

[*Translation*]

16.50hrs

Now you please sit down (*Interruptions*)

GENERAL BUDGET 1993-94 GENERAL
DISCUSSION - *CONTD*

SHRI ANNA JOSHI: Does the Govern-
ment want to make a statement on bomb blast
in Pune?

[*English*]

[*English*]

MR. CHAIRMAN: Shri Peter G Marbaniang.

(*Interruptions*)

SHRI S.B.CHAVAN: It is a fact that in a
passengers train between Pune and Manmad, I
believe, the last compartment did have some
kind of an explosion. We do not have the details
so far. I will make an enquiry; and then, if
necessary, inform the house.

MR. CHAIRMAN: Please sit down.

(*Interruptions*)

[*Translation*]

MR. CHAIRMAN: Will you please sit down?

(*Interruptions*)*

SHRI MADAN LAL KHURANA: You have
stated in your statement that there is Pakistan's
and in it. If there is Pakistan's hand, why the
C.B.I.....(*Interruptions*) It must be replied...(*In-*
terruption)

MR. CHAIRMAN: This is not going on
record.

SHRI PETER G. MARBANIANG
(Shillong): Madam Chairperson, I rise to sup-
port the Budget for the year 1993-94. The speech
of our Finance Minister, Shri Manmohan Singh
on 27th February, 1993, while presenting the
Budget for 1993-94.....(*Interruptions*)

[*English*]

MR. CHAIRMAN: There is no scope for
clarifications in this House.

MR. CHAIRMAN: Please sit down.

(*Interruptions*)

[*Translation*]

SHRI BASUDEB ACHARIA (Bankura):
What about Aligarh incidents?

SHRI MADAN LAL KHURANA: This is not
an isolated issue of Maharashtra...(*Interruptions*)
He has stated that if the House wanted a C.B.I.
enquiry it will be held. It may be noted that this
adjust Hours has demanded a CBI enquiry
earlier also. Since there is a Pakistan's hand in
it, and the House also wants to hold a CBI
enquiry, the Government should make an an-
nouncement about C.B.I. inquiry into
it...(*Interruptions*)

SHRI S.B. CHAVAN: I am going to make
a statement on Aligarh incidents tomorrow.

SHRI HARI KISHORE SINGH (Sheohar):
The Dubai Government have said that they had
got the information after two days. Then, after two
days, the Pakistan government said that they
got the information. What was the Government
of India doing.

MR. CHAIRMAN: It has already been said that you cannot seek clarification in the Lok Sabha on a statement made by a Minister. Please sit down.

(*Interruptions*)

[*Translation*]

SHRI ANNA JOSHI (Pune): The hon. Minister of Home Affairs had assured the House during the discussion on the Bombay bomb blast that information will be given to the House regarding the Calcutta bomb blast and a statement will also be made on it. We, therefore, are reminding the hon. Minister of Home Affairs and would also like to know as to when a statement will be made regarding the Calcutta bomb blast.

PROF. RASA SINGH RAWAT (Ajmer): Mr. Chairman, Sir, it was assured on behalf of the Government that complete information will be given to this august House, but nothing has so far been said about the Calcutta bomb-blast.....

(*Interruptions*)

[*English*]

SHRI SAIFUDDIN CHOUDHURY (Katwa): When the explosion at Calcutta took place, at that time, the Minister for Internal Security made a statement about what happened there. He clarified many things. I do not know what is new in that and on what will he be making a statement.

KUMARI MAMATA BANERJEE (Calcutta South): The situation in Calcutta is serious.

MR. CHAIRMAN: You should address the Chair.

SHRI SOMNATH CHATTERJEE (Bolpur): We will never be satisfied. You make whatever statement you like, we do not mind. (*Interruptions*)

MR. CHAIRMAN: Nothing will go on record.

[*Translation*]

(*Interruptions*)

SHRIMADAN LAL KHURANA: We are out satesfeed with that at the Hon Minister, has tried, we therefore, soage walk out (*Interruptions*)

16.56 hrs

SHRI MADAN Lal Khuraba and some other members then left the House.

(*Interruptions*)

[*English*]

SHRI SOMNATHA CHATTERJEE (Bolpur): Madam, some people have no sense of shame or guilt. They have destroyed the Mosque at Ayodhya. Now they have the temerity to speak here (*Interruptions*)

MR. CHAIRMAN: Shri Peter G. Marbaniang.

SHRI PETER G. MARBANIANG (Shillong): Madam Chairperson, the speech of our Finance Minister, Shri Manmohan Singh, on 27th February 1993 while representing the Central Government Budget for 1993-94 was well received by all sections of people and by all our national and regional press. Almost all the newspapers had praised there different aspects of the Budget in their news coverage on Sunday the 28th February 1993. The Sunday Times of 28th February had dont pages the item as, growth Budget floats rupee freely, and had called the Budget as 'Reform with human face'.

I, too congratulate the Finance Minister for the bold steps he had taken to boost economic growth and employment and to reduce the fiscal and foreign exchange deficits and to curb inflation. He has, further, erased doubts about the further reforms by liberating imports and making the rupee fully convertible on the trade

accounts.. The Union Budget for 1993-94 has also been hailed as 'growth-oriented' and 'investment friendly' (substantial increase of 32 per cent in plan investment) as the Budget has met most of the demands of trade and industry. The main..

MR. CHAIRMAN: Shri Marbaniang, please wait for a minute.

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): Madam Chairperson, we have already lost lot of time on discussing other issues. Several Members want to participate in the discussion on the General Budget. I would request the cooperation of all the Members here. Because of the importance and the interest of the Members to participate in this discussion, we may continue to sit beyond 6 P.M. today.

[Translation]

[English]

SHRI SRIKANTA JENA (cutack): How long the discussion will continue Monday may please be fixed as last day (*Interruptions*)

SHRI MUKAL WASNIK: This discussion will continue till Friday. If possible, the hon. Finance Minister may reply on Friday. Or, as decided in yesterday's BAC, the Finance Minister may reply on Monday. Therefore, we have to complete the discussion in any circumstances by Friday. The discussion has to be completed by Friday and the Minister may reply on Monday.

SHRI PETER G. MARBANIANG: The main highlights of the Budget are a big boost to development expenditure, a step up in social sector outlay, a reduction in budgetary deficit, a unified exchange rate, a reduction in custom and

excise duties, a reforms in banking sector and capital markets, a reduction in interest rates, a measure to stimulate exports as every dollar earned will yield more rupees, a special attention to revitalise the agricultural credit system. The Budget has also taken into account that economic growth alone will not be enough to bring relief to the poor who have been hit hard by inflation and recession in the last two years of 1991 and 1992 and as such the Budget has provided a big push to rural development and employment generation programmes and also to social sectors like health and education. The adjustment programme can no longer be criticised on the ground that it does not have a human face.

17.00 hrs

I welcome para 56 of the Finance Minister's speech at page 19 where he recommends to give a stimulus to new investment in these States in which all the Districts are industrially backward. I congratulate the proposal to give a five year tax holiday commencing from the year of production for new industrial undertakings located in all the North eastern states and other States mentioned therein.

Madam, these are few basic assumptions for industrial growth viz normal law and other situation, presence of basic communication services, presence of capital finance market to mobilise large funds for investment presence of industrial culture and foresight, presence of technology, presence of electric power and a strong science and technology base. These are few essentials pre-requisites for a modern progressive economy. However, all these prerequisites are not available in the North Eastern Region. We do not have normal law and order situation. We do not have power supply to all the villages. We have very bad communication. We do not have railways and waterways except for Assam All the North Eastern States are land-locked. That is why, the financial market is also very shy and also the bank deposit in the North Eastern States is very small. (*Interruptions*). It

[Shri Peter G. Marbaniang]

is a shame that since Independence, the railways of broad gauge meter has been able to come only upto Guwahati, and beyond Guwahati, we do not have broad gauge lines. Most of the roads that exist are fair wheather roads. Therefore, we cannot compare North Eastern states with the rest of the India.

The substantial public sector investment has never come to the North Eastern Region. We are yet to learn about the culture of industry. We are mostly farmers; farm oriented in our North Eastern States. I will give you an example. The Digboi Refinery is the oldest refinery in India and it is still operating is the oldest and most expensive productive unit. The Guwahati Refinery produces 8 lakh tonnes of oil annually and it is also the most expensive productive unit whereas the Mathura Oil Refinery produces only 90 lakh tonnes of oil annually with latest technology in oil. We have a refinery with 8 lakhs annually. No substantial public investment has taken place in the North Eastern States. We are also a part of this great nation of ours. As such, I would request that the policy of liberalisation does not mean that everything will have to depend on private investment in the North Eastern Region. We shall not be able to come forward, we shall not be able to grow along with the rest of India.

Road communications are yet to be developed in many areas of the North-Eastern region. You know that we have struck oil in Meghalaya in the Mawsynram Development Block area. But till today, there is only a fair weather road to go to area where oil is struck.

Then, Sir, as you know, uranium deposits have been found in the western sector of Khasi hills in Meghalaya. There again, unfortunately, we have only a fair weather road which goes there. How shall we develop, how shall we generate resources and how shall we invest then? We are lacking the infrastructure. Therefore, the extension of a five-year tax holiday in the North Eastern region does not and will not

bring extensive and immediate investment in the North-Eastern region. Take Arunachal Pradesh, take Assam, take Tripura, take Mizoram, take any State, you will find that they are all lacking in the essential infrastructure.

We have in the North-Eastern region what is known as the North-Eastern Council where common projects of big investment are being taken up, be it in roads, be it in power supply, be it in other things of life. Unfortunately, in the 1993-94 Budget of the North-Eastern Council, the Government of India have cut away about Rs. 800 crores and they have allowed only Rs. 600 crores as plan budget. As such, many of the roads which are now under construction, cannot be completed and many of the power projects also cannot be completed. We need special attention. Most of the States, except Assam, are Special Category States where special attention should be paid by the Government in India. If we go in only for privatisation, I am afraid, that we will have no investment, no growth, and nothing from the budget will be flowing into the States of the North-Eastern region.

The North-eastern region deserves to have a substantial expansion of public investment and we can foresee that private sector's involvement and participation is only a dream in that area. However, there is a crying need of the local people of the North-Eastern region to get bank loans so that they can start their own small scale private investment. The bank-deposit ratio in the North-Eastern region is very low and as such, many of the commercial banks are not willing to finance private investment. Dynamic, enterprising young men and women are running from pillar to post of the commercial banks to get finance, but without any success. The bank-deposit ratio is very small.

Then, we come to one very important aspect where the North-East can be opened up, and that is tourism. Many of the governments have included tourism as an industry. But here again, though we have scenic beauty, we have waterfalls, we have hot water springs and many other

things, we have the Damocles' sword of restricted area permit where by only four and above foreign tourists can go to Meghalaya and Assam.

It is very unfortunate. We need the tourists. But like beggars we have to see that only 4 and above can go at a time. Why not allow one or two or three persons?

Please allow them please remove the Restricted Area Permit for M.E. Region. Right from 1989 I have been pleading for this. You do away with it. If you want us to be in the national mainstream, do not try to segregate us. If you segregate us, we will be like animals put in a zoo and we do not know how to respect one another. Many of the terrorist activities have sprung up from this.

The Ministry of Food Processing has a great scope to develop small scale canning and food processing industries in the North East region. We find that the farmers producing cash crops, like ginger, tamarind, cotton, black pepper etc. and other crops, have to depend on the whims of the unscrupulous traders to buy their crops as a throw-away price. But if the Government of India, through this Ministry of food processing can go and start small and marginal industrial units, I am sure, this will help very much to the farmers of that area so that they can preserve their products, refine their products and make them processed food.

In Meghalaya, in the years 1987, 1988 and 1989, the monsoon has been very unkind to the farmers.

Many crops were either destroyed by late arrival of monsoon or too early arrival of monsoon or bad monsoon. The farmers have taken bank loans and could not repay their loans. Appeals were made to the Central Government to waive off their loans on the specific ground of the destruction by the monsoon. However, till today, neither the State Government has done anything's to waive off the loans nor the Central Government of the Janata Dal in 1989 which

promised waiving of the loans of Rs. 10,000 has done anything in this regard. Our farmers cannot get any more agricultural loans from the banks. The North East States require adequate availability of Bank credit at reasonable rates of interest to start industrial for agricultural growth.

The Central Government will have to make concessions in the statutory liquidity ratio. The lending rate of 17 per cent is too high to attract private investment.

The progressive work of NABARD is not known to the North East States. I am happy to note that through in the Budget the rate of NABARD re-financing of agricultural bank loans is being increased to 90 per cent, in the case of North East States proper monitoring must be undertaken immediately to see that the benefits accrue to the people of these areas.

I would also like to draw right attention of the Union Government to the most important shilling bye-pass and Jowai bye-pass in National Highway number 44. The State Government has requested the Centre to allot funds so that those two bye-passes can be taken up and the work can state. However, till today nothing has been done. The National Highway Number 44 is a very heavy highway with thousands of trucks coming from Tripura, Mizoram, Assam, Manipuri etc. which ply to come to Assam and to Bengal. The State Government of Meghalaya have got a timing restriction. The vehicles cannot ply through the shillong city from six in the morning till six in the evening.

Thousands of trucks from a queue because they cannot go. For the two bye-passes road, hardly Rs. 50 crores have been given and for the so many years nothing has been done.

Madam, before I sit down I would like to drink to the notice of the hon. Minister that in the last Plan allocation Meghalaya has been given Rs. 284 crores. Out of this, about Rs. 94 crores had to be raised by the Meghalaya Government through public subscriptions i.e. Rs. 50 crores

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through banks and other agencies and about Rs. 44 crores through foreign investment. Now, if foreigners are not allowed to come to Meghalaya, which foreign country will come and invest there? Now, Meghalaya being a special category State, I would request that the Central Government should again reallocate the Plan allotment for Meghalaya doing away with Rs. 94 crores meant only to be raised through public contribution and foreign investment.

So, with these few words I support the Budget.

[Translation]

SHRI BHOGENDRA JHA (Madhubani): Madam, I rise to oppose the Budget presented by the hon. Finance Minister in the House. The aim of the Budget is to boost imports, as stated by the hon. Finance minister on page 2 of the Budget. Imports have to be boosted to boost exports. The main point is—import for export and export for import. It means we will boost exports to make good the deficit of foreign exchange and then we will import. It means we would have already spent foreign exchange on imports just to earn foreign exchange by boosting exports. That is why, the main purpose of the Budget that it will prove helpful in raising the standard of living of the people in the country and raising the production, has been defeated.

I will come to the point of capital investment later. You are opening the doors for foreigners. Anyone can establish industry here. Will it do any good to the country? We were under the rule of Britishers for 2000 years, had they done and industrialisation in India? At that time none was there to stop them. Even now when we have set up industries in the country after Independence, we have done so with the collaboration of the then U.S.S.R. There is not even a single heavy industry in the country for which we might have not gone to U.S.S.R. without getting disappointed in the world, whether in the U.S.A. or in the U.K.

I am talking of all the industries whether it is Bhilai or Hatia or Bokaro or Bhopal or Haridwar. Therefore, these who are having false notion today have got greatly disappointed. Madam, the false notion that any heavy industry or basic industry which had been called the capital of industries by Jawahar Lalji... (Interruptions) Do you hope that any multinational company will establish big industries in our country?

Madam, newspapers in our country have made much publicity about it. Recently when I visited China, I wanted to know seriously whether there was any basic industry in China, established with foreign capital? One branch of bank, industries of some luxurious goods, and electronics industries have been established by non-resident Chinese only. Hong Kong is going to be unified with China sooner or later. This Budget relies upon a false notion that industrialised developed countries will establish heaving the problem of market. The number of unemployed has gone up in the U.S.A. They need market. When the former U.S. president Bush had gone to Japan to explore market and when he did not get a satisfactory reply, he fainted at the dining table. Later, the American voters made him fully unconscious. This is the problem of market for them. That is why they need market like that of India and Russia so that can market their products. This is a new type of investment competition. And through this Budget the Finance Minister has opened the door for their free entry into this country. So, we should not have this false notion that foreigners will invest capital in our country and thus make us self-reliant. Rather, it will prove more dangerous and our indigenous industries will be paralysed.

17.24 hrs.

(SHRI PETER G. MARBANIANG *in the Chair*)

Mr. Chairman Sir, we can make progress further by providing protection to our industries, which are quite competent and which are already making exports. The new arrangement will hit these industries hard. It will stop our

industrial development. This danger has been overlooked in this Budget.

This is the third Budget of this Government and the third Budget of the hon. Finance Minister. He is hoping, not claiming, an increase in the industrial production. Agricultural production has increased due to good monsoon. Apart from that, the Government has given figures about many parts of the country. Some States like Bihar and Orissa are facing drought this year but on the whole, good rains have increased production. If we take credit of such good production in the Budget, then it is a great folly. Our Finance Minister has been silent over the role of the Budget in last two years and its role in the current year. He is not showing any hope about increase in production.

It is being hoped that our industries will compete with outside industries. The Government is going against our established industrial policy. They are saying that they are following that policy but, in fact, they are going against it. Our policy is to set up heavy industry in public sector. The medium industries should meet the requirements of the country and small-scale industries should be developed by using electrically operated machines. Only then our country like ours can make progress in production. But all the three consecutive Budgets have frustrated the basic concept of our industrial policy.

In the name of public sector, industries are being made sick. Our colleague Amritamal Datta was just making a reference to Bhopal. That is the biggest heavy industry in Asia. Heavy industries at Hatia and Ranchi have also been made sick. These industries are not getting orders or expansion of units in the country. If Hatia is closed down, do you think any other establishment can be built-up here with foreign capital? I would like to ask this country will progress when we are creating dangers for our own industries. Circumstances are being created to close down Hatia, Bhopal, Haridwar, if the industries, that are

heavy electrical industries, are closed down: then what would happen. If Hatia, which is capable of giving out production in a year equal to the production of one Bokaro, is closed down: how will the nation make progress. So, I think it is a heavy blow to the roots of our industrial development. If this policy and Government will continue further, the country has to face a big danger. So I would like to emphasize that basic policy itself is wrong, for example you can see.

Only one paragraph has been devoted to agriculture, saying that it is important. Who will not say that agriculture is not important for country like India. But what is the basic concept of agriculture. It is that there must be production. The land must belong to the one who toils in the field. The entire Budget is silent over it. There is a national policy on land reforms but there is no indication about it in the Budget. Land ceiling laws should be implemented in all the States and land excess to that ceiling should be acquired and distributed. If such provisions are made in the Budget, we can give some means to farm labourers to do farming. If more and more people do farming with modern implements and make the country self-

reliant and produce goods for exports, then the nation can make progress but they do not understand it. The Finance Minister does not have any regard for land reforms. If this Government allows the tillers or farm labourers to implement the land ceiling laws in their own way, I think, it will not do so. Rather, it will oppose such move. We had made some progress in implementing these laws but the Government is making all out efforts to give up their implementation through these policies. Through this Budget land reforms have been totally ignored. The Government has taken a dangerous step by keeping silence over this issue, will India follow the footprints of America or France? (*Interruptions*) I know, many land lord colleagues of mine sitting this side and that side are

[Sh. Bhogendra Jha]

This Budget and the Government policy may prove helpful in distributing surplus land among landless and thus prove helpful in putting to an end to the social injustice and economic exploitation. If this is not done for boosting production and making available there implements for the needy, there will be dangers of communal violence, caste violence, economic backwardness of the country and investment of foreign capital in the country. The big country like India cannot make progress in the wake of such a dangerous policy, as it is not a small country like Taiwan, Singapore or Hongkong, so I would like to submit that agriculture does not mean that only big landlords, who have grabbed land of others, are part of agriculture.

The Finance Minister has stated to reduce the rate of commercial interest from 18 to 17 per cent and the rate of bank interest from 12 to 11 per cent. But illegal usury has assumed serious dimensions in the country. In every state of the Country, there is a ceiling on rate of interest. But it is being violated openly. The rate of interest on loan taken from money lender is 15 per cent but the rate as high as 150 per cent, 200 per cent, 400 per cent or even 600 per cent is charged. So, a big part of what the labourers get, goes towards interest. Do our banks have any role in it?

Does our present economic system play any role in stopping the practice of illegal money-lending. We have to see why people borrow money illegally and waste a major part of their hard earned income. This Budget has, however, not at all dealt with these things. The only concern of the Budget is to make a rich man still richer.

The Government has therefore, made the provision that it will not ask the source of income if some one brings gold to India from abroad. The Government will not have any objection for whatsoever way gold is brought in. The Government is not bothered about the account of black money or about the money earned through

smuggling is not merely an economic Office the hon. Minister of Home affairs has just mentioned about the cases of smuggling committed by Daud Ibrahim and Memon Brothers. These cases ridicule our national security under policy, one has the liberty to use his black money to purchase fold. There will naturally be price like and the value of wealth will go on increasing where there will be no increase in the national wealth. You can bring money from abroad to spoil the prospects of industries in your country and yet you can go on earning money. Therefore, the president of China Mao Tse Tung had once said... (*Interruptions*)

The hon. Minister of Finance has adopted the policy of encouraging unproductive capitalism. This is revealed all through the three Budgets presented by him. Those Budgets provide for you to make Monday and to become rich even though there will be no increase of money in the country. In this regard, I would like to say openly that earning of money by raising production will alone account for patriotism. You will be serving the interest of the country if you earn money by setting up your own industries. Earning of money without producing it is gratis. The glaring examples thereof are bank scandals.

Two Budgets have already been presented and the third is being passed. The Rural Banks are on the verge of bankruptcy. There is hardly any rural Bank which is in a position to grant productive loan in villages. The situation is deplorable. The Government is not making its policy clear. There was a suggestion that all the Rural Banks should be merged into one. But even that suggestion is working. Those Banks have their unions and they are being merged with other Banks. I would like to request that the Government should not release their crore outstanding amount of RS. 250-3000 crore due to be paid to them as ordered by the Supreme Court and the Tribunal. That will increase inflation. The government should keep the money in savings accounts against their names so that the account holders may get the money later. It will help check inflation.

Regarding prices, I would like to say, through you that the Government should directly announce that the farmers would get remunerative prices before the time of harvesting. Officials should also be kept ready to make purchases in the villages. Otherwise, the farmers have to sell their grains to traders in distress which is otherwise known as distress sale. The officials of the food Corporation of India collude with them. The actual farmers who produce grains are not benefited and the consumers have also to pay more prices, there should be a national pricing policy for the farmers so that the actual producers of food grains may get remunerative price. The difference of price between the one that is given to farmers and the other that is taken from the consumers should be fixed at 20 to 25 per cent. The prices will not increase those limits and it should be executed through distribution system. The pricing policy will not succeed without this.

I would also like to submit that the banks should be involved in ushering in systematic productive industries in the country. I am putting stress on the word 'productive'. I ask if there is even a single millionaire in the country who has set up his business without taking loan from banks. Industries are run with our money i.e. with the money of the people taken through the nationalised banks. It is said that Public sector is a failure. I say it is not a failure. There are people who grab the money of the country. They are flourishing and blaming the country.

Mr. Chairman Sir, our country is also experiencing power-crisis. The whole of the Himalayas is the reservoir of electricity. The whole of the Himalayas is the reservoir of electricity. The work on Tehri Dam runs at a low pace. Nepal is our neighbor country and the terai region of Nepal is reeling under drought, though is the reservoir of water. Himalayas have the highest mountain peak in the world. I would like to submit that our Government should hold talks with the Government of Nepal as soon as possible. If some development in this regard is made in the terai region of Nepal, there will be

no need to burn coal. Be it Tehri Dam Kosi Dam or dams on rivers Kamala and Bagmati efforts should be made to implement the agreement reached between India and Nepal. It is only after doing so, we can meet the scarcity of power. Production cannot be made rapid, unless we meet the scarcity of power. It is most needed whether it is the public Sector, Private Sector or Small scale sector. That is why, I would like the Government to proceed with the policy earnestly.

I would like to add that the Government has made the policy for the eastern states of the country that any one who will set industries and invest money for five years will be exempted from taxation. Unfortunately, our state is also backward. Bihar is also industrially backward. Except the area surrounding Calcutta. Bengal is also industrially backward. Entire Madhya Pradesh except a few pockets is backward. At the same time a few big industries Orissa is also backward. I would like to request that tax exemption must be given in the backward areas and backward districts, so that a person willing to set up an industry in the private Sector or in any other sector may set it up. In this way those areas will also prosper with new industries. The Government should not close the industries. The Government should not close the industries with Public sector that are sick. There should be a scheme to revive them so that production may increase. Cooperation of labourers should also be taken.

The Government has already had a policy for the labourers. I repeat here once again that labourers should be given chance to run their mills in profit. Mills should be allowed to be run collectively. There should be one union in one unit and election of union should be conducted by secret ballot system so that clashes among different unions could be checked. There should be participation of labourers in production. They should also have a say in framing production. They should also have a say in framing production policy and more over, they should have participation in management so that they may feel that they are also contributing in the progress

[Sh Bhogendra Jha]

of the country

Sir, I conclude by opposing the Budget since it is contrary to aspirations mentioned above

[English]

SHRI LOKANATH CHOUDHURY (Jagatsinghpur) Mr Chairman, Sir I want to make a submission which pertains to the procedural matter

MR CHAIRMAN Have we not followed the procedure?

SHRI LOKANATH CHOUDHURY The procedure should be like this

MR CHAIRMAN Have we not followed the procedure? Please sit down Have we gone out of the procedural way?

SHRI LOKANATH CHOUDHURY I am drawing our attention to the fact that we are speaking about Meghalaya and many other problems when the General Budget is discussed generally most of the Ministers should be present here Other wise, why should we speak We spoke on many things which belong to different ministries

MR CHAIRMAN We have a senior Cabinet Minister here

SHRI LOKANATH CHOUDHURY One senior Cabinet Minister cannot keep in mind of what all the members are saying

MR CHAIRMAN Please do not waste the time of the House

SHRI LOKANATH CHOUDHURY In the House, the Ministers *(Interruptions)*

MR CHAIRMAN Nothing will go on record

I have an announcement to be made

ARREST OF MEMBER

17.44 hrs

[English]

MR CHAIRMAN I have to inform the House that the hon Speaker has received the following telex message dated 21st April, 1993 from the Collector of South Arcot, Cuddalore, Tamil Nadu -

Dr P Vallal Peruman, Member of Parliament has been taken into custody at 11 45 hours on 21 4 93 at Neyveli Railway Station Under section 151 Cr P C when he come to Neyveli Railway Station with a view to obstruct the train carrying water to Madras '

17.45 hrs

GENERAL BUDGET 1993-94, GENERAL DISCUSSION—CONTD

(Translation)

SHRI MADAN LAL KHURANA (south Delhi) Mr chairman Sir, this Budget is anti-people anti-middle class, anti-employment and anti-development I will prove it through statistical details Not before I do that I would like to remind of a tragedy Ever since the first Lok Sabha came into existence in 1952, this is the 42nd Budget being presented now Budgets used to be presented even earlier to that time in the constituent Assembly All Ministers of Finance who assumed office during the last 45 years in the country said that the Budgets presented by them were progressive, development oriented and dynamic and so on and so forth there used to be an outpour of euphonic expressions

Sir even after 45 years of independence of the country there are incidents of sale of children for Rs. 20 in Bolangir district of Orissa as had appeared in India Today and in several other Newspapers. Children are sold the hon. Members of Orissa had also raised their voice in this regard in this House.

A team of the B. J. P. leaders had visited many districts of Bihar and it found that more than 150 people had died of starvation (Interruption).

Why are you looking so much worried? I am not speaking about your state but I am presenting the picture of the country that is their after 45 years of independence.

The wife of Shri Vijaypallavi in Palamu district block Vishrampur Village Bhukhal could not see her the dying of starvation so she killed them and then jumped into the well and died. This is the picture of the country after 45 years of independence. On the country it has been said again while presenting the budget that the country is making progress. I would like to say that this budget too has been prepared for the benefit of these people who believe in the concept of India and not in Bharat. During the 45 years of independence two concepts about the country have emerged. One is of India in which I. A. S. Officers and rich people believe and the other is that of Bharat in which general public believe. So this budget has also been prepared for those people who believe the concept of India.

Mr. Chairman, sir, when the country became free in 1947 we were rich in terms of sterling balance. But to day after 45 years of independence domestic and foreign loans have gone up to Rs. 5 lakh 27 thousand crore. Out of it Rs. 2 lakh and 76 thousand crore is foreign loan and Rs. 2 lakh and 51 thousand crore is domestic loan. In this way every individual in India owes a debt of Rs. 6056. Earlier it was said that an Indian farmer through out his life lives in debt and dies in debt. The same thing now can

be said about each and every citizen of India.

In Economic Survey of 1992-93 G. D. P. Growth Rate has been shown as four per cent. In the same way the Government exports had fixed 2.5 per cent growth rate in 1991-92. But in reality it declined to 1.2 per cent. I have apprehension that it may happen this time also.

Regarding inflation it has been said that the rate of inflation has now come down to 5.6 per cent. About 11 sh. Advani gave an example yesterday. He said when temperature it is said that temperature has risen by from degree but when goes up to 102 degree from 98 degree it increases to 103 degree then it is said that now it has increased by only 1 degree. During the last 2 1/2-3 years since when you have come to power inflation has increased by 35 per cent. During the last year 13 per cent increase in inflation was registered in whole sale prices. Statistics are given here on the basis of whole sale prices. But when a person goes to market to purchase essential commodities he finds that the price of essential commodities have increased by 25 per cent to 100 per cent within one year. I can give figures. The same is true in the case of medicines. I would like to emphasise that the prices of life saving drugs have increased 100 per cent to 400 per cent during the last one year. There is no proper drug policy of the Government. The multinational companies are increasing the price of life saving drugs and essential commodities in connivance with the industrialists of the country.

The Government should ponder over it. It has been claimed just now that Government has reduced the custom duty and excise duty. Big industrialists have been given concession in customs duty to the tune of Rs. 3273 crores and in excise duty of Rs. 2290 crores. The prices of luxurious goods e.g. motor cars, air conditioners, colour T.V., washing machine etc. have been reduced. The prices of cars have been reduced. Has the price of bicycle been reduced? The Government says that the price of those commodities have been reduced whereas

[Shri Madan Lal Khurana]

produced by multi-national companies. Has the prices of detergents been reduced? They have gone up. the prices of goods of daily consumption have been raised (Interruptions) It has been said that the Government has increased budget allocation by 30 percent as compared to that of last year. But it is all illusory. At page 7 of the Budget speech for 1992-93, it has been shown that Rs. 49719 crore were allocated last year. while this year allocation has been increased to Rs. 63936 crore. So there is a increase of 30 per cent But public sector undertakings have been included therein. The last year's total plan expenditure was Rs. 36973 crore. Now it has been increased to Rs. 43251 crore. The Government is claiming 30 per cent increase by including public sector. Actually, plan expenditure has been increased by only 8 per cent. thirty per cent increase has been made in the plan outlay and inflation has increased by 13 per cent.... (Interruptions)

Last time, the by elections to New Delhi Constituency was held.

During electioneering, the Congress candidate had made a promise that the income tax exemption limit would be raised to Rs. 60,000, if he elected. In the same election meeting, Shri Manmohan Singh was present and had assured to fulfill the assurance given by the candidate of his party. The Government has made the promise with the people of the country and the people of Delhi. But this time, Exemption of not even a single paise has been given. We are heading towards insolvency. The Government will get total tax revenue of Rs. 84209 crore. We will have to pay Rs. 38000 crores as interest on foreign loan. we are taking new loan of Rs. 32000 crore this year just to make payment of interest That is why, the country is heading towards debt trap and bankruptcy.

Mr. Chairman, Sir, I would like to make one more point. Small industries have been neglected in this Budget. The multi-national com-

panies will bring their material, staff and brand-names in the country. The small scale industries will not be able to compete with these companies. It will increase unemployment in the country. 1200 items which were earlier reserved for Small scale industries and cottage industries have now been unreserved. It means that the production of coars cloth, dhoties, etc being made by small industries would not be made by multi-national companies.. (Interruption)

SHRI NITISH KUMAR (Barh): Mr. Chairman, Sir Shri Khuranaji, is speaking on the Budget. We are interested in listening him because he will keep the portfolio of Finance with him when he would be the Chief Minister of Delhi.

[English]

MR. CHAIRMAN: Mr. Nitish Kumar, you belong to the panel of Chairman, you should be more of gentleman. (Interruption)

[Translation]

SHRI KALKADAS (Karol Bagh): Mr. Chairman, Sir, the time equal to that taken by these people should be given to him.

SHRI MADAN LAL KHURANA: Mr. Chairman, Sir, I have not spoken on the Budget of Delhi because no discussion on the Budget of Delhi has taken place in the House. Whereas the Budget of Jammu and Kashmir has been discussed here in the House. Regarding 1200 items Dr. Manmohan Singh has said in paragraph 118 of his speech that the Government offices which used to procure goods produced by small scale industries are now free to purchase from anywhere. Dr. Manmohan Singh wants that there should be a competition between the small scale and cottage industries and multi-national companies. I would like to ask the Minister of Finance as to how the small scale and cottage industries would survive in this competition? That is why, I term this Budget as anti-small scale and anti-cottage industries.

Dr. Chairman, Sir, our Father of the Nation Shri mahatma Gandhi had dreamt of decentralisation of the economy to promote small and cottage industries. But this Government is bent upon shattering his dream. Today, this government is benefiting the big people with the help of multi-national companies and by having a nexus with capitalists in the country. Therefore, this Budget is against the small scale industries. It will ruin small industries. Whenever small industries would try to come in the forefront, the multinational companies will bring machinery and technology from abroad. It will create more problems in the country. Thus, labour-oriented industries should be encouraged in the country. If it is not done, the unemployment will increase. I want to submit this thing only.

18.00 hrs

Mr. Chairman, Sir, there is another issue of great concern for the country. This is related to public enterprises. You are the Member of the Committee on Public Undertakings. I am also the Member of that committee. I would like to say on the basis of my past experience of two years that the Government up to 31.3.92 in the country. (Interruptions)

SHRI NITISH KUMAR: The time is up. He may continue it tomorrow.

[English]

MR. CHAIRMAN: the time of the House will be extended. Business Advisory Committee has recommended to sit late.

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): We will have to sit later otherwise we will be very short of time.

[Translation]

SHRI NITISH KUMAR: Not today, we may sit another day.

SHRI MUKUL WASNIK: Nitish, if the House is not extended today

we will be having very short time and on Friday also we have to sit late. If we start sitting late from today, we would be able to do something.

SHRI SRIKANTA JENA (CUTTACK): Today, we are not mentally prepared. Do it tomorrow.

SHRI MUKUL WASNIK: It would be better if you make yourself mentally prepared for today.

SHRI NITISH KUMAR: Mr. Chairman, Sir three minutes extra have been taken.

[English]

SHRI MUKUL WASNIK: Sir, I would still like to make a request that we should extend the sitting of the House today itself because it will be very difficult to accommodate the Members who want to participate in this debate. (Interruptions)

MR. CHAIRMAN: Are we not to abide by the decision of BAC?

SHRI SOMNATH CHATTERJEE (BOLPUR): Sir, we do not mind sitting late provided two Members from our party are allowed to speak.

MR. CHAIRMAN: Yes. Mr. Khurana, you may continue.

[Translation]

SHRI MADAN LAL KHURANA: Mr. Chairman, Sir, I will conclude within five minutes. I have said just now that there are 246 public undertakings in the country. There is an investment of Rs. 1,75,871 crore in these undertakings. 102 public undertakings are running in loss. The loss is to the tune of Rs. 13,674 crore. Lack of foresight on the part of the Government is primarily responsible for it. If the Government

[Sh. Madan Lal Khurana]

rectifies its policies, everything will be all right. I would like to cite three-four examples without taking much time. As you know bungling in the S.T.C. and D.T.C. are highlighted but nothing has been said about the Maruti Udyog. I have specific evidence of it. There is large scale bungling there. I would like to cite an example. More than 2000 boxes of imported spare parts are lying closed for the last 8-10 years. The Government have invested Rs. 60-65 crore but nobody bothers. I don't like to go into details of missing cars. Maruti Udyog is involved in a land scandal also in Gurgaon.

Mr. Chairman, Sir, the Maruti Udyog decided to acquire one hundred acre of land in Bonds, Gurgaon between February and June, 1989, for construction house for its employees. There was no advertisement, no tender, and no consultation was made with HUDA. Cooperative Group Housing Society was also not made as was done earlier. Shri Anil Bhalla, an agent in Delhi was engaged for this purpose. He purchased the land from farmers at the rate of Rs. 60,000 to Rs. 1,00,000 per acre and sold the land worth Rs. 80-90 lakh to the Maruti Udyog after 8-10 days, for Rs. 3 crore 80 lakh. Maruti Udyog purchased the land for Rs. 3 crore 80 lakh, whereas only Rs. 80-90 lakh was given to the farmers.

Mr. Chairman, Sir, I am not saying this at random. An inquiry was conducted into the matter and consequently the D.C. and Tehsildar were suspended. The action was taken by the Government of Haryana against the guilty officials and cases registered under section 417, 418 (related to conspiracy), 420, 120-B in Gurgaon. Action was taken against the I.A.S. Officer but the Chairman, of Maruti Udyog was rewarded with a new post.

I want to cite these examples to emphasize how public fund is being misappropriated through these scandals. The Chairman of these Public sector Undertakings treat themselves to be

monarchs and they are looting the country, and vitiating the economy of the country. If this misuse of money is checked there would be no need to impose new taxes by the Government. This is my submission.

I would conclude within two minutes. Regarding the Plan of Delhi Rs. 920 crore was allocated to Delhi for 1991-92. The same amount was also allocated to it for 1992-93. It means that there was an increase in the budget. This year some amount has been increased but it has not been released so far. Why it is happening like that. It is because there is no elected body in Delhi. The bureaucrats prepare the budget of Delhi. They do not know anything about the expectations and priorities of the People of Delhi. I will conclude after citing one-two examples. The estimated expenditure for Brawn a Gas Turbine Project is Rs. 1495 crore. But for the project only a token amount of Rs. 1 crore has been provided in the current budget. No decision has been taken so far by the Government whether it wants to hand over the project to a private party. The decision has been pending for the three years. Similarly, we do not know anything about the National Capital Region Plan and Rapid Mass Transport system. There are numerous problems which can be placed before you. Regarding the problems of Delhi there is only one solution and i.e. holding of elections immediately so that the people of Delhi may prepare their budget and solve their problems themselves. I conclude by saying that my party opposes the General budget presented in the House.

[English]

SHRI M.V.V.S. MURTHY (Visakhapatnam): Mr. Chairperson, I rise to oppose this Budget of 1993-94 because of so many anomalies. The present Budget has totally neglected the agricultural sector and the common man. Fertilizer prices are beyond the reach of farmers and at the same time procurement prices of the farmers' products became static or declining in some of the products. If this

Agricultural Policy is continued, I am sure the productivity will suffer in the near future. Unless a positive attitude towards removal of these anomalies is thought of and provided for, the farmers are in a very distressed mood and many not be able to produce to the needs of the country.

In my own State of Andhra Pradesh, the plight of farmers is deplorable. The commercial crops of tobacco and cotton are in deplorable state because of the attitude of the agricultural policy and of the marketing.

On one side, the fertiliser prices are on the steep rise. on the other side, there is no market for this tobacco and the cotton they produce.

I am sure that this Budget is only aimed at the rich. Black-money, instead of checking its spreading, is being regularised through the gold bonds, etc. The recent increase in the prices of gold is an example of this gold bond policy presently.

The entry of the multinationals into the country is being accepted recklessly; and it will cause elimination of Indian industry and ultimately our economic sovereignty will be at stake. With this policy of the multinationals entry recklessly into the country, the designed employment of millions of youths will also be jeopardised with the present industrial policy ultimately leading to a chaos.

Our policy of export and import, unless we think of equalising both at the earliest moment, further we will have to pay a price for it. The Hon. Finance Minister may be patting on his back for the rupee convertibility. Unless Government's expenditure is curtailed, the oil bill will be a great burden and certainly it will break the back.

The customs duty rationalisation is not to full extent to give the desired results. Our country should not become a dumping yard for developed countries' finished goods. The policy should be towards self reliance. But, unfortu-

nately, no concrete proposals are formulated. In my constituency, that is Visakhapatnam, a large number of public sector undertakings are trailing behind for want of policy decision. The Visakhapatnam steel Plant and the Hindu Stan Shipyard, for example two strategic industries; are facing financial problems ultimately leading to hampering of productivity. If this present policy is continued, they are bound to work unsatisfactorily leading to closure.

The Report of the Chellaiah Committee should have been implemented in toto instead of accepting it bits by bits. To boost up export, unless soft credit is made available, I am sure, our exports may not be able to deliver the goods. Unless productivity is increased on the front of the export, we cannot succeed as a nation in the global market in the near future.

Many of the major projects are of non-start because of the various policies of stagnation at the State Government level and due to these delays, many of the Hydel projects are on paper only today. On one side, the country is facing acute shortage of energy and if these projects are being grounded, we will be having surplus Hydel power at no cost; and unfortunately we not able to take advantage of what the nature has bestowed on us.

The present Budget has given a fillip to the production and distribution of luxury goods, which are being given a priority instead of giving a thrust to the manufacture of essentials which are required by the millions of the poor of this country. Our country can not afford to adopt the policies of the developed countries without creating the necessary climate in the country; otherwise, in the process we will be losing our economic sovereignty.

For every thing, right from purified salt to a host of small things we have to depend on the multi-national companies in future, if this policy is pursued vigorously.

We used to be in forefront technologically.

[Sh. M.V.V.S. Murthy]

We were in the second or third position; now we are at the With position as on date.

The present policy being pursued in respect of human resource development is not suitable to the country. I am sure that the Government will take care of this and see that the country is put back in the position which we used to occupy in the past. Unless we lacers on human resource development and in small scale industries we may not be able to proceed jobs to the millions and millions of young people who are in the queue for employment.

I am sure that the hon. Minister will take into consideration all these aspects while making his final proposals to this House. I am sure that his interests and our interests are the same and are common for the development of the country.

with these world i thank you for giving me this opportunity.

SHRI PRITHVIRAJD. CHAVAN(Karad):
Mr. Chairman, Sir I rise to support the Budget for 1993-94. this historic third Budget of Shri Manmohan Singh has has pleasantly surprised everyone and silence the critics. It is a great achievement that on the one hand he has managed to increase the central plan by 32 per cent, raised the outlay for rural development by 62 per cent, increased spending in all social secures and on the other hand, he cut taxes all around, reduced fiscal deficit and also taken the major risk of going for a unified and market determined floating exchange rate.

The Budget has many firsts. It is the first tax-free Budget after a long time. For the first time the gross primary deficit which is fiscal deficit minus the interest as turned positive. Also, for the fit time actually there was a budgetary surplus of Rs. 4500 crores, before applying the tax cuts, this is a result of a pragmatic policy, a long term view of the economy in the context

of a new world order and a firm commitment to the fiscal discipline ushered in by the Government.

The impressive list of achievement includes and five-fold increase in the foreign exchange reserves, reduction in the inflation rate from a high level of 17 to seven per cent, reduction of fiscal deficit from 8.4 to 5.3 per cent and with the promise to cut down to 4.8 per cent in 1993-94.

It has the lowest fiscal deficit to GDP ratio that we have had in the whole decade.

Sir, he has also gone to a realistic and market driven exchange rate. He rescued the economy from stagnation and from the negative industrial growth rate. The most important thing is that he has changed the direction of our tax structure by reducing indirect taxation. He has adopted a more open trade policy, removed physical restrictions to import and has lowered customs duties substantially.

The policies of the government have also curbed smuggling to a large extent and almost vanished the Hawala operators. In short, it is a growth oriented Budget with the firm commitment to fiscal discipline.

Let us now examine how thus was possible. If you look at the magnitude of the fiscal correction, this year we are anticipating a Gross Domestic Product of about 7 lakh crore. If the fiscal deficit has remained at the level of 8.4 per cent, as was in 1990-91, instead of 4.9 per cent which we have budgeted this year, it is a massive reduction in fiscal deficit in GDP ratio of 3.5 per cent. Sir, if you translate it in terms of rupees, it amounts to nearly Rs. 25,000 crore. If it had remained at the high level of the non-Congress Government of 8.4 per cent ratio, we would have a fiscal deficit, which would have been higher by Rs. 25,000 crore or than we have. So, it is because of thus management of the economy the macro economic management of the economy

Dr. Manmohan Singh has been able to present such Budget this year.

Sir, the most dramatic feature of this Budget, determined although it was half expected, was moving to unified market determined exchange rate concept, full convertibility on the trade account as some call it.

Sir, the process of realistic exchange rate regime began in July 1991 with two devaluations at very short intervals. Later in February 1992, we went to a dual exchange rate scheme, which was called martial convertibility, and in effect it was a devaluation of 60 per cent of our export earnings. Sir, the exchange rate at that time was freed from administrative controls and now in this Budget were further liberalised the remaining 40 per cent and taken a unified exchange rate until now fully marketed. These four effective devaluations in a period of twenty months have made rupee go up from about Rs.20 a dollar in June 1991 to about Rs.32 a dollar today, which amounts to a change of about 80 per cent in the value of rupee. The rate respects the true strength of the rupee to day, which is determined by our balance of trade, by our foreign exchange leakage's through illegal channels, flow of invisible. In short, it depends on the demand and supply of foreign currency.

Sir, fears were expressed that there would be a run in the rupee and it would slip to about Rs.35 to Rs.40. It has not happened. The rupee has remained very stable and very firm. In fact, I was surprised when the Opposition leader the hon. Shri Jaswant Singh mentioned that RBI had to intervene to support the rupee. Actually it was the other way round. The rupee was getting very strong that the RBI did intervene not to support the rupee but to support the dollar. They have mopped up about 300 million dollars and increased their foreign exchange reserves. Now, the rupee Why was it so? why was not there a run in the rupee is stronger. Why was it so? Why was not there a run in the rupee? It was only because there was a proper and ample preparation for this sep. Sir, firstly we generated healthy

foreign exchange reserves of about 5.5 to 6 billion dollars. We then took steps to plug the loopholes such as hawala rackets, gold and silver smuggling, smuggling of electronic white goods..(Interruptions)

SHRI RUPCHAND PAL (HOOGHLY): Sir, would the hon. Member say what is the situation of the rupee vis-a-vis Deutsche mark and yen in the last few weeks?

MR. CHAIRMAN: You do not have to reply. You are not a Minister, please do not intervene like that, Mr. Pal. You ask the Minister, not him.

SHRI PRITHVIRAJ D. CHAVAN: Sir, against the dollar, rupee has remained very firm. It is a fact that petroleum and oil, and defence imports would become more expensive as a result of unification of the exchange rate. But fortunately, international oil prices are low and we need not worry on that account at the moment. With the steps already taken, there will also be more remittances from abroad through legal channels and in spite of a deficit in merchandise trade, rupee will remain firm.

On the BOP front, we have a healthy foreign exchange reserve. The steps announced in the Budget, including unification of the rupee, will boost up the exports, there are also steps to expand export credit and also to make it cheaper. All these steps have been taken to boost our exports. But still export growth is unbolt very encouraging and mocker needs to be done on making export-oriented units to international level because if oil prices go up, we may again have the problem. Today we have a Trade deficit of about six billion dollars and may be a current account deficit of seven billion dollars. We have to go in for exports as we have predicted.

There is also a worry about mounting debts and the high debt-service ratio of about 29 per cent. This is one problem which the Finance Minister will now have to address very seriously and will have to concentrate on. There will have to be long-term plan and if required, we should

[Sh. Prithraj D. Chavan]

not hesitate to ask for re-scheduling of our foreign debts over a longer period of time.

On the taxation front, I congratulate the Finance Minister for reducing the dependence on direct taxation and trying to change the ratio of direct to indirect taxes in a direction which we all agree it should go in. This is one point where both the Left Front and IMF are agreed on. They want to reduce the indirect taxes which the Finance Minister has done, the entire indirect taxes which the Finance Minister has done. The entire indirect tax which the Finance Minister has done, the entire indirect tax structure has been reduced. He has reduced customs duty and excise duty to the tune of Rs. 4,500 crores. The customs duty and reduction has been criticised. Many friends in the Opposition have expressed fear that it will flood the country with imported goods. I would like to tell them that they should remember that the cut in duties comes after an almost 80 per cent devaluation of the rupee which was effected since June-91. In spite of reducing the customs duty, the landed cost of imports today, in rupee term would still be higher than it was in June, 1991.

On the excise side, excise concessions have been aimed to boost up the industry which has been facing recession in the recent times, and also to protect jobs. They will also have a downward effect on inflation. There is a rationalisation which is very welcome. The number of slabs have been reduced. On the direct tax front, there are some minor concessions. But the Finance Minister has decided to defer accepting the recommendations of the Chellaiah Committee for one year.

Now I come to the banking sector. The Budget has made some significant reforms in the banking sector which has been badly shaken by the security scam. Under-capitalisation of our banking system is sought to be corrected by allowing nationalised banks to access of capital market. However, the control of house banks will

remain with the Government. As you know the State bank group has always had private shareholding and still it was a nationalised bank. The Finance Minister has also boldly addressed the problems of accumulated, bad and doubtful debts which are estimated by some account to be about Rs. 20,000 crores. Now income recognition norms which, if accepted they are being accepted will almost wipe away their capital.

1831. hrs

[MR. DEPUTY SPEAKER *in the Chair*]

We are committed to follow the Basle committee norms on capital adequacy. Therefore, access in capital market, in my view, is a welcome step. We need not have unnecessary worry about privatisation etc. But, at the same time, he has also addressed another problem by providing Rs. 10,000 crores - provisioning in two years and he provided Rs. 5,700 crores this year. This facility should not be looked at as bounty for recalcitrant private sector industrialists who have defrauded the banks and have not paid back their loans. We must follow the recommendation about constitution of Asset Reconstruction fund so that all these bad debts could be taken over by the independent asset reconstruction organisation and the securities should be liquidated and should be converted into hard cash. On this bad debt write-off there is a problem, there is a doubt whether this bad debt will be allowed to be deducted from the gross profits of the banks before computing taxable income. Unless this is done, there will be little profit left for the banking system. This needs to be clarified. As is the international practice, banks should be allowed to deduct the bad and doubtful debts before computing gross profits and then tax should apply.

Next, I would like to draw the attention of the Finance Minister to the problem of foreign banks. If you refer to the Economic Survey, there is a table which indicates what were the results of scheduled commercial banks, on page 58. Foreign banks have made exceedingly high profits

when compared to State Bank group or the nationalised banks. They made as much as 8 times' profit when the orifice are computed with gross working funds. The ratio of profits to working funds for State Bank group of companies is 0.21 and for nationalised banks it is 0.27 while for foreign banks it is 1.97. It is almost 8 to 10 times that of the figure of nationalised banks. we should find out why this is so and whether the security scam has something to do with this. It should be investigated.

I have some suggestions. On the issue of the public sector dis-investment there are serious doubts about the way it was conducted. whether we got the right price for our public sector units etc. I feel that that money which is being provided in the Budget - Rs. 3, 500 crores - should not be used for consumption expenditure and should actually be used for restructuring these public sector enterprises. Even this money can be allocated towards National Renewal Fund. We all know that public sector enterprises, particularly loss-making ones, have to be restructured. At the same time we are talking of national Renewal Fund. There is no money for it. This money which is coming from public sector disinvestment should entirely be earmarked for reconstruction of public sector units and not be adjusted towards the consumption expenditure for reducing the revenue and fiseal deficits.

The second suggestion I would like to make is about th possibility of dumping. Our country does not have strong anti-dumping legislation as the western countries have. The time has come now fur us to have a statutory body, some sort of an international trade authority or international trade commission with complete statutory and parliamentary backing which can automatically impose anti-dumping duties if any industry/association complains. We need to seriously consider this. The Finance Minister has given many incentives to the power sector, so much so that the Budget has been called power-friendly. The private sector is being induced to come to the filed of power. Many

concessions have been given including sovereign guaranteed profit of 16 per cent. When the private sector comes in, we have worries about the tariff structure. The Finance Minister in his first Budget speech had promised to set up Tariff Commission. It is about 20 months now but still there is no word about the Tariff Commission. We must form a Tariff Commission as soon as possible. It will take a few years to function. But we must make a beginning as son as possible.

Even though this is not a debate on the Finance bill since mention and reference has been made about personal income-tax and direct tax. I will jut make a brief mention. I strongly oppose the demand for increasing the limit of exemption for and standard deductions on the personal income-tax. If you look at the statistics of C. & A. G., there are only 50 lakh people who paid personal tax in 1991-92 which works out to less than 0.6 per cent of the population. Do we want to reduce this number further? If these 50 lakh peple or just 0.6 per cent of the population are not rich people then what are they? I feel that we must, in fact, work towards broadening the tax net of the direct tax rather than following *ad hoc* method of giving standard deduction and raising the exemption limit. We should index this to inflation and population coverage. This has been done in many countries particularly Chile. We can also index it to per capita income and it should automatically cover inflation and population coverage.

Next point on direct taxation is, giving permanent account number to the income-ax assesses. the income-tax people are very lethargic about giving permanent account number. We have to make it automatic. we have also got to computrise the center income-tax system so that cross-checking becomes more easy.

On the indirect tax side. I have only one suggestion. The Finance minister has taken very effective steps about excise duty and customs duty. My suggestion deals with eliminating special exemptions in excise duty and customs

[Sh. Prithraj D. Chavan]

duty which are given to Defence, to ONGO, to educational institutions. By giving these exemptions, we are making a book entry. But it creates a differential regime of taxation. It creates a lot of paper work. Particularly in the case of customs duty, it is a disincentive for indigenous production. Anybody who has to choose between imports *versus* indigenous product, would go for import if he does not have to pay some import duty. This should be seriously considered.

About the expenditure on education, we have done enough of investment in the industrial field, agricultural field, on the development of backward areas and on all sorts of development. But certainly we have really made very little investment in the most important field, that is the field of development of human capital. Our expenditure on education is still very low. We have to go to something like 6 per cent of GDP. It has been accepted that the investment in primary education is the most productive investment of all.

Finally in conclusion, I will again repeat this Budget has been supported by a wide cross-section of the population, people with different political views. I will just give an example of how the crates are confused when they are commenting on the Budget. Mr. Laloo Prasad Yadav when he commented on the Budget said, "The Budget was prepared under pressure from big capitalists and the World Bank". That was his reaction.

On the other hand, the former Commerce Minister Shri Subramaniam Swamy said that it was a relapse to socialism a reversal of economic reforms and abject surrender to socialist critics.

The Finance Minister has presented a very dynamic and growth-oriented Budget with human face.

I commend the Budget to the House.

SHRI P. G. NARYANAN (gobichettipalayam): Mr. Deputy Speaker, the Budget presented by the hon. Finance Minister literally hits below the belt of the poor and middle-class people in various aspects of their life. The people of the country expected from him a revolutionary Budget. But unfortunately he has disappointed the people by his Budget. It is clear that he has presented the Budget more as a leader of the Congress Party than as an eminent economist. I, therefore, rise to oppose the Budget presented by the hon. Finance Minister.

On the eve of the Budget in 1993-94, the Government announced increase in the administered prices of sugar, steel and coal thereby reviving the undemocratic practice to mop up large revenues outside the frame-work of the Budget on the eve of its presentation.

In the past few weeks, it has increased the procurement price of wheat by a full 20 per cent, sugar bought by the Government compulsorily from the sugar mills also by 20 per cent and of coal by 12 to 13 per cent.

In January this year, it has increased the price at which the essential items would be sold through the ration shops to offset past increases in procurement prices, and thus reduce the burden of subsidies. The increase in procurement prices may benefit the farmers, but the resulting increase in foodgrains prices in the ration shops will definitely hurt the urban poor and the working classes.

The commitment of the Congress Party that the soaring price rise will be contained in 100 days, has become a flop in the last year's and in this year's Budget. The Railway freight as well as the fares that were hiked in the Railway Budget will also increase the cost of transporting goods and materials which include the essential commodities as well. This will certainly reflect on the price line which will be an additional burden on the common man.

The Government while effecting the price rise of essential commodities also expects the State Governments to implement the dissections of the Union Government. So, the state Government has to bear the brunt of anger of the people due to the frequent rise in the price of rice, sugar coal and other essential commodities. The Chief Minister of Tamil nadu already made it clear in the National Development Council that he Central Government should not effect the price rise of essential commodities without consulting the State Government, but this seems to have been totally lost on the Finance Minister.

The Finance Minister has taken credit for controlling inflation and reducing fiscal deficit to the World Bank, IMF prescribed limits of 6.5 per cent and 5.01 per cent. He has also claimed improvement in the balance of payments position substantially. However, a deeper analysis shows that the manner of achieving these results has created further complications.

Prior to the presentation of 1993-94 Budget, it was widely proclaimed that partial convertibility of rupee would be transformed into full convertibility. However, in the face of continuing fiscal imbalances like inflation, trade deficit, large external debts etc., full convertibility of rupee in trade and capital sectors was meaningless. In his Budget speech, the Finance Minister may paint a rosy picture of the economy. But he cannot deny the fact that the Government's financial credibility has suffered immensely as a result of the Bank-Scam and later on due to mishandling of the Ramjanmabhoomi-Babri Masjid problem. This reality is brought out by the declining response of Non-Resident Indians and institutions to deposit in Indian Banks.

Allowing full conversion of rupee into dollar - under full convertibility scheme - would mean exporters and other foreign exchange earners to get the dollar value of exportable goods at the market rate terms of rupees. This is possible because of introduction of unified exchange rate mechanism in the 1992-93 Budget. This mechanics may perhaps lead to cascading effect

on higher export, higher production, higher foreign exchange earnings, higher employment opportunities within the country and above all increased prosperity and well-being to the people of the country.

But what about the effect on import side? With the implementation of New Industrial Policy introduced in July, 1991, Liberalisation Policy, Structural Reforms, Exit Policy, Globalisation Policy and what not, the Government has removed restrictions on import of several items of capital goods, consumer goods etc. thus increasing the imports and increasing the payment to the foreign exporters in terms of foreign exchange with the full convertibility mechanism for bulk imports. If the partial conversion of rupee in the previous year could not improve the export situation, how will the full convertibility of rupee do better?

To say that this year's Budget is growth-oriented, populist Budget, consumers are happy and so on, is to be budget on different angles. If you see the previous year's Budgets, you would find whenever there were exemptions, concessions and tax cuts, hardly were they passed on to the consumers. But at the same time in those previous Budgets even a small increase in the tax on items of goods were immediately passed on to the consumers. This year, these exemptions and concessions and tax cuts are believed to be passed on to the consumers not because of the businessmen wanting to show benevolence to the consumers but because of the fact that the country has been facing an acute recession for the last two years and so and, therefore, they could not swap or swallow those exemptions, concessions and tax cuts and increase their abnormal profits. It is because of constrained Budget deficits and constrained money supplies coupled with Government's stricter monetary measures that the businessmen are willing to pass on those concessions and tax cuts to the consumers.

Again, Sir, you will be pleased to find in the Budget that the reduction in excise duties on

[Sh. P.G. Narayanan]

items like tea, coffee, Vanaspati, soaps, watches, footwear, etc., consumed by poor and common people is, however, very very marginal while the concessions on items like cars, refrigerators, air-conditioners, TVs and other capital goods are substantial and these items are generally purchased by the upper middle class and rich people. The Government has thus shown favour to the elitist group.

I would like to ask the hon. Finance Minister, what will be the worth of rupee by the end of this year? Will the present reduced value of 8.5 paise as compared to its value in 1960 be appreciated at the end of this financial year? It is a million dollar question.

What will happen to the price of petroleum products and the capital goods which are to be necessarily imported? The Government should spell out its interest liability totaling approximately to Rs. 38,000 crores would be met and extricate itself from the debt trap. The Government's decision to create dual price in LPG and kerosene by allowing imports and sale of these items at market rates would encourage black marketing of these items.

The public sector banks had been flouting the regulations imposed by the RBI which had landed them in bad debt of Rs. 10000 crores. To prevent recurrence of such kind of heavy bad debt by the public sector banks and to make them more effective, the Government and the politicians belonging to the ruling party should stop interfering in the process of appointing bank chairman and give up their rights to interfere as majority shareholders.

Government has to come out with a statement as to how and to what extent the Government will be able to effectively control the rise in prices. The cascading effect of the increase in the prices of consumer goods will inevitably lead to increase in prices of daily consumption. It is a well-known fact that Indian agriculture is

mainly dependent on favorable monsoon. If there is unfavourable monsoon in the coming years, it will affect the agricultural production and the economy is bound to suffer in spite of exemptions, concession given in the excise duty. It is to be seen whether the Budget proposals would boost the purchasing power of the rural masses as a result of higher investments and incentives offered to the agricultural sector. If the Government's planned expenditure under the Five Year Plans have been taken into account, more than 65 per cent of the total expenditure has been spent on agriculture and irrigation and in this a lion's share has been spent in the Northern States. A very meager percentage of amount has been allocated for agriculture and irrigation to States like Tamil Nadu.

So long as the present Government continues to maintain and invest in the public sector undertakings which are incurring heavy losses year after year, it cannot expect desired level of growth in the economy. The Government will not be in a position to reduce inflation rate in the coming years so long as it continues the policy of administered price increase and fails to generate employment potential. The unified exchange rate, rising imports, etc., will lead the Government to further devaluation of the rupee and also raise debt service ratio.

Sir, the Finance Minister went beyond the expectations by announcing 100 per cent rupee convertibility and surprised the common man by abolishing or sleeting the excise on many of the consumer items, his budget turned out to be a major disappointment to many as it belied all hopes of an increase in the personal income-tax limit. Many people were left confused as to how he had managed to restrict the deficit as also whether the benefit of various concessions would ultimately be passed on the people

An increase in the standard deception was not something they had viewed for. The fixed income group was definitely expecting a better deal and a higher exemption limit especially as

they expected that one of the poll-promises made by the Congress (I) party would be redeemed to some extent. The Minister should have given the salaried class much more relief, particularly in view of the back-breaking inflation and increase in the administered deprivations of various essential commodities several times in a year.

The negatives in the Budget are that there is almost nothing on savings. It has failed to achieve any substantial reduction in the public debt of the Government. Another disappointment is the absence of any stringent measures to improve income-tax collections.

There is a great disappointment to all of us about the failure to announce the levy on consumption tax which was urged by all the States. While lowering of customs duties is part of the process of integration with the global economy, it would have to be carefully watched in operation so that Indian industry is not affected. I, therefore, urge upon the Government to immediately reintroduce a set of special incentives for small savings collections. The collections had dropped appreciably and the State Government, especially Tamil Nadu, confronted with a serious shortfall in resources financing of the approved plan outlay.

As for my State, that is, Tamil Nadu, I am concerned. Our Chief Minister has launched several growth-oriented schemes and is taking keen interest in setting up industries in remote areas with the main intention of the State to secure rapid socio-economic overall growth and to create employment opportunities to the poorer and weaker sections of society in Tamil Nadu. But we are constrained to note that there are various project proposals submitted to the Union Government for central assistance and they are pending for the last so many years. I urge upon the hon. Prime Minister and the Minister of Urban Development to give serious thought to these projects and release the required assistance on priority basis.

I would like briefly to touch upon extending financial assistance for rehabilitation measures for the refugees. The State Government of Tamil Nadu had to bear the brunt of accommodating a large refugee population arising from the situation in Sri Lanka. Further, due to the recent communal violence in Bombay, more than one lakh people are driven out from Bombay and they come to Tamil Nadu. Now the stage has come when the Government should see that the people who have come from Bombay could eke out their livelihood in some places in Tamil Nadu. Unless sufficient financial assistance or compensation is granted for the purpose, the Government of Tamil Nadu will be facing serious repercussions on the State's economy. I would urge upon the hon. Finance Minister to look into this aspect also.

Before I conclude, I would humbly submit to the hon. Finance Minister that today our country is passing through a very critical socio-economic juncture and at such a time we have very high hopes from him.

19.00 hrs

But still if the gap between the rich and the poor is to be abridged, then some special measures must be taken to restructure and rebuild our economy. Today, we are reeling under the weight of enormous foreign debt. So, we will have to think seriously in terms of rebuilding our economy and turn it into a strong one.

I, therefore, with due respect to the hon. Finance Minister at the personal level oppose these exercises that come in the name of the budget for the year 1993-94

MR. DEPUTY SPEAKER: SHRI RAJESH KUMAR. (*Interruptions*) There are many people who want to participate. Tomorrow, it will be very difficult. (*Interruptions*) It is better that we should sit for a long time and give an opportunity to those who are very much interested so that we complete it.

[*Translation*]

SHRI DAU DAVAL JOSHI (Kota): Mr. Deputy Speaker, Sir, now it is 7 p.m. The House was to sit only up to 7 p.m. today. Please do not extend it further. (*Interruptions*)

[*English*]

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 did not say that we will sit upto 7 O'clock. I said that as many Members as would like to participate because hardly we will be having any time.

(*Interruptions*)

[*Translation*]

SHRI DEVENDRA PRASAD YADAV (Jhunjharpur): Mr. Deputy Speaker, Sir, as we had decided earlier the house was to sit up to 7 p.m. only. But I would urge that the House may be extended till Shri Rajesh Kumar concludes. (*Interruptions*)

[*English*]

MR. DEPUTY SPEAKER: Let us see. There are so many people.

[*Translation*]

SHRI RAJESH KUMAR (Gaya): Mr. Deputy Speaker, Sir, I rise to oppose the Budget presented by the hon. Minister of Finance because this Budget has been prepared at the behest of the I.M.P. and World Bank. No relief has been provided in the budget to the people belonging to poor and middle class. There is no provision for these classes in the Budget. There is no relief provided to agricultural workers, no provision has been made in the Budget for lakhs of Handlooms weavers. It is gross injustice to

them.

Mr. Deputy Speaker, Sir, this Budget has been drafted cleverly. It appears from the Budget that the entire country will be benefited by it. But as a matter of fact, it is not so. For example, the provisions made for Defence, Rural Development, Education and Health are not adequate. Proper allocation has not been made and in the name of resource crunch cuts are being made in the Budget. This Budget is anti-poor anti-farmer and anti-socialistic. Therefore, I oppose it.

Mr. Deputy Speaker, Sir, this Budget is for the rich. Priority has been given to import as much as we want. There has been an increase of 22 per cent in it. Which class of people will import goods from foreign countries? Certainly not the farmer or the agricultural workers. Only rich and capitalists will import luxurious goods e.g. T.V., V.C.R. and V.C.P. that is why these have been exempted. Nobody worries about the cause of the poor. Export has been reduced to minimum. More attention has been given to import and also attention has been given to export. The Government does not take interest in the welfare of the people. That is why I oppose this Budget. Extravagance by Government should be checked and an effort should be made to contain deficit otherwise it will have serious consequences. The Minister of Finance overlooked this fact while presenting the Budget. This Budget is anti-farmers. Ours is the country where farmers constitute 80 percent of the total population. In other words, farmers are the backbone of India and when the backbone is weak, our country will be weak. The Government should have tried to bring down the prices of fertilisers and seeds for the farmers, but no such provisions have been made in the present Budget. The prices of fertilisers and seeds have gone up. The prices of tools used by the farmers are also gradually increasing. Moreover, I have found for the first time in the Parliamentary history that the prices of coal and sugar have been increased even before the Budget was introduced. This is a crime against the society and the country. It

would not be exaggeration to call it barbarism.

There has been exemptions in the present Budget on the luxury items. Prices of fridge and Maruti car have been reduced, who buys a Maruti Car. The farmers do not purchase Maruti cars. Only the big persons having high source of income buy Maruti cars. The prices of items of daily use of farmers viz iron and steel are increasing day by day. The prices of those items that are in daily use of the poor have been raised in the present Budget. I, therefore, oppose the Present Budget.

This Budget will increase unemployment. There is a hint of closing factories and industries of the country in the Present Budget which will render crores of people unemployed. When factories will be closed, the labourers will become unemployed. The hon. Minister of Finance has very cleverly said that the sick units will be closed. This will surely create unemployment. Efforts have been made to aggravate the problem of unemployment through the provisions of this Budget. They will lead the country to adversity. As I have mentioned, the rise in prices of coal, sugar, seeds, fertilizer is only the result of clever tactics displayed by the hon. Finance Minister. By affecting the price-rise of all the commodities even before the introduction of the Budget the hon. Minister of Finance has cheated the country and the people. It is an injustice. The Members of the assembly bench hold the opinion that the Budget is good and balanced, but the fact remains that the Budget will serve the interest of those who are already well-off and the poor will become more poor. The farmers are not to get any benefit. The plight of farm labourers is gradually worsening. The pressure of foreign loan goes on mounting on our country. The Government goes on taking foreign loan and provisions for those money are being made in the Budgets. The loan that is being taken from the foreign countries is being adjusted in our deficit Budgets. The amount of foreign loan on our country has gone up to Rs. 3 lakh 75 thousand crore. For that Rs. 3600 crore will be taken to clear the interest amount and service charges.

On the other hand, there is a planning to freeze the D.A. of the employees and the workers. I strongly oppose these steps of the Government. To oppose these steps is in the interest of the country. •

Yesterday, we were holding discussions about P.D.S during the Question hour. 80 per cent of the people of the country live in villages and commodities are made available on cheap rate to those people through the P.D.S. But rates of the items that are given to the people through the P.D.S have also been increased. I hold that this system should continue and the rates of the items provided to the poor through the P.D.S. should not be increased so that the poor may be getting those things on cheap rates.

Now I would like to draw your attention to Bihar in the context of the Budget, 1993. There is a terrible situation because of the drought in Bihar. There is no fodder for animals, people are not getting foodgrains. A report had already come in September, 1992 that Bihar were going to face a terrible drought. I would like to apprise you that there are badly two parts of Bihar. The North Bihar faces fury of flood every year where as the South Bihar is always hit by drought. Not only in the south Bihar, but areas like Gaya, Aurangabad, Nawda etc. that fall under Central Bihar do also face drought. The South Bihar is completely hit by drought. The Budget has been presented in February by the hon. Minister of Finance whereas the beginning of drought was made as early as in September, 1992. Yet no provisions has been made in the Budget to combat with the situations of the flood and the drought. It should have been done. I, therefore, hold that there has been a step-mollurly treatment with the poor and with Bihar through this Budget. There is no provision for Bihar in the Budget as a result of which the whole of Bihar is languishing by the tragedy of drought. The situation in Palamau is going from bad to worse I would like to have your attention drawn to the damage caused in Bihar. The hon. Minister of Home Affairs had stated that he would divide Bihar and would create a Jharkhand state. Hence

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I would like to submit that Bihar alone should not be divided. Other States should also be divided along with the Bihar. If there should be a Jharkhand State, there should also be a Ultrakhand, a Bodo Land, a Gorkha Land. We are heading towards restructuring of States and for that a Commission should be set up. It was a wrong statement made by the hon. Minister of Home Affairs that he was ready to Create a separate Jharkhand State. The result is that, no separate Jharkhand State has come into existence, but the so called votaries of creating new State have started disturbances in the State. Railway tracks are being damaged., Power generation has also been disrupted and power production has come down. Irrigation has also effected in the name of reating a Jharkahn State. All these hve caused a great loss to Bihar. The drought in Bihar has caused a loss of million is rupees. Now the Central Government should made good the loss caused to Bihar due to Jharkhand -agitation, be it to Mica, Boxite, Grafite or be it the loss caused by the damage of property. The money provided to Bihar for controlling the situaion of drought is not adequate. That is not all, there are several other problems faced by Bihar. There are problems of labours, of food, of fodder, there are problems related to industries. there is a problem of drinking water. There is a crisis of all these things. Mica worth millions of rupees was exported every year. The reserve of Mica is now to be over. Mica was exported from Giridih and Kodarma. Now the export of mica is on the verge of closure. Lakhs of people are to be unemployed there. Through you. I would therefore like to submit that the hon. Minister of Finance should make some provisions in the Budget to ensure the development of Bihar. The Government has not taken any steps in this regard and as a result of which there is crisis of everything in Bihar. People are penning for food and drinking water.

Sir, Bihar is the most backward state and our state is the goldmini for the country. We produce coal, Boxite, and Grafite in our State

and even after that we are not getting adequate royalty on these things. Royalty that is being given now is on the old fixed rate. Royalty should be price based. Through you I would like to submit to the hon. Minister of Finance that he should devise a system of giving royalty on the basis of praise of coal, Bauxite, Grafite etc. Royalty is not given on the basis of worth of items.

Mr. Deputy Speaker, Sir, I would conclude in 2-4 minutes. I would like to say to the hon. Minister of State in the Ministry of Finance that the Central Government is responsible for the situation that has emerged in Bihar. He has made a cut in the amount of money that is given to Bihar. He is to make out of Rs. 52 crore from the amount of allocation given to our State. I wonder why the Central Government gives such a stepmother testament to Bihar. The Government of Bihar has made a demand for Rs. 1254 crore to combat the situation borne out of drought in the State. That amount should be immediately made available to Bihar so that nobody. dies in the State. Arrangement should be made to provide fodder and water to animals and employment to the labourers. Sir, though you I would like to submit to the hon. Minister of State in the Ministry of Finance to provide funds to meet the situation of drought as early as possible in order that the people of Bihar may live peacefully.

Sir, I would like to speak something about my constituency that Bodh Gaya, a place of international fame provides millions of rupees to the Government from tourism. But what has he provided in the Budget? There is not any road at Bodh Gaya. Scarcity of power is there. Water is not available. Consequently, there is a declin in the inflow of tourists. What is the reason? Take the Patna-Gaya railway line. There is no provision in the Budget for doubling of Patna-Gaya line. Survey was conducted with the conclusion that a large number of tourists from abroad visit Rajgir and Bodh Gaya. They should be linked with railway lines. Government is earning millions of foreign exchange from Bidh Gaya alone. but no provision has been made in the Budget to

spend a penny for the Development of Bodh-Gaya.

They are getting crores of rupees from it but they have not made any provision in the budget for the development of tourism. Therefore, I oppose it and demand funds for the development of Bodh Gaya.

Sir, in Bihar, the Central Bihar is a terrorist stricken area. The only factory, Gaya Cotton Mills is on the verge of closure and the Government says that it is going to close down all such sick factories. Sir, the machinery installed at Gaya Cotton mill is the latest one but due to non-availability of material it is facing closure which will render hundreds of labourers unemployed. Sir, through you, I want to make this request that some funds may be provided to Gaya Cotton Mills so that the material may be procured and the machinery may be repaired. With this assistance, the labourers would not be rendered unemployed.

Will these words, I oppose this budget which is Anti-poor, anti-farmers, anti-laborers as well as anti-society.

SHRI RAM NAGAINA MISHRA (Padrauna): Mr. Deputy Speaker, Sir, there are no two opinions in this regard that even after may opposition the parties will directly or indirectly help in getting this bill passed.

Sir, I want to raise certain certain issues which are quite different from the issues which have been raised earlier. I can say as per my experience that the tradition of presenting budget in the month of March which has been going on since long, is wrong. As you see, that every year, the budget is presented in the month of March and funds are allocated. The officers are given the directions to utilise the allotted funds as early as possible. As a result of it, the funds cannot be utilized in a proper manner and only paper work is done in this regard. I want that intellectuals and specialists in the House should give it a thought that if the budget is presented in

the month of January, then the funds can be utilized in a proper manner.

Mr. Deputy Speaker, Sir, as there is paucity of time I will briefly express my views on certain points. The present situation in the country is very critical. Our neighbors do not want to see us lending a peaceful life, the nation is in danger. In the present scientific erer, if you do not possess sophisticated wagons then you cannot be a proper match for your enemy. In your neighborhood, if Pakistan can manufacture an atom bomb and other nations can manufacture an atom bomb, then why India cannot do it. We have vast border. it is not an easy task to guard the entire border of such a big nation. I, thereof, would like to request to allot more funds in the budget for the security of the country and our forces should be equipped with the list arms and ammunitions, besides this, it is also very important to manufacture atom bomb for the security of the country. We should not be careless in this regard otherwise we will have to repent on it in further. If there is a what enemy will be equipped with nuclear weapons and if we do not have the same matching weapons it may have serious repercussions. Therefore, I suggest that funds should be allotted in this budget for manufacturing nuclear weapons.

So far as the question of rural development is concerned, a meager amount has been allotted for this purpose. The Government as well as the opposition are of the views that one should think about the villages and work for the development of the rural areas but no developmental work is taken up in the villages. Just now, my colleagues remarked that a rebates on taxes and excise has been given on luxury items but you have not given any rebate on the tyres used in the bullock-carts in the villages. How the villages will develop when you have not granted any rebate on seeds, pumping sets and other tools used in the agriculture. You have given some rebate on small type of tractors but not on other tractors whereas, you have allowed a rebate on cars. This way, you cannot make any development in the field of agriculture. Therefore, I

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request that the Government should take steps to reduce the prices of the appliances being used in the agriculture.

Mr. Deputy Speaker, Sir, the villagers till date have not even tasted the fruits of independence in the real sense. The womenfolk observe 'Purdah' and hardly come out during day time. Fifty per cent of the discuses in villages are due to non availability of toilets. It is a very pitiable situation. You kindly provide potable water and public toilets in villages and in this way you can provide real facilities to the villagers. Generally, people do not mention but the women folk feel shy as there are very less forests, men can ease themselves but women are harassed on this account. Therefore, I urge the Government that notable water and public toilets should invariably be provided in villages. It will facilitate the villagers upto some extent. Besides, I request that the villages having a population of two thousand should at least be connected with main roads. So that farmers may carry their produce vegetables, crops and other items to the market. You have promised to connect big villages to the main roads. You have reduced the excise duty and given subsidy on other items but you will serve that the rates of fertilizers have gone so high that its effect is falling on the production. You should provide subsidy on fertilizers so that farmers can increase their produce by using more fertilisers. Today, you provide loans through banks to the farmers for purchasing fertilizers and machines. But in the olden day rulers and zamindars used to give loans to the farmers at the rate of 12 per cent and when a farmer could not return the money even after a long period, then they used to wave of the interest and they used to recover only the principal amount. Your societies provide loans at the rate of 18-19 per cent and banks at the rate of 15 per net, due to which farmers income is spent on paying interest. Therefore, I would request you kindly to provide bank loans at cheaper interest rates for purchasing fertilizers and implements. Our state is suffering as no payment has yet been made

for the sugar cane supplied to the mills. Sugar-cane is the chief crop of U.P. plight of the sugarcane growers there is miserable. Payment of rupees 300 crores is lying pending. Sugar vectors have been working for the last six month and most of them have made payments upon 31st January. There sugar mills of Government of India are in Deoria district, two mills out of them are located in my constituency. These are making payments for December only and they have still to make payment to the tune of 18 crore rupees.

I clearly remember that there was firing at Ramkola on the issue of payment of sugarcane price and along with top leaders of Congress, I also visited the site. At that time I had praised your work and assured you of our cooperation. But why do not you ask the sugar mills working under you at Padrauna and Kathkuian to make the payment. You will be surprised to know that sugar mills of Radrauna Kathuian, Gauri and Anand nager were declared sick by the Government of India and later on we came to know that the bank is also not making any payment which is causing a great harassment to the farmers. The Chief crop of that area is sugarcane and people used to mortgage their slips at 5 per cent by now they are not doing it even at the half of the price which is causing an uproar there. If you do not make any arrangement then the farmers will die of hunger.

"Bubhukshitam Kim Na Kariti Papam,

kashinam Jananil Nishkarauna Bhavanti"

A hungry man can do any sort of crime when the Guru of Lord Ram Rishi Viswamitra could not resist his hunger then he, under compulsion, had to steal mutton from a Chandal's house. Today, the farmer is dying and I doubt it may repeat the Ramikela incident. You might remember that before this the Janata Dal Government had announced to wave of a loan upto rupees 10,000. loans worth Rs. 1200 crores were waived off, but a mangle amount of Rs. 250 crore has not been given to Uttar Pradesh. My

submission is that when a poor farmer sells sugarcane he makes a humble requests to the mill owner to give him reasonable price of his produce, but he is refused. As per the provisions of sugarcane Act, if the sugarcane grower does not receive the payment of his produce within the period of 15 days, he is entitled to receive the amount with interest. But what to talk of interest dues worth the crores of rupees and outstanding. The farmer is deprived of even the reasonable price of his produce. How the sugarcane growers will survive?

Mr. Deputy Speaker, Sir, through you I would like to suggest that the slip issued to the farmers should be treated like a cheque. Arrangement should be made to make the pavement to the sugarcane growers through banks against the slips issued to them for supply of sugarcane to the Mills. Banks should adjust that amount with interest as and when they receive payments from the Mills. This will serve both the purposes.

I would also like to submit that the bank limit that existed 8-10 years ago continues even to day. It has been long since when the sugarcane factories producing sugar worth Rs. 2 crore used to get bank guarantee equal to the 80 percent of the value of their production and the mills used to make payment to farmers out of this amount. However, this bank limit has not been increased so far. I have been told by the Government officers that under the prevailing circumstances, the bank guarantee for sugar factories should be increased, only then it will be possible for them to make the payment to the sugarcane growers, otherwise not.

Besides, the Government should set up National Sugar Fund. The situation in this regard varies in Northern regions and Southern regions of the country. The climate of North India is different and this work goes on there just for 5-6 months whereas in South India, it continues for 7-8 months. The production is also almost 1 1/2 times more there. If our recovery is 10% their recovery is 12% Our production is about 200-

300 quintal per acre whereas their production is 500 quintals per acre. The cost of production in North India is also higher than that in South India. At the same time they have factories equipped with latest technology whereas we have factories as oldies 50-60 years only and can save the factories with the capacity of about 800-1200-1500 tonnes. These factories are running in loss. If these factories are closed, farmers would suffer the most. We do not have any other crop than sugarcane. Therefore, Sugar Development Fund has been set up. The Government have crores of rupees. The Sugar mills of Uttar Pradesh have the production capacity of about 800-1200 tonnes. A fund, in addition to Sugar Development Fund, should be created there, and this fund be utilized to increase the capacity of those mills to 2500 tonnes. If this is not done the farmers would be ruined.

Mr. Deputy Speaker, Sir, the price of sugarcane was fixed at Rs. 46/- per quintal in Uttar Pradesh which was below average. The Government of India increased the prices of sugar by Rs. 140/- per quintal. I would like to bring to the notice of the country and the august House that this action of the Government would enable the mill owners of the mills having capacity of more than 2500 tonnes, to earn maximum profit. The mills achieving the production target of about two lakh quintal would automatically earn profit of about Rs. 250 crores and the mills in the South India would automatically earn profit of about Rs. four crore. But what did the farmers get? In North India, about 11 quintals of sugarcane is required to produce one quintal of sugar. The Government has given the increased profit of about Rs. 140 to the mill owner for 10-11 quintals of sugarcane. But what was given to the farmers? What can be more injustice than this to the farmers? The Government increased the price by Rs. 140 per bag. Thus the consumers will have to pay more price, by the sugarcane farmers is getting nothing. The money is going directly to the pocket of the mills owners. The Government may get it inquired through experts as to how much profit did the sugar mills with the capacity of more than 2,500 tonnes get and how

[Sh. Ram Nagaina Mishra]

much profit did the mills in South India get. Sugar mills owners will get the whole profit and the farmers will get nothing, they will be deprived of even the previous price. It is a sheer injustice to them. In the prevailing circumstances, it would be justified that farmers also have a share in the profit, if the price of sugar is to be increased to about Rs. 140 per bag.

Sir, I would take just two minutes more. I would like to say a few words on education system. One can see the children of primary classes studying under the shade of tree in the villages every now-a-days. The number of such schools is in thousands. Even floor mats are not available to the children in those schools. If the children in those schools study under the shade of trees, how can we advocate democracy and talk of bringing equality in the country? The wealthy people in the rural areas send their children in good schools, but the farmers have to send their children in schools where even sitting arrangements are not proper. I would urge upon the Government to provide at least proper buildings and necessary furniture in schools which do not have these things. Secondly, I would like to submit that the number of universities is on the increase. More and more people have been doing Ph. D and Master's degree but are unemployed and are wandering on roads. Therefore, the education policy should be reviewed and changed. Education should be vocation oriented. Vocational training should be imparted to the students. If this is not done, lakhs and crores of the youth would not get employment after passing their degree courses and it would become difficult for the Government to maintain law and order situation. In the prevailing circumstances the Government should reduce the number of universities. They should also adopt some goods thin of the western countries if they can follow the bad ones. Every individual should be imparted education, suiting to one's ability and caliber but there must be some vocational education. What is the present system of education? It is just like the farmer who is keeping a

cow, and taking a great care of it with the presumption that the cow would give milk and have a calf, but finds no milk when he goes to milch it. All the Members of this House are the people from higher strata, they do not even go to villages. A village farmer curtails his own requirements to educate his child and expects him to become a big officer. And if the child somehow manages just to pass the degree course, but he will not get any job, so the father has, to approach a political leader to get him a job. All the hon. Members must have been approached in this regard. I would like to ask in what direction the Government is taking the country? Why attention has not been paid to bring about improvement in the education system in the country? Some of the political leaders pointed out that the BJP has brought about improvements in the entire education system? The thing which needs to be seen is that as to what improvements it has made whether they are right or wrong. If a person calls Akbar a great leader, there is nothing wrong in it. But at the same time if Maharana Pratap is also called a great leader, that is also correct. There must be some basis to criticize a matter, but the basic fact cannot be declined. Why does the Government not want to face the factual situation.

Today, we need such a system of education which may provide us livelihood. I know that the hon. Minister would not pay attention to it.

I am aware that the time is very short, I have been given short time and Mr. Deputy Speaker has advised me to speak in brief. That is why I have spoken in brief. All figures have been put before you. I would repeat that if the country is to make progress, to things are required to be done—the prices of all those items required for the development of rural areas as also of those commodities which are required by the farmers should be reduced. The country would not make progress if the prices of television or cars are reduced. What is the situation in the country today? The hon. Members have also referred to *Rinam Kritva ghritam pibet*". This is the saying as per Indian culture, the western culture says '*Rin-*

kritwa sura pribet'. Here the word 'ghritwa' has been replaced by the word 'Sura'. But the country is being burdened with the debt. I do agree that loan is also required, but at the same time that should be utilized properly. But, how is that money being used, what is the securities scam? I do remember that it was just die to the scandal of Rs. 64 crores that Rajiv Gandhi Government had to go. Thereafter, the Vishwanath Pratap Singh Government gave big assurances, but could not anything. All this is true. But now, the matter concerns irregularities of crores of rupees. It is said that Opposition parties are not interested in it. Now, the only political objective of the present Government is to remain in power, because they are sure that if elections are held, they will not come in to power again. Therefore, they do not want to hold elections

In the prevailing situation it is necessary to check corruption. I would also like the Government to seek experts' opinion with regard to the suggestions. I have given. With regard to the Budget, I would like to say that it is presented in the month of March every year. The hon. minister must have realised himself that the officers just try to complete the formalities on paper only in the last moments in a hurry. In this way neither any concreted work is done nor the money is properly utilized. Keeping this fact in view, why the Government does not set up a new tradition to present the Budget before the House in the month of January, and make allocation to all the departments accordingly, so that the entire work is done smoothly.

With these words, I hope that the Government would consider my suggestions and make provision to this effect. The most important thing is that we may not be able to wipe out corruption from this country but we can perhaps check it to some extent because as long as the western system is in vogue, we cannot remove corruption completely. If Budget is presented in time and funds are allocated properly, then perhaps the money may be utilized to the best. I am not criticizing the Government. I do know that they would manage to get the Budget passed. But at the

same time I would like the Government to take my suggestions into consideration and also pay attention to the condition of the sugarcane growers and to the prevailing situation in rural areas. This is my suggestion.

[English]

SHRI B. AKBAR PASHA (Vellore): Hon. Deputy Speaker, Sir, I am standing before you to support this Financial Bill. The Budget proposed by Dr. Manmohan Singh is a balanced Budget, a land-mark Budget, a populist Budget and a path-breaking Budget. It is also a nation-saviour Budget. I have very high appreciation for Dr. Manmohan Singh for the type of Budget he has produced in this financial year. The Opposition leaders and critics of the Government were hell-bent to bombard the Government on the Budget issue. But the Finance Minister, with his pragmatic and realistic proposals, provided tremendous relief and solace to the common man. The prices of all the commodities like refrigerators, air-conditioners, air coolers, Vanaspati, cosmetics, tea, coffee, fast food, motor cars have come down. Normally before a Budget the shop-keepers, traders and merchants used to hoard articles expecting there is going to be a rise in the prices. But this year, I hope that they would have burnt their fingers because the prices of commodities have started coming down soon after the Budget.

The Opposition has been constantly branding Dr. Manmohan Singh as an agent of International Monetary Fund, World Bank and other financial institutions. People believed that Dr. Manmohan Singh was least concerned about the welfare of the common man and the country as such. There was a time when he was considered as a liability to the Congress and the Government.

Do, the same Dr. Manmohan Singh has amply proved that he is a big asset to the country. The credibility of the Party and the country has reached very big height. I was watching a TV interview and Dr. Manmohan Singh was telling

[Sh. B. Akabar Pasha]

that he did not have a magic and to produce result overnight. But I believe he is a magician and a juggler. How come that he has been able to produce such a balanced Budget which is able to help not only the poor, not only the middle class but also the rich. The jugglery and the clever manovering of the Finance Ministry has puzzled the people who are still wondering from where the money has come to swell the revenue. People here from the Opposition have been talking because they have to talk. But all over there had been appreciation from all quarters. When we read the newspapers there has been appreciation of the Budget. Even after giving so many concession, reduction in the customs duty, abolishing excise on a number of consumable items etc., the deficit has come down, despite incredible hike in Central Plan outlay by 32 per cent resulting in the revenue loss of Rs. 4522 crores. Still he managed to pay the deficit to Rs. 4314 crores which is less than 5 per cent of GDP.

The bold steps taken like devaluation of the currency, liberalisation of trade policy, opening of the country to foreign investments have resulted in shooting up of foreign exchange within a short time. Otherwise we would have been in a fools' paradise just as in Russia when they used to feel that their money was officially having certain value but in real term it was thousand times less than what they were feeling.

The total convertibility is a very bold step. Surprisingly the rupee has become firmer to the disappointment of exporters since they expected that the value of dollar would go up to Rs. 35 or Rs. 40. But it was Rs. 33 and it has come down to Rs. 31.50. They expected that they would reap the advantage of full convertibility. But we are proud that our currency is firm.

The rates of interest have been reduced by one per cent but still, as my previous speaker was saying, it was high. By and large, it will also be getting reduced.

The exports have been encouraged to increase the production and are earning foreign exchange for our country. Within a year and a half, the inflation rate has slipped down from 17 per cent to 6 1/2 per cent. There is no denying it. People in the Opposition have been saying that it is not 6 1/2 per cent. It is 9 per cent. But anyway, they admit the fact that it has come down.

The prices of a number of items started coming down and the benefit is percolating to the common man ultimately. It was a wizard who reduced the indirect taxes which has benefited the common man.

The Budget proposals, as always, can be divided into direct and indirect taxes. This pattern of direct taxes include raising standard deduction from existing Rs. 12000/- to Rs. 15,000/- and Rs. 15,000 to Rs. 18,000/- for workmen with an income of Rs. 75,000/-. The basic Gift tax has been raised from Rs. 20,000/- to Rs. 30,000/-. The wealth—tax exemption in respect of one house or part of a house to an individual or a Hindu undivided family has been provided. The new power sector undertaking will benefit in the form of tax holiday for the first five years. Also he has been considerate to provide this concession of five years tax holiday after the production started in some of the very backward States like Jammu & Kashmir, Himachal Pradesh, Sikkim, Goa and the Union Territories of Andaman & Nicobar Islands, Dadar & Nagar Haveli, Daman and Diu and Lakshadweep and Pondicherry.

These are all very thought provoking so that these backward States can come up.

The Finance Minister has, in some cases, completely eliminated excise duties on items like coffee, tea and instant tea. Similarly excise duty has been reduced in several items like electric fans, foam rubber, motor cars, TV, personal computers, typewriters and fax machines. These have become common nowadays and these are the necessities of today's living. They cannot say this is only a luxury item. This has become a necessity today.

The charge has been levelled against the Finance Minister that he has done nothing to increase the minimum exemption limit of IT and left it at Rs. 28, 000/-. As my previous speaker has rightly pointed out, he was right in having done it. Otherwise, how to go for revenue?

After last year's Budget, I spoke in the Parliament and has made a request to the Finance Minister to remove 10 per cent duty on the export of finished leather and 10 per cent of duty on export of rough granite. These are the two items which mainly are concentrated in Southern part of the country from where I come from.

I led a delegation of tanners consisting of people from Madras, Bombay, Kanpur, and Calcutta. He was kind enough to reduce the export duty on finished leather to five per cent. He was also kind enough to reduce the export duty on rough granite by 3 per cent.

Sir, it happens that I am the president of the Tanners Association in Madras. I am also leather technologist with post-graduate degree got from the Central Leather Research Institute, Madras. I also happen to own a tannery factory and shoes factory. I only export shoes and not leather, But I know the difficulties the tanners are facing today. Ours is a tropical country and the quality of leather, the raw-material that is available in the country is very thin because of the climatic conditions and it is having a lot of defects. They are not in a position to convert the whole thing into articles and export as such. But, anyway, export

of the article is going up. From 22 per cent, it has reached 78 per cent. In the year 1990-91, the export was only to the extent of 22 per cent. The total export of leather and leather goods was to the tune of Rs. 4000 crores. Actually leather export is coming down. In this year's Budget, when the Finance Minister was kind enough to remove the 7 per cent duty on export of rough granite, he has not considered it fit to remove the 5 per cent duty on finished leather. This is giving the tanners a lot of problems. They have been expressing their difficulties to me. All the leather cannot be converted because mostly we have the lining leather and very little of upper leather. We have to import a good quantity of good quality upper leather in order to make articles and export some of the bad quality abroad.

So, I request the Finance Minister to consider this factor and give a relief to the tanners just as he has done in the case of rough grant so that the industry can thrive.

With these words, I thank you very much for having given me this opportunity to speak.

MR. DEPUTY-SPEAKER: Thank you very much. The House stands adjourned to meet again tomorrow, Thursday, 22nd April, 1993 at 11.00 A.M.

1957 hrs

*The Lok Sabha then adjourned till Eleven of the Clock on Thursday, April 22, 1993/
Vaisakha 2, 1915 (Saka)*