

was 3.27 per cent which came down to just 1.5 per cent in 1991. The state which is facing financial problems is not able to make any meaningful investment in the industrial sector. As a result of this, Kerala is becoming more backward in respect of industrial development. I would, therefore, request the Central Government that in order to achieve quick industrial development of the state, Kerala should also be included in the Tax Holiday Scheme introduced by the Government.

(viii) Need to sanction transport and capital goods subsidies to North-eastern and other backward States for setting up industries.

SHRILAETA UMBREY (Arunachal East): I welcome the Hon. Finance Minister's announcement in the Budget for a Five Year Tax Holiday to the North-east and other backward States to encourage the industrialists to set up industries in these regions. This concession will, however, have impact only when the huge amounts of transport and capital goods, subsidies accumulated over the years in the states are immediately cleared. It is learnt that the Union government is insisting on state Governments to pay the subsidies and get them reimbursed without going through the practical difficulties. I, therefore, urge the central Government to pay the entire amount of subsidies accumulated at the earliest and devise new systems to attract the industrialists in these regions.

14.39 hrs

GENERAL BUDGET 1993-94 - GENERAL DISCUSSION (CONTD)

MR. DEPUTY SPEAKER: The House shall now take up further general discussion on the General Budget for the year 1993-94. Shri Rupchand Pal to speak.

SHRI RUPCHAND PAL (Hooghly): Mr. deputy speaker Sir, the Budget today has a very

small role to play. Because the basic direction of the economy and pace has already been set by a broad package known as the New Economic Policy. Secondly this exercise is becoming gradually redundant because even before the presentation of the General Budget, not less than Rs. 12000 to Rs. 15000 crore as taxes have been imposed in the form of hiking of coal, sugar, petroleum and a number of other items.

Thirdly, this exercise is becoming a ritual because it is just a fudging of figures to satisfy the moneylenders.

As can be seen, on 25th April the RBI is going to close the account. There is apprehension that the budget deficit, as stated in the revised estimates, will be more by 50 to 75 per cent. This is the third budget of Dr. Manmohan Singh. If we look back what were the achievements of the Government during the last two or three years? Number One there has been a mega security scandal. Number two, the country has been in the grip of unprecedented recession and decline in industrial production. Thirdly, we are already in debt trap with total external debt to the tune of Rs. 5,41,000 crore, if we take the Government borrowing together with the non-official borrowings. That means that the per capita debt of every Indian is Rs. 6,400. That is the achievement of the Government during the last two years. There is stagnation in agricultural production. There is more joblessness and steep price hike in spite of the calm by the Government that the inflation rate has come down. It has even been stated in the budget speech by the hon. Finance Minister that there is a turn-around in the economy. It has been stated by him that the crises has been left behind. Nothing can be far from truth than this.

Now, let us have a look at the general budget proposal. What are the salient features? There has been a drastic cut in customs and excise duties to the tune of Rs. 4,542 crore. As a result of that, the States will lose about Rs. 541 crore. What is the nature of the relief? The relief is basically and mostly for the affluent sections of the people. The poor sections will be hard-hit