower classes, workers and salaried classes. Shri Manmohan Singh has revealed his

skill in this regard. Earlier, on a cloth of Rs.20/- per metre, 50 paise plus 5 percent was charged, that came to Rs.1.50p in total. But with the imposition of 10 percent excise duty, the charges have come to Rs.2 with an increase of 50 paise, taking the total to 33 percent now onwards. Previously, the consumer had to pay Rs.2.50 extra on a cloth of Rs.40/- per metre and now he would have to pay Rs.4/- i.e. Rs.1.50 more. Excise duty for a poor consumer has been increased whereas an upper class consumer gets relief.

Those who buy a good quality cloth at the rate of Rs.100/- per metre had to pay Rs.2.50p. plus 20 percent taking the total to 14.50. Now they would have to pay Rs.10/- @ 10 percent. Does it not mean that the present Government looks into the interests of people of higher classes. Undue excise duty has been imposed on the textile items used by the 70 percent of the people living in rural areas.

Excise duty on cotton cloth was 20 paise earlier now it has been increased to 50 paise with an increase of 150 percent. I have a number of figures. But I would like to state that poor people are being cheated and rich people being given relief in a tricky manner in the Budget for the current year by Shri Manmohan Singh.

Similar is the case of cotton yarn. Earlier 0.575 percent duty was charged on 240 million Kg production, but now it is increased by 352 percent thus making the total to Rs.2.60. How disproportionately the excise duty has been imposed by Sh. Manmohan Singh or Congress Party is evident from the present Budget itself. When we made a representation in this regard to the hon. Minister of Finance, he said that there would be no excise duty on a turn over of Rs.30 lakh. But I would request the Government to completely withdraw the excise

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duty from the small sector. Though the hon. Minister of Finance had assured to exempt the turn over of Rs.30 lakh from excise duty, but why the limit has been restricted only to Rs.30 lakh. This limit was fixed in 1986, but the value of rupee was 22 p. While that at present is 7 p. Therefore my submission is that the limit of Rs.30 lakh regarding the small scale and cottage industries is inadequate, it should be increased to Rs. 75 lakh. Only when it would be possible to save those industries.

Rationalisation and simplification are two words which are being talked about much these days. Who would be benefited by this. These are also likely to prove beneficial to the rich people. It has been stated in the document that the increase in excise duty on yarn would increase the earning up to Rs.325 crores. I am confident that the estimate of Rs.325 crore from excise duty has been shown deliberately. My submission is that the 10 percent excise duty imposed on yarn and re-rolling mills would help in earning than Rs.1000 crores.

Just now Shri Ramesh BHAI stated that 70 percent of the total population are living in rural areas where about 80 percent people use Ayurvedic medicines. What was the need to impose 10 percent excise duty on it. It would have an adverse effect on the poor people. The Government must withdraw the excise duty imposed on Ayurvedic medicines, small scale industries etc. Otherwise corruption would increase. Today I am representing Surat here. No fee was charged for issuing the excise license. But an amount of Rs. 1000/- was being taken since 1st March and this amount was further increased to Rs. 10,000 from 18th March. People demand money accordingly, this will automatically lead to corruption.

This would cause difficulties for people of lower classes.

Therefore, my submission is that the Government should abandon their urge to earn millions of rupees by misleading the people through the Budget. There is a saying in Gujarati: "Dukhiya Janon Ki Jatharagni Jakshe, Bhookhe marna rani bhasma kani na lakshe." In other words a poor man may die but would also turn the killer into ashes.

Lastly, I would like to submit - as Shri Kapse has already submitted - that the income tax limit which has been increased from Rs. 30,000/- to Rs. 35,000/- is also ridiculous. The demands of upper class people are fulfilled with no objection. For instance excise duty on spinners has been reduced from Rs. 69. and a relaxation of Rs.7/- per kg has been given to them. However what I would like to submit is that it is only the salaried class which pay the tax honestly. The speed with which prices are increasing, the increase of Rs. 5,000/- in the income limit is not adequate. The Government should increase the limit from Rs. 30,000/- to Rs 50,000/- directly and provide relief to the people of salaried class. Giving relief to the people of upper classes is not justified on the part of the Government, they can anyhow manage the things themselves.

Sir, in the end I would like to mention one more point. The Government have recently started to impose tax on services. 5 percent tax has been imposed on telephone consumers, can the Government put up any logic behind it ? If the Government want to earn more money, they may take certain measures under the liberalised economic policy. Instead the Government have imposed 5% tax on telephone, consumers, which is totally wrong on the part of the Government. Imposition of tax on services is not good. Further the allocation made for

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the social services is also inadequate. The total funds earmarked for social services, education, health etc., during the last year were Rs 2644/- crores which have been curtailed to Rs 2623/- crores this year. Has complete literacy been achieved in the country?

Sir, I would like to submit that in America and other developed countries maximum amount is spent on social services, whereas in our Budget the allocation with regard to education; health etc. has been curtailed. And in view of this we are forced to submit that the Government bothers not about the interests of small and poor people but about the prosperity of the people of upper classes. Therefore my submission is that this Budget is not for the prosperity of poor people, development of small scale industries but for the prosperity of big capitalists and development of multinational companies. Since it is a Budget that would ruin the country, we oppose it.

[English]

SHRI H.D. DEVEGOWDA (HASSAN): Sir, at the outset, I am grateful to you for having given me an opportunity to participate in this general discussion on Budget.

I do not want to would the feelings of our ruling party Members. I have got the information Bulletin that has been supplied by the Lok Sabha Secretariat. Shri Chidambaram, the former Commerce Minister himself has said about it. Shri Chidambaram feels that this year's Budget will revolve around two issues. Firstly, the seeming hesitancy in announcing, initiating reform measures on the vital sectors of insurance, power, oil and telecommunication. The second issue on which there will be

intense debate is the fiscal deficit. This is what the former Minister Shri Chidambaram has expressed.

And our Maharashtra friend Shri Murlu, a senior Member of this House, while speaking has drawn the attention to the remarks of Shri Palakiwala. This is the information supplied by the Parliament Secretariat. Shri Palakiwala cautioned that one should not forget that the Flis were not here to help the third world and they have simple, selfish, personal motive to come here.

I would only like to draw the attention of the hon. Minister of State for Finance to this statement.

The Economic Times Research Bureautal described the 1994-95 Budget as friendly to the industry because it appears to give a big push to the process of deregulation of the economy allowing free market forces.

Sir, the Budget of Shri Manmohan Singh has been different from his predecessors in many ways, not the least of which is the absence of lip service to ameliorate the lot of the poor, the favourite expression of those who sat in the Finance Minister's chair before him. Why I am drawing the attention of this hon. House is because in part-B of his Budget speech, he himself said: "Mr. Speaker, this Budget is inspired by a firm conviction that India has all the materials, human resources to be a front - ranking nation of the world." This was what Dr. Manmohan Singh had said in part-B of his Budget speech.

I would like to draw the attention of the Finance Minister to the fact as to how Japan today has US \$ 90 billion in trade surplus. While in the case of India, with all its magic, he went to the extent of saying in Part-A of

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his Budget speech that the progress on the external front had been dramatic. He had not used the word magic. At the same time, he says, "As I have said, all factors involve some sort of risk." He puts it in both ways.

Sir, I would like to draw the attention of the House to the figures that he had given. So far as 1993-94 position is concerned, the revenue deficit is Rs. 58,551 crore; the Budget deficit is Rs. 34,058 crore and the fiscal deficit is Rs. 9,060 crore. There is nothing to hide in this, whereas this year, he has very cleverly managed to give it in a different version because he is a technocrat. We are unable to understand his way of expression which is very intelligent and we must accept that. The Budget fails to furnish the estimates of RBI credit to the Centre. He has tried to politely avoid it. I can only say that much and I do not use any derogatory word.

Sir, from 1971 onwards — I was in State Assembly as the Leader of the Opposition — I used to hear lot of discussions about *garibi hatao*, *berojgari hatao* and all types of other discussions in this very House to remove poverty, to remove corruption and to remove unemployment. Those were the slogans given during those days by Madam Gandhi. Today, they have quietly forgotten them. In his first Budget speech, Sir Manmohan Singh, at least, mentioned about late Shri Rajiv Gandhi. But today, there is no such name; he has quietly forgotten them because public memory is very short. Now, he has only mentioned about the present Prime Minister. He is indebted to the present Prime Minister because he had elevated him to the highest position in the Finance Ministry. I have no grudge for that.

Sir, today, the slogan is 'talk of market forces, convertibility, export promotion,

privatisation and globalisation. They are the slogans and nothing beyond that. The whole debate is only confined to these three or four aspects and nothing more than that.

Sir, since I have not been given much time, I would only like to ask the hon. Finance Minister how much gift — I could only call it as a gift — he had given to the industrialists or to the companies or to the big corporate sector.

I do not want to repeat this. I want to have a comparative figure in so far as the industrial and the agricultural sector are concerned. I do not know with that courage he said: "our agricultural sector is strong and well placed to respond to the new policies". What liberalisation have you promoted in the field of agriculture? I do not know; please let me know in your reply. *[Interruptions]*

I would like to make an appeal. I never interfere when somebody is speaking. I just watch the proceedings. Because this is the first time I have come to Parliament, I thought at least for myself I should maintain certain dignity and decorum. I do not want to go beyond that. This is all I would like to say.

I would like to say how he went to the extent of helping he has and not have-nots. He has given a tax concession to the salaried classes. Now there is no tax liability on the wage earner with a gross income of Rs. 50,000 per year. Sir, your good self knows much more than all of us because I came to your house and I know your living. Let me honestly say that you have got a concern for the poorer sections of the society. Can anybody who draws Rs. 4,000 per month live honestly? Let us touch our hearts. I do not want to mix politics here. At the same time what is the tax collection? More than ten topmost industrialists last year have not paid even a rupee worth of tax. Because you

have provided so many opportunities. Yesterday there was so much of debate on the Banking Bill. I was watching. All these laws have given sufficient scope for those topmost industrialists or big industrial houses as to how to avoid tax. They will engage experts outside the country to teach them how to avoid tax. Because they are more clever than Dr. Manmohan Singh. Do not be under the impression that Dr. Manmohan Singh is cleverer. There are much more clever people like Mr. Palkiwala. I do not want to drag their names. This is how you are going to substantiate the budget proposals or defend the budget proposals or whatever measures you have taken. You have to do it because the ruling party has no other option. If you had sat here, you would have been more critical of it than me. I am sure about that.

What are the benefits you have given to the industrial sector? You have reduced the company tax from 51.7% to 40% you have reduced import duty from 85% to 60%. You have reduced customs duty on all consumer durables, including entertainment, electronic goods. You have reduced excise duties on all cosmetics from 70% to 50%. You have reduced the capital gain tax on companies from 40% to 30%. More surprisingly FII is reduced to 10%. Now there is a demand from the Indian industrialists. They are asking why you are discriminating, why can't you give the same benefits to us. That is the demand. Because FIIs are our own NRIs or what I should call them. I do not know. Our Indians have to pay 40% whereas FIIs have to pay only 10%. This is the discrimination you have shown.

In addition to that for exporters you have given so many facilities. I draw the attention of the House to one issue. These are all very interesting things.

For farmers, you have given nothing. But for our friends - these big people who are trying to improve the economy of the nation - you are giving everything. We have now earned 13 billion dollars foreign exchange - very good, it is a very happy achievement - with the borrowed money, with the agricultural export, etc. You are giving unlimited credit for exporters. The Reserve Bank of India and the commercial banks have decided to make available credit without any limit to support the requirements in the export sector where the accounts were not irregular. This was disclosed at a recent high level meeting with the representatives of the trade and industry, chaired by the Cabinet Secretary, Jaffer Saifullah. They are all here to serve those masters. Nothing beyond that. I do not want to say anything more. I do not want to attribute any motive against anybody. It is unlimited credit; and see as to how they are using it. Even without exporting, indigenously, by selling whatever product they have produced inside the country, they are claiming the rebate. This is what is going on today; and you have not stopped that. Once our senior most leader, Shri Atal Bihari Vajpayee was telling us that by export manipulation and by invoicing, they are getting the benefit. He has mentioned the very same words. Today, these exporters, in the name of exports, are selling their goods inside the country and claiming the benefits. Please understand this: and for God's sake, do not try to fool the people by sitting in this House. We cannot nod our heads for all the things that you are going to say here.

Let us take the case of rupee convertibility. What was the position before rupee convertibility? Shri Chidambaram has abolished the export subsidies because there were a lot of corruption and there were a lot of manipulations. That is why Shri Chidambaram took a decision, as Com-

merce Minister, at that time to abolish the export subsidy. He wanted to avoid corruption; and he introduced EXIM policy. Subsequently, rupee convertibility on trade account was there. At that time, what was the value of the rupee in dollar terms? it was 23 or 24 or 26 rupees. Today it is Rs 40. To whose benefit it has gone? Now you have announced the current account convertibility, full convertibility. The value is Rs. 40 now and who is going to lose? Please convince us. At that time it was Rs.26 per dollar. Today it has gone upto Rs.40 a dollar. Please convince us because we are not technocrats or economists. (Interruptions). In 1991, it was Rs. 26 a dollar. It is subject to correction. Let the Finance Minister try to correct me, if I have gone wrong.

Now I will explain how we are treated in the farming community or in the agricultural sector. Some people always try to say that I am biased towards the urban people or I am only fighting for the cause of the rural people. No. It is impossible. One hon. Member - I do not know the full name of his - was telling that one Indian who comes from abroad he and his wife are earning Rs. 45000 a month and they are able to even small piece of land to construct their own house. It is very good and there is no objection. But, he talks of urban ceiling. Let us not elaborate on that issue. How much land has been exempted in the last 30 years, after Urban Land Ceiling Act has been enacted in the very same House? [Interruptions] I am not talking about the place, whether it is in Bangalore or Bombay or Delhi. I am talking about the whole country. Can you give us the figures? Who has done that? I am not going to attribute any political motive against persons in whichever party they may be. But, for some consideration or the other, they have yielded and they have allowed these industrialists or the big indus-

trial houses or big landlords in the city areas under the Urban Land Ceiling Act.

Under Sections 20-A and 20-B of the Urban Land Ceiling Act, they have given exemption. For what?

There is a textile mill - DCM. While I was moving in Delhi, I saw that they have huge land. They are now constructing deluxe apartments. Who has given permission? Could it not be possible to take over that land and give it to landless people? How many textile mills today are seen in Bombay? He was talking. What is the extent of land that is available? To promote industries, that land has been given for a paltry sum to the industrialists about 30-40 years back. Now all these factories have been closed. Whether liberalisation or whatever it may be, I do not want to debate it. Now for the time being, let us not go into the conditionalities and other details. Some of these sick industries were set up 5, 6, 8, or 10 year back. Which is the land that is available. How much land has been permitted to be used by those industrialists? On the one side, they are doing so. Crores of rupees are due to IDBI and ICICI. On the other side, you have permitted them. And he is debating on that. He was feeling very hard about those people who are houseless but earning Rs. 45,000. I was astonished. Let him tell the party leaders who are at the helm of affairs.

MR. CHAIRMAN: You have two more minutes and wind up.

SHRI H.D. DEVEGOWDA: Sir, if you ask me, I will sit because I do not want to confront with the Chair. I will never do that.

I will now touch the vital point about the farming community. Because he has mentioned it here, so something occurred in my mind. I would express that. Whoever might

be running the Government at that time, do not try to take shelter under the pretext of party politics. For the first time, in our country, in this very House, a decision was taken in 1990-91 to abolish loans of farmers to the extent of Rs. 10,000. Necessary directions were issued to the State Governments. The guidelines were being framed by the very Finance Ministry. According to the figures, that have been circulated to the Parliament, an amount of Rs. 7,760 crore was to be waived by the Central Government. An assurance was given in the House.

What is the amount that has been released? In 1991-92, budget provision of Rs. 1,500 crore was made. But ultimately the amount released is Rs. 1,425. In 1992-93, it is Rs. 500 crore; in 1993-94, it is Rs. 500 crore and this year, it is Rs. 341 crore.

What is the net result? Some States have fallen in line with the guidelines of the Central Government. In some States, because of political differences, they did not cooperate. And they took a stand that the entire burden has to be borne by the Central Government. The Central Government took a stand that 50 per cent should be borne by the State Governments and the rest by the Central Government. But in the confrontation between the States and the Centre, the poor farmer suffered. I am not pleading for my self nor for Shri Balram Jakhar who is also a farmer. I am not pleading for him or for some of the Members who are in this House. Twenty-six per cent of the bad debts in the industrial sector have been waived. So far as industrial sector is concerned you have waived the unrecovered bad debts to the tune of Rs. 6,000 crore from the fund.

20.00 hrs

Whereas Rs. 6000 crore is a big issue. How is he going to approve Rs. 1.50.000

crores to meet the expenses of developmental activities when Rs. 6000 crore is a big issue? That means you are not prepared to even budge an inch. I did not expect anything from Mr. Manmohan Singh till he continues as the Finance Minister. I do not know what he is going to do. I am 100 per cent convinced in that. Mr. Chandrashekhara Murthy is his colleague. He has to face the electorates like me. So, in his own interest, I will tell him that he has to face the music in Karnataka. It is not so simple. If you are thinking of going to Rajya Sabha, I have no objection. But if you want to come to Lok Sabha, then you have to be careful. I am there to take care of all these issues.

On agricultural sector, I am only trying to mention as to how you should proceed. I am only requesting Mr. Chandrashekhara Murthy to look back towards the area which he is representing and not only to look at this House. He is the State Finance Minister in Central Government. I am not going to bother him about IMF and other things. In the last three years, let him just indicate any rural activity in Karnataka. If such activities are not there, then what should we do? My demand is 70 per cent of the total income which we are going to spend on developmental activities should go to rural areas. You have given the figures today. For agricultural sector, it is 9.7 per cent, for rural development, it is 22.1 per cent and for irrigation and flood control, it is one per cent. It comes to 33 per cent of the total expenditure that directly goes to the rural people in the agricultural sector. You may meet your defence expenses and other expenses. But my demand is 70 per cent of the total developmental amount should go to the rural people based on population. I am not begging here. I am demanding that based on population our resources must be distributed. That is all my demand. NRIs and multinationals should be diverted to the area

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where they will not invest because they are coming here to make profit and everybody knows it. Agriculture is not a paying one for them and they are not going to invest money on that. My only request to the Government is this. You will be saving some resources after multinationals are going to invest in this country. You can allow them to take part in those areas. Why do you want Indian Airlines? You may sell it; I am not interested in that. The area that has to be taken care of is the food processing industry. As regards horticulture, some people are saying that there is 40 per cent increase between Rs. 130 crores and Rs. 180 crores.

Horticulture is a sector through which the economic conditions of our farming community can be improved to a large extent. So also, fisheries, dairying etc. can play an important role. Leading facilities to give a boost to these agro-based activities should be increased to a minimum of at least 30 per cent. Here I may mention that Madam Gandhi had gone to the extent of recommending that 18 per cent of bank deposits should be utilised for advances in priority sector. I am very sorry to state that today you are deviating from the earlier system. Today this figure has declined to a mere ten per cent.

There is a provision of Rs. 100 crore by the Reserve Bank of India to those rural banks which are not in a position to give the advance money. This will strengthen those Banks and I welcome it. There is a provision of another Rs. 100 crore for NABARD which is also welcome.

Earlier there used to be a multiple agency approach. Now, this has been stopped and service area approach is now introduced. In an evaluation report, the RBI has categorically mentioned that the service

area approach is a total failure and that it has not helped the farming community. Therefore, I plead with the Finance Minister Shri Chandrashekhara Murthy that rural credit should not be hampered. You please see to it that something is done in this regard.

With these remarks, I would like to thank you for having given me an opportunity to speak and also for having heard me so patiently. Thank you.

MR. CHAIRMAN (SHRI P.C. CHACKO): Hon. Members, I would like to announce that 107 Members have given their names for participation in the discussion. Till now, only nine have spoken. May I request the hon. Members to cooperate with me and be brief so that more Members can be accommodated?

SHRI ATAL BIHARI VAJPAYEE (Lucknow): The decision was to sit up to 8 p.m. only. If you want to extend the time, you may please fix some exact time.

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P.M. SAYEED): You may please take the sense of the House first.

SEVERAL HON. MEMBERS: We may adjourn today and resume tomorrow.

THE MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (DEPARTMENT OF YOUTH AFFAIRS AND SPORTS) AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI MUKUL WASNIK): Sir, I think many hon. Members are willing to sit in the House and proceed with the discussions as long as possible.

MR. CHAIRMAN: No, no. We cannot go on like that. What Shri Vajpayee has said

is very important. We have to fix some time limit. Up to what time, should we sit?

SHRI ATAL BIHARI VAJPAYEE: We may extend the time up to 9 p.m.

MR. CHAIRMAN: Is it the sense of House that we may sit up to 9 p.m. so that some more hon. Members can participate in the discussion today?

SEVERAL HON. MEMBERS: Yes Sir. The time may be extended up to 9 p.m.

MR. CHAIRMAN: All right. We will sit up to 9 p.m. Mr. Praful Patel please.

SHRI PRAFUL PATEL (Bhandara): I thank you very much for giving me this opportunity. I rise to support the Budget for the year 1994-95, presented by hon. Member, Shri Manmohan Singh. I am very happy and honoured that I am having Vajpayeeji as an audience here to not only support me but also encourage me. You have always been one of the idols of mine as far as Parliamentary debate is concerned. I would just like to start with the point which our esteemed colleague, Shri Shreedhar Yadav made. He is not here in the House right now. He started by tracing the economy from pre-Independence to post-Independence arena. He was kind enough to enlighten us about the thoughts and philosophy of our great leader Mahatma Gandhi. He went on trying to explain to us the advantages of an agrarian economy, of a rural economy and thinking and philosophy of Mahatma Gandhi. I was very happy and very impressed for a moment by the way he traced our country's economy.

The time has changed. The whole world economic order has changed. And, there is no denying that our country also will have to follow that path of progress, otherwise, I am

sure our future generations are not going to be very thankful to us. We have always had a mixed economy for which the foundations were laid by the Nehruvian model. He had a vision. *[Interruptions]*

MR. CHAIRMAN (SHRI P.C. CHACKO): We have only 40 minutes left and I wish that at least three-four more speakers may speak.

(Interruptions)

[Translation]

SHRI PRAFUL PATEL: Shri Yadav has concentrated his speech only on Gandhiji and his Charkha. What is to be done further regarding the Budget has not been clarified by him. Still we do appreciate that you are concerned about the fact that we are forgetting Gandhiji: Gandhiji left us in 1948. *[Interruptions]*

[English]

I would say that you are a very confused lot because on the one hand you have been saying that we have hijacked your economic programme but the trouble is you are now talking about the Swadeshi and things which are totally irrelevant with our economic programme, which you say actually belong to you.

Anyway, the foundation for the mixed economy concept was laid in the Nehruvian system and for that reason we have today in this vast diverse country - a country where we have remote regions where otherwise normally any industrial or economic activity might not have taken up - even in such far off areas, a strong manufacturing and industrial base. For that the Nehruvian system is very useful. I would just like to remind all of you that our Prime Minister speaking at the

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World Economic Forum at Davos, as recently as last month, has reiterated the stand that this country needs a mixed economy, the foundation for which was laid by our late hon. Prime Minister, Shri Jawahar Lal Nehru. We have said that we would like to continue with this type of mixed economy. Not only that, the Prime Minister has also emphasised very vehemently before the World Economic Forum where all the Captains of industry and finance were there. Several other industrialised nations were represented there.

He had categorically stated that we will not be dictated by some or by some system which is remote to us; thousands of miles away. I am sure that all of us can understand the meaning of that very important and a very valid statement made at no other place than Davos, at the World Economic Forum. So, I am sure that the hon. Members would definitely try to appreciate and understand the policy of the present Government. We have a very strong manufacturing base. Though we have a very big public sector which we are critical of most of the time, I think that has also been one of the reasons why today even in places like Srinagar, in Jammu and Kashmir or in Nagaland or in Manipur or in Tripura, we have today large industries or some kind of an industrial activity which otherwise, except for this public sector investment, it would not have been possible to see such kind of an industrial or an economic activity in such far off regions. However, as a word of action to the Hon. Minister, I would like to tell him one thing. You will realise that of late in the new changing Economic Order, the PSUs will have to change their attitude; their thinking. The PSUs so far have been acting more as an arm of the Government rather than as an independent company, a profit-making en-

tity. The employees of the PSUs also unfortunately - whatever may be the reasons, we may all to be blamed, the political system may also unfortunately whatever may be the reasons we may all to be blamed, the political system may also to be blamed - are treating their jobs more as Government jobs than as company jobs where they are supposed to be accountable and to be delivering the desired results for which they have been engaged. Therefore, we must definitely attack this problem; address this problem. We are going in for a gradual dis-investment of PSUs holdings of the Government. It is a welcome step and we must promote and we must recognise, I think in today's environment, in today's circumstances, the PSUs disinvestment would be one of the major areas where the Government will emphasise for a simple reason that today we are talking of large and unmanageable fiscal deficits. We are talking of a vast Budgetary deficit. All these points can only be addressed, if, over a period of time, we are able to disinvest all our Government holdings in a very strategic way, in a very reasonable way, where we can maximise our income, our profits from such kind of is-investment.

20.08 hrs

(MR DEPUTY -SPEAKER *in the chair*)

I was very appreciative when our hon. Mr. Devegowda- although he is not present here right now- was talking of a strong agricultural base. I also come from a very rural constituency. We have, virtually, only villages. There are around 1600 villages in my constituency. We have no major urban area. I can fully appreciate the point being made by Mr. Devegowda that the agricultural sector needs maximum emphasis. Because even today, no matter what the coming tomorrow is going to be where we are going to have more of an urbanisation, two

- thirds or may be 50 per cent of the population who may be moving over to the urban areas but as of today, a strong agricultural base is the need of the day. Today no matter what we do, however much industrialisation we do, a strong agricultural base is needed. Some hon. Members were raising some points regarding the Dunkal proposals. Mr Joshi from the other side had raised this point. He said, that the Government should put up a fertilizer unit worth Rs. 2,000 crore and see that there will be generation of employment. The Government will be able to provide employment to 500 or 600 workers. So, that kind of employment potential is definitely not going to be generated by industry but at the same time, industrialisation is a must because that is the foundation on which the economy will grow, that is where the thrust area of the economy will be. But, however as far as possible we are trying to see that the people get maximum benefit out of these economic reforms. There, they can rationalise their income to the maximum extent from whatever holdings they have. Agriculture is the thrust area of tomorrow because in our country I do not see a situation in the next 100 years or so where the people living in the villages, where people who are depending on agriculture will have any other mode of income which will supplement or commensurate with the present income pattern.

Therefore, we should put more emphasis on this sector. The irrigation is a very very important input for agriculture. As far as irrigation is concerned, we are having a very very difficult situation. On the one hand, we have started so many irrigation projects, on the other hand they have not been implemented. In my constituency, there are at least 20 irrigation projects medium, minor and large. Those projects were started 10 years or 15 years or 20 years ago; but those projects have not been completed so far

because there is a resource crunch. Irrigation sector is one of the most vital sectors. But the State Government as well as the Central Government both have been lacking in the area of financing these projects; and much needs to be done on this point.

We talk of free market forces. I basically come from that background. Time and again, you are provoking me about this. I come from a family which is well off. Therefore, you can treat me as a capitalist in the Basu Sahib's term. I have the rightist leaning and thinking. I am all for free market forces. I submit in all humility and with full conviction that in the free market forces in US, UK and German there also we find a system which is known as a social security system; and that system recognises the need to protect poor people, the under-privileged people, who lack the basic facilities in life. Even in US we find the people who are living out of doles; in UK also we find people who are living out of doles; we find people who are availing of health services and other facilities from basically the government coffers. In our country, we have no social security set up like those countries. Therefore, since we talk of globalization and economic liberalisation and free market forces being allowed to play, we must be very careful that our agriculture subsidy and public distribution system subsidy as also fertilizer subsidy have to be maintained or even have to be increased at a higher level for the simple reason that we are compensating the social security services in one form or the other. I don't think a situation like social security set up in US or UK will be possible in our country to come. Therefore, we will have to protect this sector; we have to look after the subsidy. I am sure, the Prime Minister has also realised this. I read in the newspapers that whatever subsidies are prevailing today, if need be, we are even ready and prepared to increase this kind of subsidy; that is a well-

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come step. We will have to take care of that.

We are talking of containing fiscal and budgetary deficit. One of the key areas for doing that would be to cut down in Government spending. My submission is that today cutting of Government spending is not going to be an easy solution; it is not practical. The practical thing would be, the best way would be not to increase the Government's spending any further; that is the only way we can I think, address this problem. I don't think this situation is going to be solved politically or other wise. Whether anybody from that side is in the Chair here or anybody from this side is in the Chair here, it is not going to be easy; it is easier said and done that we can cut the Government's spending. The best way would be to see that the Government's spending does not increase any further.

That would be the best way to cut the Government spending. I am sure we will have to address this problem because in the Budget which you have presented, in the figures which we have been seeing, it is clear that in spite of your best intentions, you have not been able to contain Government spending. In fact, it has gone up by a couple of thousand of crores. So, I am sure the hon. Finance Minister will look into this problem.

As regards personal taxes, the biggest sufferers, I am sure Shri Vajpayee will be very happy to hear me, are the people in the Rs. 3000 - Rs. 7000 bracket. That is one section of the society. A poor man whether he is earning Rs. 500 to Rs. 1000, or whether he has something less or more, he can manage. He does not have any social hang-ups. He does not have any reputation or expectation to live up. Where as a person in the bracket of Rs. 3,000 to Rs. 7,000, we call

him a white collar worker, we call him a middle class person, that is one section which is really having the maximum handicap. They have no leverage. They have no additional way to maximise their income, yet they have a basic commitment towards education and this one section needs much to be protected. Therefore, any facility, any relief to them whether it is by increasing the basic limit for income tax or reducing the rate of tax, which is 20 per cent at present, at that slab should be at a reasonable level of 15 or 10 per cent. That section can be addressed to by the hon. Finance Minister at the time of his reply.

The key area is oil exploration, that is a very important field. I am sure everybody agrees that the largest component of the import bill is our oil imports and fortunately in the last two-three years we have had a very comfortable position as far as the international rate of oil is concerned. It has been hovering around 13-14 dollars a barrel. But such kind of price need not necessarily be maintained over a period of time and if there are some fluctuations in the price of oil, I am sure that will completely upset our budgetary calculations. Therefore, oil exploration, much to the chagrin of our left friends - most of our left friends are not here, they are the advisors - they would not like it but at the same time I think this sector can only increase its output if we go in for foreign tie-ups.

I am happy to say that there is a definite shift in the policy and that emphasis is there. Somebody was complaining about Videocon, this and that, it does not matter, whoever comes in, it could be X, Y or Z, it could be an Indian company or it could be a foreign company as long as somebody is willing to put that money for that oil exploration, we must definitely support that sector as well as power sector.

We are reading and coming to know that in the power sector lot of foreign investment is coming. When my friend Shri Murlī Deora spoke, he shared my pessimism or optimism or my worries. My worry is also that once we are coming to the power sector and assuring a 16 per cent return on their investment that need not necessarily be a very healthy trend for us.

The reason being that in the State of West Bengal, what will your State Electricity Board be doing? Will you be able to recover if you bring a foreign company to put up power plant and if you assure 16 per cent return? Your state Electricity Board is not geared to recover the bills from the farmers, from the consumers, from the industry, etc. So if the State Electricity Boards are not going to be functioning in a healthy manner in which you are trying to promise the foreign investor, the same spirit and the same efficiency will have to be brought down to the State Electricity Boards.

Therefore, I am worried because of the inefficiency of the State Electricity Boards. I am not Worried because of their taking more money. I am worried that we will not be able to recover. However, we will have to go in for massive investment in the power and oil sectors. I am sure that the hon. Finance Minister will take some note of that. As long as bureaucratic delays are there — there are bureaucratic delays on all fronts — that is an area of deep worry to all of us. Sometimes I feel that we should approach the bureaucracy or the system as such. The trouble is — Shri Atal Bihari Vajpayee will appreciate — that there are people at the top, also at all levels either they know too much, or they know too little. If just the right level of information and understanding is available, 50 per cent of our problems will be solved. Therefore, we need to take care of that.

Now I come to lifeline, my bread and butter, that is the *beedi* industry. [*Interruptions*] I must also look after my bread and butter. After all, my food comes from there. I would only like to say that it is the largest industry in the country, employment wise, after agriculture. It is employing 50 lakh people in this country direct employment. I am not even talking of indirect employment. [*Interruptions*]

Unfortunately in Punjab the Sikh community does not smoke. Otherwise my friends from Punjab would have a better idea. There are 50 lakh *beedi* workers and they should be happy to hear from me that I am employing a couple of thousand people from State alone. They should support me as I am creating employment in their State though not necessarily in my friend's constituency. Anyway that is a personal matter. This is not the forum to speak on personal issues.

I would just like to talk about the industry in general, which is the largest employer after agriculture. There is no encouragement to this industry. It is neither a small scale industry, not a cottage industry, nor a village industry, nor a large scale industry. What sort of an industry is it? I would like the hon. Finance Minister to help it and recognise this industry. [*Interruptions*]

They talk a lot, but they should conduct a study to review the situation.

We are not a cottage industry, we are not a village industry; it is no industry at all. Therefore, you cannot avail of uncessional rates of finance. There is no finance available because it is not a priority sector industry or anything of that sort. The point is, 50 lakh people are employed in the industry, out of which 49 lakh people will be working in the rural areas, in the villages and almost

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30 lakh women will be employed, where women come to employment from a small village in West Bengal backwaters, in the Maharashtra backwaters and Adivasi areas. That is the kind of the industry where people come on such a large scale from remote areas for employment.

Therefore, this industry should be recognised, should be given a boost. I think the Government is talking of anti-smoking; so I cannot talk anything on that front. But there are hurdles and even for exports also there is a limitation. Anyway, the problems need to be addressed in the name of rationalisation and certain structural adjustments in the excise and customs duties. Some people, especially from the small scale industries and certain other industries were disgruntled. I think that it specially relates to the areas of textiles, steel, plastics and paper, especially paper made out of agricultural waste and bagasse etc. I am sure that the hon. Finance minister will look into it.

I would just like to end my speech with an appeal that our agricultural sector and the real spending of the Government should definitely be looked into carefully.

That is where the bulk of the people are.

As far as urban areas are concerned, my friend Shri Murlī Deora, has also put forth some views. Urban Land Ceiling Act is definitely an impediment. Shri Dewegowda has said about certain anomalies of the Urban Land Ceiling Act and the backdoor policy and how people can avail all the advantages...

MR. DEPUTY-SPEAKER: Kindly curtail your speech and conclude.

SHRI PRAFUL PATEL: I am concluding my speech.

Urban Land Ceiling Act is definitely an Act of the past. Under the present situation with today's realities and today's pressure on population, I am sure that definitely we will have to address the housing front. The housing facility is not available even in this country to the people who can afford it. Today there are no houses. In Bombay city, it costs about Rs.10 lakhs or Rs.20 lakhs. How can a middle income person can purchase flats at a far away place like Boriville, Biander in Bombay? Therefore, the housing sector especially in the urban areas, needs to be strengthened by relaxing Urban Land Ceiling Act or scrapping it altogether as well as establishing House Finance Corporations. You know that they are coming forward. We have HUDCO and it is the only agency available today. Such Finance Companies especially for the housing sector are the need of the day. I am sure the Government will also address to this issue.

20.38 hrs.

DR. (SHRIMATI) PADMA (Nagapattinam): Mr. Deputy-Speaker, Sir, I rise to support the General Budget 1994-95 and to congratulate Dr. Manmohan Singh hon. Finance Minister, who has presented the Budget successfully for the fourth time consecutively. This Budget is a progressive, growth-oriented popular Budget, which would be acclaimed by all sections.

The hon. Minister has given higher outlay for social sector and for education. In Telecom sector also, the Minister has allocated Rs. 7,246 crore as against Rs. 6,470 crore in 1993-94 revised estimates. This would bring about communication revolution in the country which is a must for rapid industrial and economic development. The

hon. Finance Minister has also made forty per cent increase in rural development outlay for schemes like Jawahar Rozgar Yojana, Minimum Needs Programme, IRDP, etc. His announcement for taking steps to strengthen the rural credit system is the most welcome one as in the rural areas, money lenders and pawn brokers fleece the poor masses like anything.

The current account convertibility will substantially liberalise the access to foreign exchange for business transactions, for travel, education and medical expenses. At present, 500 dollars are allowed as foreign exchange under foreign travel scheme once in three years for going abroad as tourist or for education or for medical expenses. This has been liberalised to 2,000 dollars per year, which would very much help students who are going abroad for higher studies in engineering, medical, etc. and also those who go to meet their relatives.

After the unfortunate incident at Ayodhya and followed by communal riots and bomb blasts in early 1992, things have come to normal and the economic situation has shown substantial improvement, thanks to the progressive policies of our hon. Finance Minister under the leadership of our beloved leader, Shri Narasimha Rao. Our foreign currency reserves which were around one billion dollar in June, 1991, when we came to power at the Centre are now close to 13 billion dollars.

The credit goes to the hon. finance Minister who has steered through the exports by making sweeping reforms in economy. International confidence in Indian ventures has been restored and foreign institutions/corporate business investments have started coming to India.

Inflation has, no doubt, been reduced

from 17 per cent in August, 1991 to about 8 per cent now. But even then, the common people are facing the problem of price rise and erosion of rupee value. I request the hon. Finance Minister to take steps continuously to keep the inflation under check and it is brought down to less than 6 per cent.

The hon. Finance Minister has given a hint for the review of the Foreign Exchange Regulations Act, 1973 in view of the liberalisation policy and comfortable foreign reserves. I would request him to see that the Government continues to have control over the flow of foreign exchange so that unscrupulous people do not take advantage of it. The hon. Finance Minister has given a lot of incentives for boosting export, which are welcome by the exporting industry. I am sure, this will boost our exports to foreign countries and would enable us to play an important role in the international market.

I welcome the cuts of excise duty and customs duty on many items like capital goods and other machinery's and spare parts. In his Budget speech he said and I quote:

"Availability of capital goods at a reasonable cost is necessary to enhance our competitiveness and promote investment. It is also necessary to ensure that our domestic Capital goods industry, which has tremendous potential, is not at a comparative disadvantage due to anomalies in the tax structure".

So, to enhance our competitiveness and to promote investment which are the essential ingredients of economic growth, our hon. Finance Minister has given customs duty reduction to certain equipments and machineries.

As the hon. Finance Minister has as-

[Dr. (Smt.) Padma]

sured in the House, I request him to go into the aspect of dumping of certain imported goods at artificially low prices in our country by multinationals and anti-dumping measures should be strictly enforced. India cannot be made the dumping ground for unwanted things by the multinational agencies.

The hon. Minister has said about the application of uniform rates for similar commodities to the extent possible. This will simplify the tax procedures, reduce the scope of misuse and favouritism shown by the bureaucrats and also litigation. Most of the court cases relating to excise duty are on dispute over classification of similar commodities. Uniform rate for similar commodities would greatly reduce the number of litigations going to the court on this account.

The hon. Minister said, while referring to steps proposed for reducing the number of special exemption notifications and application of uniform rates for similar commodities, and I quote:

"These steps will promote growth of manufacturing output and employment, will make tax administration easier, less discretionary and also reduce the scope for misclassification, disputes and evasion. They will increase revenue elasticity and pave the way for an eventual adoption of a value added tax"

I would urge upon the hon. Finance Minister that many taxation committees have come and gone but invariably each committee has emphasised the need for simplification and rationalisation of taxation procedures and making tax administration easier. This is a continuous step and I request the hon. Finance Minister to constantly review

the working of various tax proposals and wherever loopholes are to be plugged or the system to be made more effective, follow-up should be taken.

The changes proposed in the general small scale industry exemption scheme are welcome. It would minimise the harassment from the tax officials for the people who are engaged in the small scale industry. By this proposal, the hon. Minister has extended the duty concessions upto a clearance value of Rs.75 lakh to all the small scale units whether registered or not. The scheme is also extended to certain sectors like iron, steel and copper products. This will greatly help the small scale industry and generate employment opportunities and self employment.

The General Budget 1994-95 is innovative in the sense, the hon. Finance Minister has introduced a tax of 5 percent on the service sector which provide services like telephone ISD/STD, local calls, insurance companies on non-life insurance services like fire insurance, flood insurance, insurance against theft, burglary, motorcar insurance etc. I congratulate the hon. Finance Minister for putting a 5 per cent tax on the brokerage of commission charged by the stock brokers in relation to their services.

The hon. Minister has proposed to get Rs. 4,000 crore from the Budget through the sale of public sector equity. I would like to caution the Government that while disinvesting the shares, we would take care to see that it should be done in a prudent way so that no public sector units is put to loss. The mechanism should be so evolved that there is no scope for any malpractice by the managers of the equity issue.

About the direct tax concessions given to the assesses, I would like to thank the

hon. Finance Minister for exempting from tax, repayment of educational loans taken for students, and the benefits given for the elder citizens. The proposal of presumptive tax on lorry owners and fleet owners is welcome.

While welcoming adjustment of tax slab for income-tax made in the bracket of Rs. 35,000-Rs. 60,000, a tax rate of twenty per cent and in the second bracket of Rs. 60,001-Rs. 1,20,000, a tax rate of thirty per cent, I also welcome the withdrawal of surcharge on income-tax completely on non-corporate assesses. However, I request the hon. Finance Minister to increase the exemption limit for income-tax from Rs. 35,000 to Rs. 40,000 and to raise the standard deduction for salaried class from Rs. 15,000 to Rs. 18,000, in view of the erosion of rupee value and the inflation which is as high as eight per cent.

SHRI SOBHANADREESWARA RAO VADDE (Vijayawada): Mr. Deputy Speaker, Sir, thank you for giving me the opportunity. I rise to oppose the budget proposals, most of which are anti-poor, anti-farmers and anti-middle class. Why I am calling this budget as anti-poor is because this budget has given concessions of thousands of crores of rupees to the corporate sector and to the affluent sections, while it has put burden of thousands of crores or rupees on the common man and the poor man. Though Dr. Manmohan Singh is the author of this budget, I clearly see the hand of the IMF and the World Bank in the shaping of this budget because this Government has done what they wanted. All the while they have been pressuring for reduction of the customs duties, for reduction of the import duties and for reduction of the import barriers on the goods from developed countries into this country, and the Finance Minister has exercised this very cautiously. Even before our

Government is going to sign the final GATT Agreement in the month of April, 1994, they have already implemented the provisions of the GATT Treaty.

The Finance Minister has said during his budget speech that though the Government is reducing the customs duties, it has in its mind the deep concern of our domestic industries which want a level playing ground. But I am very sorry to say that the Government has not shown any concern to the domestic industries, particularly the small-scale industries. The small-scale industries have twenty lakh units, they are giving employment to 126 lakh people of this country and have a share of forty per cent of the export earnings. But what has the Government done in this budget for them? Though they have removed certain restrictions as a difference between registered and unregistered units, the basic demand of the small-scale industries that the exemption limit of Rs. 30 lakh, which was there earlier, should be enhanced. But they have not done that. Particularly when we take into consideration the cost escalation of steel, iron and several other inputs which are badly required by the small-scale industries, they should have enhanced the exemption limit.

Sir, the big industry has got various sources to meet its capital requirements. It takes money from commercial banks. It goes for public issue by giving shares to the public and it also can avail the benefit from the mutual funds. But what about the small-scale industry? The point is that the small-scale sector is starving of working capital requirements. Even today, in the morning, a question was answered in this House in which the Government has said that a minimum 20 per cent of the product output value should be made available to the small-scale industry as the working capital. I am very happy about it. Of course, the Government

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has given instructions in October, 1993. But I would like to say that the P.R. Naik Committee has clearly stated that at the moment this small-scale industry is getting only 8 per cent of their output value as working capital. Out of these small-scale units, nearly 95 per cent of them are tiny units, village industry units and they are getting only 2.7 per cent of their output as working capital. This is the state of affairs. That is why many of these small-scale units are getting into sickness.

You are aware that more than two lakh units have become sick. My suggestion to the Government is that unless you strongly monitor the commercial banks and the financial institutions and ask them to go to the rescue of the small-scale units, the small-scale industry is going to suffer much more in the near future. That is my humble submission to the Government and I request you to take all necessary steps to do that.

The small-scale industry has been requesting one particular point. It is about the limited partnership Act to be brought forward. When the small-scale industry is slightly going to become sick or it is in financial doldrums, suppose a new entrepreneur or a new partner comes forward to join, he should be encouraged. If his liability is limited upto the amount which he is investing, he will also come forward to help it. If the entire burden goes on him, he will not come forward. This suggestion has come from the small-scale industry. The Government has been promising. But it has not yet got any legislation to that extent.

While you have not helped the small-scale industry, I would like to say one word here. The Government has announced the

policy measures for promoting and strengthening the small, tiny and village enterprises on 6th August, 1991 in this very House and I quote from it:

"Simplification of rules and procedures: The persistent complaint of small-scale units of being subjected to a large number of Acts and laws, being required to maintain a number of registers and submit returns and face an army of inspectors would be attended to within a specified timeframe of three months."

This is your promise. What the Government has done in respect of this promise? I demand an answer from the Government.

No less a person than the hon. Prime Minister has said on one occasion that this Government wants to do away with *Inspector Raj* and this Government does not wish these trouble-giving inspectors to visit the small-scale units and give trouble to them. The Prime Minister has said that, I have put a question in this very House and I was replied that "No such proposal is under consideration of the Government." That is the reply I have got to my unstarred question. When the Prime Minister says something and the Government negates it in its reply it is not good.

That is why I say that you kindly change your attitude towards the small-scale industry which is very very essential for the growth of our economy and for millions of people to get employment in this vital sector.

Sir, particularly the excise duties are causing tremendous damage to the functioning of the small-scale sector, particularly in case of re-rolling mills.

If they use from scrap, the product was exempted from the excise duty. Because of

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that, there was some price difference between the products of rerolling mills like rods and flats and those come from big steel factories. Because of the price difference, small people, common people, lower middle class people used to purchase rods which comes from rerolling mills. Now, you have removed the exemption and you have imposed advalorem tax. Because of this, the price is going to enhance and it is going to put a serious burden not only on the consumers but is also going to cause serious harm to the rerolling mills. I request the Government to kindly consider this.

Earlier, in respect of pesticides, you have reduced the import duty on pesticides which are imported from 85 per cent to 65 per cent. At the same time, you have put 10 per cent excise duty on pesticides, intermediates as well as final products, particularly mono chrotopass, which is one of the important pesticides required by the farmers. This price is going to be enhanced. Already the farmers are very much burdened with your increased price of fertilisers and several other inputs. This is going to be the last straw on the camel's back, particularly, Andhra has the highest consumers of these pesticides. I request the Government to kindly examine this.

As my other colleagues have said, I will not go into details regarding Hawaii chappels and also the chappels with a value of less than Rs. 125. Now you have put excise duty on them. You have also brought cotton blended yarn also under the excise net. How is it that you have given concessions amounting to so many thousand crores of rupees to big companies, to big corporators and you want to put the burden on the small people? There is a big cigarette company in this country which owes Rs. 1,000 crores to

the Government. That has not been paid in the last seven or eight years. It went to the court and obtained stay and continues to do so. When you have given the corporate tax benefits, again this company is going to benefit by a few hundreds of crores of rupees. You have increased the prices of LPG. You have increased the prices of diesel and petrol. You have increased the prices of wheat and rice, thus putting a lot of burden, nearly Rs. 4000 crores on the consumers of this country. Is it fair? Does it not show where your love lies, where your interest is? I request the Government to consider this. My friend, Mr. Deve Gowda has already said about this. Please make amendments to whatever you have proposed earlier.

My another concern is, the Government of India is intruding into the resources of the State Government. The Centre's share of taxes has increased by 15 per cent but your assistance to the State plans have come down. Now, Sir, the net resource transfer to the States which stood at 37.9 per cent in 1991-92 has come down to 37.4 per cent in the revised Budget of 1993-94 and now it is only 35.1 per cent in the present 1994-95 Budget. Therefore, the State Government's budget responsibilities are increasing and the Plan outlays are enhancing by 10 per cent to 12 per cent. The assistance from the Government of India is coming down. You have made the women welfare scheme for savings. We are not against the spirit of the scheme. It is a good scheme. But at the same time, it is going to intrude into the resources of the small savings that will be available for the State Governments.

Just now, my hon. friend has said about the irrigation projects. Out of 263 major irrigation projects that were taken up all these four decades, only 83 were complet-

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ed. 183 projects are still continuing and similar is the case with the medium irrigation projects. But the Government of Maharashtra in its anxiety to see that the projects are completed—at least, some of them—before the year 2,00. A.D., it has asked for permission from the Government of India to issue irrigation bonds. You have not agreed to it.

21.00 hrs.

You have not agreed. I have received the reply. On two occasions, I have put the question and it is answered that Government of India is not willing to give guarantee to those bonds issued by the Government. Why? Why should you have such an attitude towards the bonds issued by a State Government? After all, it is going to help for creation of irrigation facilities. At the moment we are able to utilise only 48 per cent of the utilisable water resources in this country. Only a few months back Shri Vidyacharan Shukla told me about this fact. Without irrigation facilities, how can you improve the agricultural productivity? Without irrigation facilities, how can you increase the total production which will give, after meeting our requirement, the exportable surplus which you are badly in need of?

My request to the Government is kindly to change this attitude.

I am happy the Government of India has in its reply said:-

"The Government of India wish to have Rs. 50,000 crores of exports from agricultural sector."

We are very happy. We are all here to support the Government's efforts to bridge that balance of payments position and in-

crease our exports. But what is it you are doing to the agricultural sector? Please tell me. Is there any word in this Budget for the agricultural sector to be happy? Two years back, the Finance Minister said:-

"An agreed business consortium will be established mainly to help the farmers to reap the benefit of the exports."

Where is that? I have not heard about it for the last two years. I am very eagerly searching for it in the newspapers.

MR. DEPUTY SPEAKER: We have agreed to sit up to 9 o' clock.

SHRI SOBHANADREESWARA RAO VADDE: I will continue tomorrow.

MR. DEPUTY SPEAKER: You can continue if it is for five minutes more.

SHRI SOBHANADREESWARA RAO VADDE: I have no objection to continue tomorrow.

Mr. Deputy Speaker: Kindly continue.

SHRI SOBHANADREESWARA RAO VADDE: This Government has promised to the farmers of this country an agreed business consortium to be established. Till today no such concrete measure has been taken, while in respect of invitation to these multinational companies, just overnight you are doing so many things. You have changed the rules and the procedures and everything with a lot of speed. But why is this Government not having any interest for that? That is my deep concern.

For agriculture, the Plan outlay has come down from 15 per cent in the First Plan to 5.2 per cent only in this Plan. For Irrigation it came down from 22 per cent to 7.9 per cent

and has this Government taken any measures to make available at least credit to the farmers? No. Last year, Rs. 16,000 crores was the target. Not even Rs. 13,000 crores was given to the farmers as credit. If that is the case, how can the credit requirements of farmers be met? The Hon. Finance Minister and Shri H.D. Devegowda have said that our country has tremendous potential. True. We have all the necessary inputs. We have land, water, climate, hard-working farmers in this country. They do to the farm even in the night to put on the current water switch. Sometimes, the farmers may lose his life due to short circuit. Such farmers are there. But is this Government helping the farmers to develop our country?

I ask this Government; 'Have you estimated the capital requirement for our country to achieve the potential to become number one agro-power in this world? At the moment, after 45 years, we have released only 40 per cent of the potential we have.

Still 60 per cent potential is yet to be realised. If you realise even 20 per cent of that, you will have thousands of crores of rupees of surplus like Japan about which my hon. friend has said. My submission is: kindly bring a change in your attitude, in your perspective. Please do not think that only the big industries, only those big industries of those multinational corporations will help this country, which is not correct. Only agriculture and the small-scale industries can help you.

The hon. Minister was telling something about pre-payment of an instalment to the IMF. Of course, he was feeling so much happy over the pre-payment of an instalment to the IMF. By pre-paying the loan, what is it that we are really gaining? Only a small amount of interest we may be gaining.

I fail to find in this Budget Speech the Finance Minister's concern for non-utilisation of Rs. 66,000 crores worth of foreign assistance which was granted but not being utilised. Is it not a fact? Out of Rs. 2,18,000 crores of our foreign assistance, Rs. 66,000 crores is unutilised. Is it not a fact that last year, the Asian Development Bank has cancelled a project because we could not utilise that money for more than several years? So, they were vexed and they cancelled it. The hon. Minister has said, with conviction, that our country will not be led into a debt-trap situation. I would like to caution this Government about the wider gap in our balance of payments position which has started with Shri Rajiv Gandhi. Of course, we have a lot of affection for him. He had tremendous modern outlook. He wanted to take this country to the 21st century. We do admire him for that. But the liberalisation process which started during regime is one of the prime reasons for this worsening of the foreign reserves position.

Shri Patel has just now said regarding the power sector. In Maharashtra, the Maharashtra State Electricity Board has entered into an agreement with M/s. Enron Power Corporation of U.S.A. If all the conditionalities that have been demanded by them and agreed to by the Maharashtra State Electricity Board are to be okayed by the Central Government, it may not be very far off when this very Government will find it very very difficult to meet the foreign exchange required to send their profits or the 16 per cent post-tax guaranteed return. How much burden it is going to put? Of course, it is not that we are against the State Electricity Boards in improving their performance. Definitely, the performance has to be improved. Definitely, the agricultural power tariff or some other tariff may have to be slightly increased but not at the level of one hundred per cent or two hundred per

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cent as suggested by some Committees. But the 16 per cent post-tax profit guaranteed to M/s. Enron is not in the interests of the country.

I would like to conclude now. Before that, I would like to say that the position is if these conditions are accepted, you have to accept the same conditions for all the other Power Corporations which are coming from abroad. Already, the Telecommunications Department has recommended to the Ministry of Finance to agree to this 16 per cent post-tax profit. Similar or will be the position in respect of all other investments that will come in future. This is going to put a tremendous burden on our foreign exchange reserves. So, I request the Government to take care of that one.

Finally, I want to say one thing. I am coming to the last point.

Regarding unemployment, the Government is thinking that just because they have allocated the funds, people are going to get employment. I speak only of our respectable Prime Minister. He has initiated a programme 'Prime Minister's Rozgar Yojana. The objective is good. It is to help the educated unemployed people to stand on their own footing. The other day you have replied that not even 30 per cent of the beneficiaries have been given the loan. Have you analysed the reasons for that? Now as per the present restrictions, a Branch Manager has got powers to sanction a loan up to Rs. 25,000. Over and above that sum, he has to get the permission from the regional office or somebody. In the scheme it has been mentioned that a loan up to Rs. 1 lakh

should be given. Right. But the poor man cannot give a security. And the Branch Manager is held responsible if the beneficiary does not pay back the loan at a later date. These are the practical problems which are coming in the way. You kindly think over that and take immediate necessary steps to give suitable instructions and also strong guidelines or orders so that the poor people, either through IRDP or through Prime Minister's Rozgar Yojana or through any other self-employment scheme, are given help by the Government.

Lastly, I would like to say that reforms, to some extent, have been initiated by the Government of India. But at the State Government level, no reform process has started. Still the bureaucracy is having that stranglehold. No change has come in the functioning of the bureaucracy. Unless there also some reforms are initiated, it will not really give any benefit.

Finally, I only urge upon the Government, we have represented to Dr. Manmohan Singh also about it, that there is an accident insurance scheme for the toddy-trappers. If they are met with some accident, some amount is given to them. Similarly, in Andhra Pradesh, Kerala and other places, lakhs of people are there who climb on to the coconut trees and bring down coconut. But when they die, no such help is given at the moment. We have suggested - Shri Balayogi, myself and other colleagues from Andhra Pradesh - for some such help. I request that please examine it with all sympathy and come forward with a suitable scheme for them.

Finally, I urge only the Government to withdraw this very high level of burden on

the common people and middle class people and do away with these things and if necessary, impose burden on the rich people and corporation and not on the small people. I thank you for giving me this opportunity to speak.

DR. DEPUTY SPEAKER: Thank you for exemplary patience that you have exhib-

ited in the House. Now the House stands adjourned to meet tomorrow at 11.00 a.m.

21.13 hrs.

*The Lok Sabha then adjourned till
Eleven of the Clock on Saturday, March
19, 1994/ Phalguna 28, 1915 (Saka).*