

15.44 hrs.

*[Translation]*

## FIXATION OF LIMIT ON BORROWINGS BILL

*[English]*

MR. DEPUTY SPEAKER: The House shall now take up further discussion on Fixation of Limit on Borrowings Bill.

The time allowed is two hours. The time taken is one minute. Shri George Fernandes to continue his speech.

*[Translation]*

SHRI GEORGE FERNANDES (Muzaffarpur): Mr. Deputy Speaker, Sir, the Bill being presented here today for discussion should, to my mind, have been passed in this House at least 40-45 years earlier. I feel pained to think that this Bill is being presented here as a private Member's Bill as if there were a lottery business and we were waiting for a lucky draw. It is provided in Article 292 of the Constitution of India that:

*[English]*

"292. The executive power of the Union extends to borrowing upon the security of the Consolidated Fund of India within such limits, if any, as may from time to time be fixed by Parliament by law and to the giving of guarantees within such limits, if any, as may be so fixed."

This article 292 is actually based on what we call the Government of India Act, 1935 and which the Britain had passed in their Parliament on 2nd August, 1935. I would also like to read out the provisions of that Articles so that our to-day's subject of discussion is clarified.

*[English]*

"The executive authority of the dominion extends to borrowing upon the security of the revenues of the dominion within such limits, if any, as may from time to time be fixed by the Act of the dominion legislature and to the giving of guarantees within such limits, if any, as may be so fixed."

*[Translation]*

Only 2-3 words have been changed in the two Articles. Both these articles are the same. The word 'Dominion' is substitution by 'Union', 'Authority' by 'Power', and the 'Revenues of the Dominion' by the words 'consolidated Fund'. Rest of the contents are the same. These three words had to be substituted because now the country is free. It is no more a dominion now. Therefore the word 'Union' has been used. The original Article presented in the Constitution Assembly provided for the 'Revenues of the Dominion' which has been substituted by the word 'Consolidated Fund' and the word 'Authority' has been replaced by the 'Power of the Executive'.

First of all I would like to draw your attention towards the discussion held while this Article was being enshrined in the Constitution. If we do not understand the purport of the discussion then we will

[Shri George Fernandes]

not be able to appreciate the significance of Article 292. Till we appreciate the responsibility entrusted to the Parliament by our constitution framers in the matter of loans, we will not be able to steer the discussion towards any conclusion.

At the time of the discussion in the Constitution Assembly, this Article was numbered as 268, but later on at the time of giving final shape to the Constitution it was renumbered as 292. After this Article had been introduced Anantshayaram Alyangar was the first to put forth his view point. He had submitted.

[English]

"My intention in speaking on this matter is to draw the attention of the House now and later to make sure that Parliament will devote greater attention to this matter. So far as borrowing is concerned, they may be short, or long term, imposing heavy obligations upon not only the present generation, but future generations also, sufficient attention is not being paid to the manner in which borrowing can take place.

He further says:

"Parliament when it makes provisions should be very chary in granting permission to all and sundry loans being floated irrespective of the capacity of the people to subscribe to, etc...These and the purposes for which the borrowings take place will all be regulated by Parliament under Article 268."

*That is the present Article 292.*

[Translation]

After him, Prof. Shibban Lal Saxena put forth his viewpoint and I would like to quote him also.

[English]

"In this Article I again want to voice my feeling against arming the executive with powers to borrow upon the security of the revenues of India. Of course, limits are to be prescribed by Parliament by law."

[Translation]

He submitted that the Parliament will enact laws for the country and that this power should not at all rest with the Executive.

[English]

"But beyond that Parliament does nothing. That is, beyond enacting a law Parliament does nothing. I hope, in such matters where the security of the State may be pawned, there must be some voice for Parliament. It must not merely be that Parliament shall fix the limit, but that in other matters the executive shall have all the power. At least after taking a decision the executive must take Parliament into confidence. After all, the Ministry will have always the majority in the legislature and whatever they may do they may be able to carry through the House. That being so, I do not know why we should feel shy to bring these things to Parliament. I, therefore, think that such sweeping powers as are proposed in this Article should not be given to the executive."

[*Translation*]

After him Shri H.V. Kamath putforth his viewpoint. The main point putforth by him was—

[*English*]

"Borrowings can easily be one of those rocks upon which the ship of state may founder and in modern times and in the modern world, economics has assumed such tremendous importance and when loans are floated and subscribed, very frequently by every State, by every country in the world, I feel that the executive of the Indian Union should not be vested with the power to decide upon borrowings within the limits, of course, fixed by Parliament, no matter what the purpose of the borrowing may be. I feel that the purpose for which the loan is raised under this article must be laid before Parliament and the approval of Parliament must be sought and obtained for the purpose of the loan. But under this article 268 Parliament has empowered merely to fix the limits. I suppose it means the pecuniary limits, monetary limits within the limits of so many crores and that sort of thing."

Further, he said:

"Nowhere does the article envisage the purpose for which the loan is raised or borrowed or guaranteed be given."

Further, he appealed:

"I hope that not merely the financial limits but also the purpose of every

loan will come before Parliament for its approval and action taken by the President in according to the policy laid down by Parliament with particular regard to our international relations or our internal policies."

[*Translation*]

Mr. Deputy Speaker, Sir, I will not quote from other Members' speeches because there was unanimity on the point that delegation of power to the Executive could be dangerous. However, if it is to be delegated then the Parliament should first give its approval not only for fixing the ceiling but also for deciding the utilisation of loan money. Only with the prior approval of the Parliament, permission for borrowing money should be given.

I would like to quote a few sentences of Dr. B.R. Ambedkar. Dr. Ambedkar used to get each and every Article approved from the Constitution Assembly and also used to reply to the discussion held in the Constituent Assembly. Since a long discussion was held on this Article in the Constituent Assembly, here I would like to quote Dr. B.R. Ambedkar. He stated that:

[*English*]

"It is admitted that it is the Executive alone which can pledge the credit of the country for borrowing purposes, for borrowing is an Executive act in one aspect of the case. But, in this Article, it is not proposed that the power of the Executive to borrow, is to be unfettered by any law, that is to be made by Parliament. This Article specifically says that the borrowing power of the Executive shall be

[Shri George Fernandes]

subject to such limitations as Parliament may by law prescribe."

Further, he says:

"If Parliament does not make a law, it is certainly the fault of the Parliament and I should have through it very difficult to imagine that any future Parliament which will not pay sufficient or serious attention to this matter and enact a law.

Under the Article 268, I even concede that there might be an Annual Debt Act made by Parliament prescribing or limiting the power of the Executive as to how much they can borrow within that year. I, therefore, do not see what more is wanted by those who have expressed their dissent from the provisions of Article 268.

It is of course a different matter for consideration, whether we should have a further provision limiting the power of the Parliament to pledge the credit of the country. It seems to me that even that matter may be left to Parliament because it will be free for the Parliament to say that borrowing shall not be done on the pledging of certain resources of the country.

I do not see how this Article prevents Parliament from putting upon itself the limitations with regard to the guarantees that may be given by Parliament for the ensurement of these loans or borrowings. I, therefore, think that from all points of view, this Article 268, as it stands, is sufficient to cover all contingencies and I have no doubt

about it that as my friend, Mr. Ananthasayanam Iyengar said, "we hope that Parliament will take this matter seriously and keep on enacting laws so as to limit the borrowing authority of the Union."

Last sentence of his reply was:

"I go further and say that I not only hope but I expect that Parliament will discharge its duties under this Article."

[*Translation*]

The prime contributor in framing this Article 292 and the Constitution makers, whom we call the Founding Fathers of this republic of ours, were of the opinion that restrictions may be put on the Executive and the Government, so that in future  
**16.00 hrs.** difficulties are not faced. However, the Parliament has been empowered and not only empowered but a responsibility has also been entrusted upon it that from the very first day, the Parliament will discharge this duty. He not only expressed his confidence, but also submitted that.

[*English*]

"I expect that Parliament will discharge its duties under this Article."

[*Translation*]

They are confident that the Parliament will discharge its responsibility. I am sorry to submit that even after 44 years of independence, under this Article no law has been enacted by the Parliament and in fact this power has been delegated to the Government who is not prepared to appreciate the point that check on borrowings and loans could be imposed.

Sir, during informal talks, just before the start of the proceedings, the hon. Minister of Finance told us that if a ceiling on borrowings is imposed, then the position of the country will become worse. It is being believed that there is no escape from borrowings, because if some other path is treaded along then situation will become worse. I am unable to appreciate the point of the Government which has also been stressed upon the hon. Minister of Finance during the presentation of the Budget. He has also presented the Economic Survey for 1993-94 in which he stresses:

[English]

"Increasing reserve to borrowings over the years has led to a continuous growth in the total outstanding debt of the Centre. This was due to a combination of revenue deficit and poor returns on assests financed by capital receipts. Internal liabilities have declined consistently over the adjustment period etc."

[Translation]

Further the Government is expressing its difficulty that with the increase in debt liability, interest burden is also increasing and the interest liability comprises the major portion of repayment. The situation has come to such a pass that in the current year's Budget provision for interest payment is of Rs. 46,000 crore. Sir, during the last 10-12 years, the Government has pushed the country into debt trap and all this can be easily visualised. I hope, while replying to the discussion on this Bill the hon. Minister of Finance will not take a shelter behind the excuse that such and such was done by your Government and we have done this much to undo that! He does it

generally as a strategy during discussions on financial matters. My party's Government was in office for only 11 months and this document is of the present Government and not of the previous Government. Figures of loans and borrowings of 1980-81 and 1993-94 amply demonstrate the extent of increase in debt.

Sir, in 1980-81 the borrowings by the Government stood at Rs. 48,451 crore which have increased to Rs. 3,93,988 crore in 1993-94. This figure has gone up further due to subsequent borrowings during the current year. These figures pertain to internal borrowings only and about the external debt, it is useless to peruse this Table. In the Report, under the heading 'Standing Liabilities of the Government', it is mentioned.

[English]

"Historical debt figures represent borrowings by Central Government from external sources and are based upon historical rates of exchange."

[Translation]

Therefore, we would not like to read it from here, but from the Table regarding the external debt. External debt stands at \$90,386 million i.e. Rs. 2,80,000 crore, while in 1980-81 it was around Rs. 11,298 crore. Despite all this the hon. Minister of Finance starts saying 'your Government' and 'our Government'! This means he does not want to see things in right perspective. Nobody cares for the country even if it goes to the dogs. Some people are of the opinion that there is no need to find the solutions because tomorrow they won't be there in the world and their children will settle outside. All this I am saying out of anger

[Shri George Fernandes]

and anguish. If the House does not seriously ponder over the issue and fails to fix any ceiling on debt, then future of the country will not be safe. Loans will be taken today and spent in whatever manner it is deemed fit, but the burden will be passed on to posterity. It will not only the posterity that will just be burdened with debt repayment, dire consequences will be faced by the entire country also. This Bill to fix ceiling on debt has been moved to seriously discuss the consequences of borrowings. Issues should not remain confined to discussion stage alone.

While replying to the point raised by Shri Indrajitji regarding black money, the hon. Minister of Finance in the morning stated that the reason for it is the ongoing system of licensing and permit. Black money generation started under the Permit Raj. The person who has been associated with the Government in various capacities and showers praises and eulogies on every opportunity be it Budget speech or any other occasion, in one sentence has pulled the rug off your feet. I do not know whether he understands the gravity of the point raised by him or not, but he is always very cautious about speaking anything.

It is very surprising to hear from him that black money generation started under the licensing system of the Government. However, how all this started and continued? Three sections are responsible for it, i.e. the licence seekers, bureaucracy and the political masters viz the Ministers but he mentioned that only industrialists, traders and bureaucracy have corrupted the politicians. I do agree that his submissions could be correct but it does not solve the problems. The hon. Minister never raises the issue of bor-

rowings. He claimed that we have gone one step ahead of Margaret Thecher. The Government stated that fixation of 15 per cent ceiling on borrowings will stop all developmental activities in the country and depression will cripple the economy. This was stated during parleys with the Government and is also reflected in the morning speech. The Government assumes office to safeguard the Constitution and not to usher in extravagance in the society by licensing system and other means of governance. This responsibility is called hard option. No Government is prepared to discharge this responsibility. The Government only favours soft option of borrowings. Hard option is to detect corruption. All the persons of that regime in which all this had been going on should be prosecuted. I know what all I am suggesting will never be done. I know that situation will further deteriorate in India. However, it is necessary to find out solutions in the House itself, otherwise what will the outsiders think? On this, depend many a thing. Three years ago Shri Vasant Sathe wrote a book regarding average generation of black money in India. According to Shri Sathe each year on an average between Rs. 50 crore to Rs. 70 crore black money is being generated in the country. We cannot accept the assertion that all this has been done under the policy of liberalisation. Nothing should be stated in the House without substantiating that. If proof is produced then we will not make any comments. We know that capitalists are responsible for corruption and black money in the country. However, at present many multinational capitalism is coming to India. Looking at the game plan being played in India one shudders even to visualise the consequences. Handing over the reins to the capitalists, who believe in trading in everything, is the nefarious way of Governing the country. However, we won't like to see this during our

lifetime. However, if anything of this sort happens then the country will slip into hands of thieves and corrupt. I have got one apprehension that inflow of foreign capital will be to the tune of 100 times more than Indian capital. If we invest one rupee then foreigners will invest hundred rupees. Foreigners' culture, lifestyle etc. have always attracted the Indians. Therefore, swaying Indians towards them is a simple task for the multinational Companies. If only soft options are preferred, then why does the opinion of Shri Vasant Sathe, former Minister in the Late Shrimati Indira Gandhi's and perhaps in late Rajiv Gandhi's Government also cannot be accepted? Leave aside my opinion that through the hawala racket the money is going to be transferred outside the country. Black money is siphoned off outside the country and again it comes back as foreign loan, on which interest too is paid. The money which should legally find way into Government's coffers is not coming to the Government in the form of taxes with the result, the country is being pushed into the debt trap. Extent of debt could be gauged from the statement of 'Liabilities of the Central Government' given on page 42 in which it is shown that the foreign and internal debt is of the magnitude of Rs. 5,32,753 crore. All these liabilities need to be repaid back by the Government. Let us also refer to the statement of assets in which data on capital investment and loss sustained by the Central Government is given. It is an important thing that how the country has been made bankrupt by these people. I am presenting the proof in this regard. It has been written in it that capital outlay and loans advanced by the Central Government are to the tune of Rs. 3,55,536 crore. Capital outlay of the Central Government is shown as Rs. 1,94,000 crore. Loans given to the State Governments, Union Territories and Public Sector

Enterprises are to the tune of Rs. 1,61,499 crore. Total comes to Rs. 3,55,536 crore. Thus total liabilities are of Rs. 5,32,753 crore and assets as per the statement given on page 43 are worth Rs. 3,55,536 crore.

The total amount of excess of liabilities over capital outlay and loans advances comes to Rs. 1,77,216 crores. Had you been a sick industry you would have been included in BIFR. Have the Government exhausted the capital completely? Had the Government been a Public Limited Enterprise, Private Company, Public Limited Corporation or a Private Limited Corporation, it would have been declared as a sick industry.

16.20 hrs.

[MR. NITISH KUMAR *in the Chair*]

If a debtor files a case against the Government it would be declared bankrupt and the Court would appoint a receiver. I am saying it with all seriousness, that this is the actual position. The total interest on the loans likely to be paid by the Government this year is Rs. 46,000 crores whereas the total amount of tax revenue and non-tax revenue comes to Rs. 86,000 crores. Where will this situation take the country to? How will the Government tackle it? Today, when I am moving the Motion in the House, somebody is reminded of 'Thatcherite Politics'. The Government should not take loan for meeting its routine expenditure. Rather it should build up the assets to repay the loan. From the fact that the hon. Members are forced to raise these matters in the House, it can be well imagined where we have reached today. I would seek clear reply to all these points from the Government in the context of the bill.

[Shri George Fernandes]

Firstly, how was it that the Government took such a large amount of debt? So far as I think, it was due to the new developmental process initiated by the Government after 1980 which encouraged extravagances in Government sector. The Janata Dal Government remained in power for more than two years, it was succeeded by another party which remained in power for 4-5 months. Thereafter, as soon as Shrimati Indira Gandhi became the Prime Minister of the country, the process of extravagance started. The statistics reveal that when the World Bank and other financial institutions gradually reduced the amount of trilateral loans to Government on soft terms in 1980, Government started taking loans from private banks, non-residents and other people at higher interest. The result was that the average total interest on loan reached 6.1 per cent in 1982 in comparison to that of 2.4% in 1980.

Secondly, the banks give loan for a maximum period of 3-5 years whereas the duration for loan taken from multinational lending organisations extends to about 25 to 30 or 40 years. The long-term loan is interest free and there is no binding to return the money till the completion of the project for which loan was sought. This type of loan can be taken at the rate of 0.5 per cent interest. At the maximum, the World Bank and other such institutions provide loan at the rate of two per cent or two and a half per cent. But the Government instead preferred the second option.

In 1981, the Government took loan from IMF. This was the beginning of the debt trap. On the one hand, the process of increase in interest started and on the

other hand, amount of the loan instalments were also increased. The total loan at maturity was 40.8 in 1980, 32.6 in 1982 and 24.4 in 1989. This was the outcome of making extravagances which naturally created this situation of debt trap.

Mr. Chairman, Sir secondly the country suffered loss in trade which was recovered through the hard earned money remitted to their homes by the Indians settled in Gulf or other countries of the World. On the one hand, the loss in trade increased and on the other hand, investment by foreigners in the country reduced. One of the underlying factors of it was that when there was large scale exchange of black money big people in those countries started getting the foreign currency there and in exchange paid Indian currency here. Thus, there was a steep rise in the Hawala trade in 1980-81 and the result was that the Government had to resort to commercial borrowings, it had to seek loans from foreign banks at higher interest. Mr Chairman, Sir, in this context, I would like to refer to the figures of the years from 1980 to 1989 again. In 1980 the borrowings were to the tune of 18.7 billion dollars whereas in 1984 it came to 26.5 billion dollars and in 1989 to 56.3 billion dollars. Therefore this was another significant reason.

Mr. Chairman, Sir, the Government invited the deposit of NRIs and it also encouraged private loans. Indian companies were asked to take loans from foreign institutions in the name of manufacturing something new or setting up a factory or importing a machinery or by underinvoicing or over invoicing. But when the process of seeking loan from foreign countries started, the result was that the total amount regarding Nonresident Indian deposits and private credit taken from commercial banks increased to 22.8 billion



dollars in 1982 in comparison to 2.3 billion dollars in 1980.

Mr. Chairman, Sir, the third reason was that relaxations were given to foreign entrepreneurs to set up big industries in India and to encourage India companies to seek loans from abroad. But these matters are not such on which relaxation should be given, because if loans are provided to the industries which require huge capital and they export the goods manufactured by them at their own in foreign countries, then there may be scope for the recovery of such loans whereas the loans were provided to industries which sold goods prepared in the factories within the country itself. Therefore, the capital which was utilized to purchase sophisticated equipments from foreign countries was allowed to be wasted in manufacturing the items of luxury, due to which the country suffered a lot.

Mr. Chairman, Sir, you may recall that a Motion was moved in 1979 proposing to host Asian Games 1982. At that time, some of us were in the Government. We had opposed the Motion on the ground that there was no meaning in seeking foreign loan just for making arrangements for hosting Asian Games in the country and that we would not allow the country to make such extravagances. But the Government did not pay any heed to it. Our Government was voted out. When the new Government took over, they patronaged sports also. The Jawahar Lal Nehru Stadium is an evidence to it what way it is being utilised, is something I do not know. It is perhaps used for arranging the programmes organised for Michael Jackson or other popular foreign artists and their day and night cricket matches. In other words, the stadium is now used only for providing luxuries.

I would like to submit to the Government that it may please produce the document, if any, revealing the foreign capital of thousands of crores of rupees which had to be borne in the name of arrangements made for Asian Games at that time. The way the Government has started providing luxuries to upper middle class of the country after 1980, has proved very harmful to us. The instances to this effect after 1980, has proved very harmful to us. The instances to this effect may be minor but they certainly prove the charge of extravagances.

Whenever the hon. Prime Minister is to go abroad, two aeroplanes of Air India are kept ready for the purpose. If he is to go on 15th, the two aeroplanes are reserved from the 1st of the month. They are decorated for this exclusive purpose. I am unable to understand whether some extraordinary change takes place in a person when he assumes the charge of a high post. Are his needs so important that two aeroplanes are reserved only for him? One aircraft is there to take him, while the other is kept ready to meet any emergent situation if some technical fault arises in the first aeroplane. If the Prime Minister's tour is for 15 days, at least two Boeing Jumbo jets of Air India are kept ready for at least one month. These things may be referred to as minor things. But these are not minor issues, otherwise 'why every drop counts' ads are maintained at petrol pumps? Are similar records maintained with regard to rikshaw pullers? But when we take up the matter of aeroplanes, it becomes a minor issue. If it is so, an aircraft of Air Force can also be reserved for him in which all the extra facilities are also available. Why the public money is wasted in this manner? Has anybody ever assessed as to how much of the foreign exchange is wasted for this purpose? We have to import each

[Shri George Fernandes]

aircraft, every part of it is imported and we have to pay for all of it. It has become very essential for us to check such extravagances.

Shri Vimal Jalan, who was the foreign Secretary to the Government of India had written a book "India's Economic Crisis". At present, he is either in the World Bank or in some other foreign concern. Prior to it, he was the Chairman of the Economic Advisory Council.

[English]

I would like to refer to the last point that I raised:

"Finally, the middle classes were the major beneficiaries of the industrial and commercial boom in the second half of the eighties. These sections which included educated professionals in the public and private sectors were influential in determining the course of public policy. Their influence was, for example, reflected in substantial and periodic increases in the exemption limits for income-tax and a further narrowing of the base of the direct taxes.

Excise duties on consumer durables, electronics and automobiles, etc. were also kept at a relatively low level, which encouraged the setting up of new units with a high import content, and high rates of effective protection."

[Translation]

This is an extract of a book authored in 1991 by the former Finance Secretary

of Government of India and Chairman of Council of Economic Advisor.

They have put fourth an economic structure of India of their own while categorising the people here. They categorised the middle class people of India afresh as lavish tourists. I do not know whether you have gone through the news appeared in 'The Indian Express' last week in which Chitra Subramanyam wrote that the Indian tourists spend money not less than the foreign tourists in their journeys. How can they afford to be such an extravagant. I do not oppose Indians visiting foreign countries as tourists, but the way in which affluent or middle class people of India spend money lavishly on their foreign tours like the richest tourists of the rich countries is highly objectionable because it causes a cumbersome financial burden on the shoulders of the poor people of India. The outline of Foreign debt carved out by them will not affect the affluent. This burden will ultimately fall on the shoulders of all of us. Our country has a severe crisis before it.

In course of his speech from any forum the Minister of Finance, Dr. Manmohan Singh always assures that there is nothing like a crisis as it is apprehended by people. He adds that our financial condition is not so bad. He gives us such assurances very frequently. But Shri Vimal Jalan who held the important posts like Finance Secretary of the Government of India, the Chief Economic Advisor of the Government and other posts which Dr. Manmohan Singh, held asserts his opinion very sincerely:

[English]

"In some respects the present situation in India has some similarities

with the situation which prevailed in several heavily indebted Latin American countries at the beginning of the eighties. The crisis has been brought about by an excessive dependence of the economy on 'new money' from commercial sources which are not forthcoming. India's total debt and debt-servicing burden in relation to the size of its economy is, at present, substantially lower than that of the heavily indebted Latin American countries at the beginning of the 1980s. However, as a proportion of exports, the ratios are similar. Further, India has a large trade deficit. Latin American countries, such as Mexico, Brazil and Venezuela, on the other hand, had a trade surplus, even though the current account was in deficit on account of interest payments. The fiscal crisis in India is also similar in nature to that of several heavily indebted countries in Latin America."

[*Translation*]

The very person who was the key advisor to the Government till some days back has written in this book that the views expressed therein were his own. In the introduction to the book, he writes:

[*English*]

"The views expressed here are mine, and not those of the Government, nor of the Economic Advisory Council with which I am presently associated."

The Government believes that the crisis does not exist. It was dated 15th May, 1991 when he was still the

Economic Advisor to the Government of India.

[*Translation*]

We cannot understand such negligence, on the part of the Government. We, therefore, demand to limit the debt. I would not like to linger on my speech. But I would like to bring one thing to your notice.

MR. CHARIMAN: How much more time do you want?

SHRI GEORGE FERNANDES: Sir, I would conclude within five to seven minutes. Since we are seeking loans from foreign countries and our Government is acting in a subservient manner to America, I would like to speak about it in brief. I am laying the document of the Government of India here. If you go through the statistics regarding external loans in the Budget 1994-95, You will find that the Government has taken loans both from multilateral and bi-lateral sources amounting to 9,996 thousand crore rupees. The amount we are returning to foreign countries is 5,8388 thousand crore rupees. Thus the actual funds that remains in our hands is a bit more than 3 thousand crore rupees. We get such an amount as foreign loan. Referring to a country like Japan, we find that we are getting 3075 crore rupees from it and the instalment of repayment along with the interest amounts to 518 crore rupees. We are getting no money from America this year. Last year also, we did not get any loan from it. We do not have the figures of the year 1992-93. We did not have any loan during the year 1993-94 and 1994-95. But we are paying 392 crore rupees this year to America. We paid this same amount to America last year also.

[Shri George Fernandes]

[English]

There is outflow, but there is no inflow from America.

[Translation]

The same is the condition of the World Bank. This year, we are getting 2413 crore rupees from the world bank but we are paying it Rs. 2444 crore. The amount we are paying is more than what we will receive this year. The IDA and the ADB are international agencies and we are getting some funds from both of them. Barring Japan, we are not going to get loan from any other country. The meagre amount to the tune of 5 to 12 crore rupees does not matter here. We are rather returning the money to other countries. Our practice of being subservient to America has made us dependent on it. America has now become indispensable for us. I want to bring to your notice this very point that our dependence on America has virtually led us to selling the future of the country to the U.S.

Hon'ble Chairman, Sir, as you have stated that time is short, I would like to tell the last thing. If we want to make our country free from foreign loan, we need not discover the reasons for seeking loan from foreign countries. There are umpteen reports presented to the Government in this regard. What is needed now is to take action thereon. I would like to bring some points into your notice. First we should not have any compulsion to seek foreign loan. Secondly, the outflow of money to foreign countries should be checked strictly and certain stern action should be taken in this regard. Thirdly, our national civic life should be led to the

direction which eschews lavishness. It is a unsavoury imitation of foreign lifestyle that people follow for lavishness and wealth only.

I would like to repeat the issue raised by Chitra Subramanyam that the middle class people in India or elsewhere today want to boast of their lavishness and ill gotten gains but the country has to be deviated from this ill path and observe austerity measures keeping in view the norms of the entire country. I, therefore, submit to the august House to think over this Bill which suggest, that the Government should never seek loan more than the 15 per cent of its gross domestic product. I would like to repeat that this Bill is meant for discharging the Constitutional duties vested in the Parliament. The hon. Minister of Finance or the Government may bring amendment, if any, to it and I will not oppose it. But such a Bill must be introduced. If the Government is reluctant to admit a Bill introduced by the opposition, it should explain what measures does it propose to discharge its constitutional liability in this regard.

Sir, I present this Bill before the august House requesting it to adopt it and shoulder its responsibility properly.

16.47 hrs.

[English]

#### FAMILY PLANNING BILL\*

SHRI ANKUSHRAO RAOSAHEB TOPE (Jalna): Sir, I beg to move for leave to introduce a Bill to provide for measures to control population and to promote small family concept.

\* Published in the Gazette of India, Extraordinary, Part-II, Section 2, dated 6.5.94.