

13.22 hrs.

GENERAL BUDGET, 1991-92—

GENERAL DISCUSSION—Contd.

[English]

MR. SPEAKER: Now we take up further discussion on the General Budget. Before I call upon the hon. Member to continue his speech, I would like to bring it to the notice of the House that today we may have very sumptuous lunch; but we may not have the lunch break. At the same time, with your agreement we may sit even upto 7 O'clock in the evening. This is just to accommodate all the Members who want to speak on the Budget today. I hope that everybody would cooperate.

Shri Bhupinder Singh Hooda to continue his speech.

[Translation]

SHRI BHUPINDER SINGH HOODA (Rohtak): Mr. Speaker, Sir, it is a historical budget. For the first time after independence, the budget could not be presented at the appointed time due to unprecedented political reasons and it was presented in July. Secondly, due to the political stability elections were held in our country again within a period of a year and a half. Thirdly, the longest budget speech after independence was delivered by our Finance Minister, and fourthly, we inherited an empty treasury. All the same, there is no doubt about the fact that the Finance Minister has spared the poor man from the burden. In a situation of financial crisis everybody has to share some burden. But I would submit to the Finance Minister that the maximum burden has fallen on the farmers. I am a farmer and my State viz. Haryana, is predominantly an agricultural state. There is great resentment in the farming community about the withdrawal of subsidy on fertilizers. I had been to my constituency, and every farmer is very much angry over withdrawal of subsidy on ferti-

lizers because even the most ordinary farmer uses fertilizers and a burden of Rupees two thousand crores has been imposed on them. Self-sufficiency in foodgrains has been the main target of our country, the foundation for which was first of all laid by Pandit Jawaharlal Nehru. Right from the beginning his aim was to achieve self-sufficiency in the production of foodgrains. The point to be considered now-a-days is whether the hike in fertilizer prices would be a big setback to our farm sector? In view of the grave economic position of the country, concern is being expressed to save the country, all the same we have to think if the agriculturist breaks down, how, is it possible to save the country. Such a thing has already been mentioned in the House. Our senior colleague, Shri Indrajit Gupta said that among agriculturists there is an affluent class which should pay taxes. In my constituency, on an average a farmer has got one acre of land, but in none of the villages, there is an agriculturist who might have purchased a vehicle or a TV set out of the earnings from agriculture. But even the farmer having only one acre of land has been adversely affected due to withdrawal of subsidy on fertilizers. Our hon. Finance Minister has said that farmers would be compensated by raising the procurement price. Regarding the procurement price our senior colleague, Shri Chandra Jeet Yadav said that it is 70 per cent of farmers, but I am of the opinion that there are 76 per cent of agriculturists who do not produce surplus foodgrains. They produce foodgrains only for their own consumption and that of the members of their families, and 23 or 25 per cent agriculturists are producing 56 per cent of foodgrains. From the speech of the Finance Minister, I would understand that the agriculturist shall have to bear an additional burden of Rs. 7.00 per quintal, but as I am a farmer, I would like to say that if subsidy is withdrawn it would put an additional burden of Rs. 16 to 20 per quintal on the farmers.

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Mr. Speaker, Sir, the second argument which was been put forward is that the prices of fertilizers have not been raised since 1981 till this day. I would like to draw the attention of the Finance Minister to this fact that there must have been some reason for the same. Why were the prices not raised. The agriculturist was getting a profit then, how could agriculture be profitable in spite of such a high price-rise? Today an agriculturist is being seen as a producer but if we look at him as a consumer, we can see that he is also affected by increase in the prices of certain items. Today, I would give some suggestions to the Finance Minister in this regard. The farmers are not in a position to bear the burden that is being thrust upon them. The rate of interest for loans to farmers should not exceed 10 per cent so that there is no need for waiver of loans to the farmers. Previous government came to power by misleading the agriculturists and telling them that their loans would be waived of, but everybody knows that the government played with the emotions of agriculturists and how such loan was waived of and how much benefit was given to agriculturists. On the contrary the rate of interest was increased by 3 per cent.

[English]

MR. SPEAKER: I think you have consumed ten minutes.

SHRI BHUPINDER SINGH HOODA: Yesterday, I had just started.

SHRI P.M. SAYEED (Lakshadweep): This is his maiden speech.

MR. SPEAKER: If this is your maiden speech, then okay.

[Translation]

SHRI BHUPINDER SINGH HOODA: I was saying that the rate of interest had gone up by 3 per cent out of which 1.5 per cent was the interest and 1.5 per cent was the increase in guarantee fee. This increase demoralised the agriculturists.

There should be cheaper and uniform electricity rates for agriculturists. If we calculate the investment by the farmers, we should see as to at what rate electricity is supplied to farmers in Maharashtra and in Haryana. But the withdrawal of subsidy on fertilizers is uniformly applicable to all the farmers.

Secondly, I would like to submit to the Finance Minister that he has said that the Banks shall have to pay to the Government 3 per cent of their earnings from the interest. I feel that there should be some reduction in it and the priority section should be exempted from this burden, but there will be an increase of $\frac{1}{2}$ per cent in the interest on loans to the farmers. My submission is that farmers should be given a subsidy on diesel. I would like to draw your attention to a couple of important issues which are the lifeline of our agriculturists in Haryana. The President has referred to Rajiv-Longowal accord in his Address, one condition of which is the construction of Sutlaj-Yamuna Link Canal. It is the life-line of agriculturists of Haryana, but no provision has been made for it in the budget.

From 1983 to 1989 the time bound schedules were fixed seven times, disturbed to complete this work but even then the work was not completed. The Chief Minister Shri Bhajan Lal had also written a letter to the hon. Prime Minister in this regard. Today, over seven and a half lakh acres of land of Haryana is parched and as a result we are suffering a loss of 8 lakh tonnes of foodgrains per year and the farmers of Haryana are facing a loss of Rs. 1000 crore per annum. Is the country ready to bear the burden of such a loss? I would like to submit that this work should be handed over to Border Roads Organisation and the army should provide security to them. This project would have cost Rs. 176 crore in 1983 whereas today the cost has escalated to Rs. 560 crore. Secondly, electricity is vital for everybody in the country; whether he may be a farmer or some

other else. Generally there is power crisis in Haryana. The Yamuna Nagar thermal power plant which would generate 1200 MWs of electricity has already been cleared by the Ministry of Energy but no provision has been made in the Budget for it. The Karnal refinery would provide employment to hundreds of people but there is no provision in the Budget for it also.

Rs. 3508 crore have been allocated for the Rural Development by the Finance Minister. It is good that out of this Rs. 2100 crore have been earmarked for generating 100 million days of employment. Mr. Speaker, Sir, it is true that I have been the Chairman of Panchayat Samiti. You too have been a farmer and have been associated with them. I would like to highlight the problems of the villages there. No provision has been made for educated unemployed and rural unemployed. I would like to give a small example. A farmer sold his land and managed to educate his two sons upto B.A. level. Then he ran from one leader to the other to get jobs for his sons. When he failed he requested the leaders to brainwash his sons so that they may forget that they had passed B.A. and take up the plough once again. This is the condition in villages today. There is need to pay attention in this direction. Secondly, the work is done on a temporary basis. It should be done in a planned way. The villages with a population of over 5000 should be provided all those facilities which exist in a city, whether it is metalled road, electricity or water supply. Only then the country will progress.

Today, the country's greatest son late Shri Rajiv Gandhi is not amidst us. Without him the House has lost its liveliness. I remember, he used to say that out of entire funds for the rural development only 15 to 20 paise used to reach the rural masses. There is need to think in this direction also. Strict watch should be kept and arrangements made so that

the funds which are released reach the proper quarters without misappropriation.

Allocation of Rs. 758 crore have been made for the drinking water scheme which has been named after Shri Rajiv Gandhi. I welcome it. But here I would like to point out that the allocation for old schemes has been made on the basis of population which was 2000 earlier but today it is 5000. Therefore there is need for augmentation in the allocation of funds. There are disputes and clashes in every village on water and it is very common that women quarrel with each other to get water from the tap. There is need to pay attention to the fact as to how 500 people can be provided drinking water from one tap.

The Railways is not only a means of transport but also a source of employment for the unemployed. About 10,000 people in my Constituency are engaged in petty trades. Some sell milk, some sell sugarcane and others are small shopkeepers who come to Delhi which is adjacent to our city. I therefore request you to construct a railway line from Rewai to Rohtak via Thajhar. Besides the Delhi-Bhiwani section should be electrified so that unemployed get some work. The Bhiwani Hissar section should be converted into broad gauge because it is very essential. Income tax ceiling limit should be raised upto Rs. 40,000 as price rise is adversely hitting the middle income group and employees.

As you have given very little time to me and put a time limit also I would like to conclude by saying that I fully agree with the hon. Finance Minister's statement that in 1989 the economic condition of the country was strong and the day Congress was overthrown and the opposition party came to power, the condition started deteriorating. Here I would like to draw the attention of the hon. Finance Minister to the fact that in Haryana the opposition came to power in 1987

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and in view of this one can imagine the economic condition there. Therefore, I demand that special provision of at least Rs. 300 crore be made in this year's Budget for the development of Haryana so that Haryana makes progress and occupies the same place it had earned for itself sometime back. With these words, I thank you Sir, for allowing me to speak and express my gratitude to all those Members who heard a new Member like me patiently.

SHRI SURYA NARAYAN YADAV (Saharsa): Mr. Speaker, Sir, I rise to strongly oppose the General Budget. India is a country of farmers, villages and workers. The rich constitute only 10 to 15 per cent of the total population whereas the farmers and workers constitute 85 per cent of the population. This proves that the farmers and workers have more influence over the Country. The Budget which has been presented in the House is anti-farmer and anti-worker and is not in the interest of the middle class people. Recently, there has been devaluation of rupee and while doing so the Government said that the financial crisis was such that we could not overcome that without devaluation. There is nothing new in it. I do not think that the Government has said anything new. Our Finance Minister knows that since 1980-81 there has been deficit Budget every year and the deficit has been increasing since then along with our debt liabilities. The proof is in the Finance Minister's Budget Statement where the deficit for the year 1985-86 has been shown at Rs. 21,857 crore whereas for 1986-87 it has increased to Rs. 26,342 crore and till March 1991 it touched the all time high of Rs. 43,331 crore. There is nothing new in it. This deficit did not increase during one or two years but has been continuously increasing. The Budget deficit over the years has led to the economic crisis and in turn it has given a jolt to our credibility in International market. Because of this deficit, the burden on poor, farmers and the

workers has continuously increased and now in 1991 the Government had to go in for devaluation of rupee per force. I think the opposition has been in power for just one or one and a half year including the tenure of Chandra Shekhar Government. By the way that period should not be included because Chandra Shekhar's Government was supported by your party. Our party remained in power for just one year. Before 1980 i.e. between 1977-80 the Budget deficit was not so much. The proof is in your Budget. We are having a deficit since 1980 and your Government was in power at that time also. What were you doing then? Wasn't the then hon. Minister of Finance aware all these things? Where are we taking the country towards? The rupee has been devalued and this Budget is an indicator of the country's black future. You have not thought of ways and means to take this country forward, to improve the lot of the people. Mr. Speaker, Sir, I believe that the economic condition of the country has deteriorated so much so that, we won't be able to make any progress if we do not rise above party considerations. It won't be proper, if you take some unilateral decisions, without consulting anyone and impose taxes on millions of our people. You have raised excise duty on television, V.C.R. and Air Conditioner. Are you aware of the insignificant amount of revenue that you would get from this raise? Moreover, you propose to cover the deficit through taxes, which are bound to affect the rural popular. There is no provision in the Budget for the welfare of the people living in the rural areas.

Mr. Speaker, Sir, through you, I would like to draw the attention of the Government towards the fact that this Budget has created confusion and misunderstanding in the minds of the people. The deficit shown in the Budget and the additional taxes imposed has created doubts in the mind of the farmers, the poor people, the Government servants and middle class people about the beneficiaries

of this Budget? Who are going to be benefited from it, the poorer sections of the society, the middle class or the farmers or is it that only a handful of people are going to be benefited from it? Mr. Speaker, Sir, it seems to me that they won't be able to cover the deficit through this Budget because even if all the raised and newly imposed taxes are taken into consideration, still there would be a deficit of rupees 9,000 crores. This clearly means that only a few people are going to be benefited from the provisions of this Budget. The possibility of any major change as a result of this Budget is remote.

Mr. Speaker, Sir, in Paragraph No. 28 of the Budget speech, it is mentioned that Rs. 21,850 crore would be spent during 1990-91 for the purpose of debt servicing. It has also been mentioned that the estimated amount required for debt servicing during 1991-92, that is, Rs. 27,450 crores would be 42 per cent of the net revenue receipts of the Union Government from the existing taxes. If this trend continues and no steps are taken to improve the situation the debt servicing would be more than 50% of the net revenue of the Union Government by 1994-95. So, on the one hand, you have elaborated these constraints and on the other, you say that you want to remove the economic disparities in the country. How is it possible? Your budget is impractical. Leave alone the principal, when you have to pay so much as interest, I can say that you won't be able to repay, even after imposing the new taxes through this Budget. Thus, it is clear that the people of this country are not going to be benefited from this budget rather you are trying to mislead the people of this country.

Sir, if the amount of interest is excluded, the non-plan expenditure has increased considerably in 1991-92 in comparison to previous year expenditure. The amount allocated for plan expenditure has been considerably decreased. It has been reduced by more than 18 per cent. I

am simply unable to comprehend the statistics presented by the hon'ble Minister of Finance. I wanted to say one thing for a long time and it is that a Union Budget of such magnitude cannot be prepared just by economists. It is very much essential to take experienced people also into confidence. Practicals are an inseparable part of a university students course and training is provided to I.A.S. probationers also, who have passed competitive examinations and here you have entrusted the responsibility of drafting the national budget to an economist. While preparing the Budgets for rural areas, you take into confidence experienced people, who have worked in the field, and well acquainted with the problems and necessities of the rural areas. I am not saying that one can prepare a Budget without the assistance of economists, but I would certainly like to say that you cannot prepare a good Budget without consulting people, who are well acquainted with the villages. There cannot be two opinions about it. Grave injustice has been done in this Budget to the farmers, especially to the medium class farmers. You have done away with subsidy. It would have made some sense, had you remained content with that but barring ammonium sulphate, you have hiked the prices of fertilizers by 40 per cent. With Government increasing the prices by 40 per cent, fertilizer prices in the villages have gone up by 80 rupees. People have to pay Rs. 180 for a bag, for which they earlier paid only Rs. 100. Grave injustice has been done to farmers, already affected by floods and droughts. Their educated children do not have employment, they are not in a position to appear in competitive examinations and are forced to plough the fields. Hon. Minister of Finance, Sir, the people of this country are not going to take such injustice lightly. If you continue to perpetrate such injustice against the farmers and labourers they would have no option but to join hands and make their presence felt in the Parliament. You won't be able to stop them from doing so, as

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today there is nobody to listen to them or to air their woes.

In his Budget speech, the hon. Minister of Finance has promised a model village in each district. Successive Governments, which have assumed office since 1977, have been promising model villages. From the definition of a model village, one can make out that the facilities mentioned there are found only in metropolitan cities like Delhi, Bombay and Madras. Such facilities are not there even in Patna, Bihar. When we people go to Bihar, we feel sad when we find that even a single road in the rural areas is not similar to the ones in the capital. Presently, these facilities are available exclusively in cities only. A model village means availability of schools, electricity, roads, death facilities etc. like those available in cities. Seeing the budgetary provisions, I can say with certainty that if you look at the expenditure incurred on model villages from 1980 to 1991.. (*Interruptions*)...

Mr. Speaker. Sir, please give me some more time. The condition of villages can be improved, only if we are sincere about it. If you improve the lot of the villagers and develop the rural areas, the villagers would happily pay whatever tax you impose on them. Unfortunately, it seems that your 'Model Villages' will remain only on paper and won't be translated into action.

Mr. Speaker, Sir, this is no time for mentioning the name of Shri Rajiv Gandhi. His untimely demise has caused us immense sorrow. However, from the manner in which the hon. Minister of Finance, invoked the name of Shri Rajiv Gandhi, while presenting the Budget, it seemed as if the late leader himself had directed that the prices of commodities used by the farmers should be increased. Shri Rajiv Gandhi had said during his election campaign that prices would be brought down within 100 days, once his party assumes office.

However, from the Budget, it seems that prices would go up within 100 days and to some extent it has already gone up. It was Shri Gandhi's dream to see every villager educated, but no provision has been made in the Budget to fulfil that dream. Had this Congress Government wisdom, it would have taken necessary steps to check the price-rise. There cannot be two opinion that Shri Rajiv Gandhi was a great leader, for whom the welfare of the people was dearest to heart, but unfortunately his successors are working contrary to his wishes. I insist upon you to make some efforts towards fulfilling his wishes.

Mr. Speaker, Sir, during 1990-91 Rs. 2641 crores were earmarked while for this financial year, a provision of only Rs. 2,618 crores has been made. Such a meagre amount would slow down the development of Agriculture, irrigation and transport. On the one hand, you are talking of decreasing the reserve fund, which means curtailment of expenditure. The Union Government has literally blocked the expansion of the Communication network and television network, which bring maximum revenue to the Government. You don't want these facilities to be extended to the rural areas. I believe that by blocking the expansion of telephone and Door-darshan networks, it is the Government which is going to be the loser. Please try to rectify the situation.

Mr. Speaker, Sir, it is my submission that when the hon. Minister gives his reply, he should give his response to the suggestions and figures given by the hon. Members during the course of the debate. Moreover, the Government should implement the suggestions given by the hon. Members. This would be in the larger interest of the country.

It is a known fact that the country cannot progress without power. It has been observed that electricity is being misused in almost all the states. I can categorically say that you can

make a clear saving or rather profit of Rs. 300 to 400 crores, if you check this misuse, effectively. You say that you are suffering losses in every sector. It means you are not competent to check it. For the generation of electricity in Bihar, I have, on many.....

MR. SPEAKER: Twenty minutes have passed. Please complete it quickly because there are others who are waiting for their turn.

SHRI SURYA NARAYAN YADAV: My submission will remain incomplete. How can I conclude right now.

I had raised a question in Lok Sabha during 1991. Bihar is rich in water and mineral resources. The people of the State face the fury of devastating floods and all the mineral resources of the State are taken away by the Centre. Electricity is generated from water. Today you must have come to know that Government of Nepal has forwarded a proposal to the Government of India for the construction of a dam on Kosi River. They have proposed that India could utilise the power to be generated from the dam by paying the cost of the same to Nepal. Both the Government of Bihar and the Central Government spend hundreds of crores of rupees on flood relief in Bihar every year. You can well imagine how many billions of rupees must have been spent by now in these 48 years since we attained independence. If an agreement on this issue could be signed with Nepal, we can save hundred of crores of rupees every year. I cannot say about the whole country, but I can say with certainty that North Bihar is so fertile that foodgrains produced from there can make half of the country self-reliant in foodgrains. The Government is prepared to spend hundreds of crores of rupees every year on flood relief but it is reluctant to undertake development work. It is a question of spending Rs. 100

crore every year but no such provision has been made in the Budget for the same. The Government is showing deficit of Rs. 9000 crore in the Budget. In order to make good the deficit, it will have to take loan. When the Government will take loan, it hardly matters whether the loan is Rs. 20 crore or Rs. 20,000 crore. When it has gone to the extent of selling or mortgaging gold, let it take one more loan. Then, let the Government undertake a survey of all the ongoing good schemes in the country and invest this loan amount in them. This will increase Government's income and help them make repayment of the loan.

MR. SPEAKER: You complete all your points but do not make your speech lengthy. You want to say that the other expenses should be curtailed and expenditure on power should be increased. The Government has taken due note of it. You have taken a lot of time. I had allotted you twenty minutes and you have exceeded that limit.

SHRI SURYA NARAYAN YADAV: The rate of royalty on coal to Bihar has been increased and I would like to congratulate the Government for this. We will congratulate the Government for every good work it does. The increase in rate of royalty was an excellent work. When Bihar was under Congress regime no Chief Minister dare to make a demand for increase in the rate of the royalty. But today our party is ruling the state under our Chief Minister, Shri Lalooji. He threatened to go on fast if our request was not acceded to.

MR. SPEAKER : Now you have praised, please conclude.

SHRI SURYA NARAYAN YADAV: A few commendations will not serve any purpose. The hon. Speaker is not prepared to grant me permission. I wanted to make one or two basic submissions. I am not aware whether the Government has sold or mortgaged gold in foreign countries

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but I want to make a suggestion that the Government should set up a Gold Board.

14.00 hrs.

In this country large number of people possess gold. Thousands of our brethren, both rich poor, keep gold in their home. I want the Government to set up a Board and tell the people about its benefits and inform them that those who are keeping gold in bank lockers can also keep it with the board and take interest. It is for the Government to decide whether the rate of interest will be 8 per cent or whatever is agreed to. That board can negotiate with various nationalised banks in the country and the World Bank about the quantity of gold in its possession and the rate of interest it is giving. On that basis the Board can ask for loans. In that case the country would not be required to sell gold. The present crisis is not going to be over very soon and it is about to lead the country to a catastrophe. I would like to make yet another submission in regard to gold. As per the budgetary provisions there is a gap of Rs. 9000 crore between import and export and for this amount of Rs. 9000 crores the Government has sold gold. This is what they say and not I. I do not remember the figures. Our import bill would amount to Rs. 43,000 crores and the amount to accrue from export will be less than that. The difference is Rs. 9000 crore and the Government had to part with gold of the country for this amount. What else could be more distressful than this? If the Government sets up a board and works through it, the board can hold talks with the banks for loans. There can be no two opinions about it.

MR. SPEAKER : The representative of your party was there in the Business Advisory Committee at the time of allotment of time. Out of that, time has to be allotted to different Members. There are Members from other parties also. You have been given thirty minutes.

SHRI SURYA NARAYAN YADAV: I thank you for giving me so much of time. Through you I would like to make a special submission to the hon. Minister of Finance that Bihar is a very backward state. As compared to other states in the country Bihar has been contributing maximum resources to the country and will continue to do so in future also. All mineral deposits like mica, iron and coal etc. are found in Bihar but it is an irony that there is no railway line, no train, no power for Bihar and no relief for the farmers of Bihar. As such I urge the Government to make necessary provisions in the Budget and allocate at least fifty per cent of the income it is getting from Bihar to the State so that it may also come to the forefront and make development. I am grateful to you for giving me time to speak.

[English]

SHRI H. D. DEVEGOWDA (Hassan): Mr. Speaker, Sir, I would like to express my thanks for having given me an opportunity to participate in the general discussion on the budget proposals for the year 1991-92.

I would call this budget as anti-poor, anti-farmer, anti-development and pro-inflation. I never expected a budget of this type from a financial expert who is known for his intelligence and experience in the field of management of the economy.

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I want to compliment some of the few measures he has taken for promoting our trade. Action was taken to modify our industrial policy and trade policy to see that our export earnings are stepped up. But, by and large, the implication of this budget is that it is totally against farmers, totally against the poor and the middle class and also no interest has been shown for some of the developmental works, so far as making provisions for them in the budget proposals is concerned.

While making these sweeping remarks about these budget proposals, I want to draw your kind attention to the first para of the speech made by the hon. Finance Minister. He has tried to attribute the motives to the previous non-Congress governments. Sir, it is because of the wrong fiscal policy that has been followed for the past several years that such a situation has now arisen. But, unfortunately, he has tried to attribute motives only to the two non-Congress governments which were there only for a short period of nearly one and a half year or two years. I want to substantiate my argument by quoting some of the figures that have been given in the Economic Survey, 1991. If we go through the position of the trade balances, the figures are as follows.

1980-81	. (---) 4.4 per cent
1981-92	. (-) 3.08 per cent
1982-83	. (---) 3.2 per cent
1983-84	. (---) 2.8 per cent
1984-85	. (---) 2.8 per cent
The average is about 3.4 per cent.	

When you are having the trade balance on minus side, how can you try to attribute motives only to the non-Congress governments which were there for only a short period?

Further, I would like to draw the attention of this House, through you, Sir, that even from 1985 onwards up to 1989-90, our trade balance has been on minus side. When such is the case, how can he try to draw the conclusion that it is only because of the non-Congress governments that such a situation has arisen? I want to know from the hon. Finance Minister that when he tries to draw loans from the commercial banks and short-term loans from various banks from abroad, let him spell out whether it was from 1985-86 that the commercial bank loans and short-term loans were started. Let him give a break-up as

to under what circumstances this country was forced to go in for commercial bank loans and the short-term loans from abroad. It is because of our deficit in the trade balance that we were compelled to go in for this type of short-term loans and now we have pushed the country into a debt trap, I would say that.

I only want to emphasise how the actual financial crisis has developed because of our wrong fiscal policy. The hon. senior Member, Shri Atalji was telling how even our export and import earnings have been manipulated because of the over-invoicing and under-invoicing. All these things he has narrated in his speech while participating in the debate on the President's Address. I wish to draw the attention of the august House to that speech to show how all these years the dishonesty at various levels, whether it is at political level or at bureaucratic level, has contributed to this type of a situation that we are facing today in this country. I do not want to hold brief for the six to seven months of Shri Chandra Shekhar's Government. But we must recognise the hard reality. During the last four to five months, the position of our trade balance has improved. In November, 1990 the trade balance was minus Rs. 1,859 crores; in December, 1990 it was minus Rs. 1,286 crores; in January, 1991 it was minus Rs. 1,107 crores; in February, 1991 it was minus Rs. 823 crores; in March, 1991 it was minus Rs. 198 crores and in April, 1991 the figure was Rs. 135 crores. That means there is some improvement even though it is for a short period of his regime. This is what I wanted to emphasise. But, unfortunately, the Finance Minister, who happens to be an expert here, has also contributed some of his own thoughts for the wrong fiscal policy. He was Deputy Chairman of Planning Commission, Financial Adviser to the Government as well as Finance Secretary. Today he tries to shift the blame on non-Congress Government. The non-Congress Government was only for a temporary period. Because of the instability all these kinds

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of motives were attributed. That is why I wanted to refute. This is not a Budget that we had expected from a financial expert.

Sir, I am not a financial expert nor an eloquent speaker. This is the first time I am elected to this august House. Only as a farmer, as an agriculturist, I would like to express my views as to how this Budget is trying to politicise which is uncalled for. This is what I wanted to say.

What is your position today? He is not prepared to take this House into confidence and reveal how much loan we have to pay, whether medium term or short term loans or even loans that have been raised by the commercial banks. This information has also not been revealed in the Economic Survey presented by him. The Economic Survey is not giving the correct position. I tried to know from the Economic Survey and I find that the external debt including NRI deposits comes to Rs. 1,20,000 crores. But, I would like to draw the attention of the House to another detail. On page 300 of the Asian Development Bank Outlook, 1991 it is mentioned that India carries an outstanding external debt of Rs. 1,97,000 crores. The amount is Rs. 1,97,000 crores so far as external borrowings are concerned. Why I am quoting this is because even in the Economic Survey, correct figures have not been revealed and we are kept in darkness. That is what I wanted to say.

If we want to come out of the difficult situation, we must step up our exports and earn more foreign exchange. What is the foreign exchange earning position today? We need about Rs. 43,000 crores for meeting our requirements, whether it is export of the raw material or the petroleum products or whatever that may be. Our import earning is hardly about Rs. 32,000 or Rs. 33,000 crores. When such is the case, how we are going to repay our debts which are due to International Monetary Fund or to the commercial banks etc.

How are we going to clear these debts? He should also spell out the details.

When various types of debts are going to become overdue, what is the solution to repay those debts. This and all other things should be made clear to this House.

I do not want to take much time of the House so far as external debt is concerned. I want to mention about the internal debt position. It is more than Rs. 1,51,000 crores. Today we have to pay that much amount—either public borrowing, institutional borrowing or Reserve Bank money that has been paid towards deficit budgeting. All these things will ultimately add to Rs. 1,51,000 crores which will be a burden on the nation.

Sir, I wanted to draw the attention of this august House to the fact that nearly 89 per cent of the fresh borrowing is going towards repayment of instalments and interest. Whatever is the amount that you are going to borrow, out of this amount we have to use about 89 per cent for repayment of principal in instalments as well as interest. Only 11 per cent is going to remain for our developmental work. This is the position. That is why I say, in the next two or three years our position will be very bad and precarious. And whatever the public borrowings that we are going to take, all the 100 per cent of it will go towards the interest payment. This is the situation we have landed in. Because of the wrong fiscal policies of our country, whether it is at the State level or at the national level, there is an unhealthy competition about the non-developmental expenditure, an unhealthy competition about the implementation of populist programmes. Each party or each government wants to compete telling, 'we are more in favour of the socio-economic programme or whatever it may be towards the poorer sections of the society.' It is only a shortsighted economic philosophy that we have in this country,

ultimately we have landed in such an awkward situation. This is my humble submission. I am sorry to say that an unhealthy competition prevails between the State Governments and the Central Government, whichever party they may belong to, while implementing the anti-poverty programme and this ultimately landed the country in debt trap. Instead of indulging in this unhealthy competition, if we have invested the money for the production-oriented work, the situation would have been totally different. So, we have all contributed our share in this direction.

Now, I want to draw the attention of the hon. Minister for Finance about inviting 51 per cent of the foreign capital; whether it is from NRIs or multinationals, I am not going to object. But only a word of caution I want to give to this government and that is that they should be more careful and the small industrialist or entrepreneur should not be totally liquidated by this type of liberalisation of industrial and trade policies. That is all I want to say about inviting 51 per cent foreign capital for our industries.

Sir, about resource mobilisation I want to say one or two words. The hon. Minister also mentioned that as he has no time to go into details, he is unable to apply his mind and he will apply his mind to it in due course. This is what he mentioned in his speech. I want to mention one or two points which he can consider at the time of reviewing the structural changes in Income-tax or Wealth-tax.

Sir, we were debating much about Rajiv Gandhi Foundation. I am not going to deliberate on that issue. It is not so important for a person like me. But how many Trusts are there in this country, whether they are private Trusts or public Trusts, what type of hold we have got over these Trusts? There are several fake Trusts only for the purpose of deceiving or cheating and tax evasion. Such types

of Trusts have been established. They came under the India Trust Act 1856. How can we check them? There is deliberate evasion of tax. Let the whole House apply its mind to this. Several companies have floated these trusts only to transfer their income and a mass wealth. I was also the President of one of political party at the State level. I want to make myself very clear. I do not want to make a passing or general remark. No political party is free from the favours of these vested interests. Every political party has to survive only with the favour of these tax evaders and these vested interests. At the time of elections we go to them and ultimately we want to safeguard their interests. If this type of tendency is going to be continued, through you, I want to tell this House very humbly, this country has no future and we have to work like slaves.

Today, during Question Hour, our former Speaker raised an issue as to how a Bank is helping some of the terrorists. I do not want to enter into that controversy. If a trust is registered today, in 10 years' time, it will acquire hundreds of crores worth property. Can you not impose tax on them? This is a matter worth consideration by the Finance Minister. We are in a position to amend the Constitution and we have already had 44 or 45 amendments to the Constitution. If such is the position, can we not change an Act which was enacted somewhere in the year 1856 during the British rule? Is there anybody to check whether these trusts are functioning properly and serving the purpose for which they have been registered? I insist on the Government, especially the Finance Minister to have a look on this issue.

Then, Sir, when Shri V. P. Singh was the Finance Minister, there was a 20 per cent ceiling on non-manufacturing expenses for all the companies, whether they are private companies or public companies. Unfortunately, during Rajivji's period that ceiling had been removed later on

[Sh. H. D. Devagowda]

and all the amount had gone for their business promotion. They can spend and they can misuse that particular provision. This is one thing, on which I would like to caution the Minister. Can we not impose ceiling? With these two things, we can earn more than Rs. 2,000 crores. It is my moderate estimate. I appeal to the hon. Finance Minister to have a look on these two suggestions which I have made now.

Sir, I now come to a community which I represent; community means, it is not a caste. I represent a community, called the farming community. All through my 30-35 years of political career, I have toiled for this section of the society. Yesterday, all our friends were so emotional and they were fighting for the cause of the farmers. When our senior leader Indrajit Guptaji was speaking, he said some of the farmers are affluent. He is a veteran and seasoned parliamentarian. I think, he is one of the seniormost politicians in this House, if I am correct. Some of us are all new to this House. We have to learn so many things from those people who gave got experience and rich knowledge. So, I was so anxious to hear him and I was trying to hear every word of his speech. He represents only one section of the society in this House. I do not want to attribute any motive. Is he a man dedicated for the cause of the nation? Unfortunately, the notion he has towards the farming community is not correct. He was talking about small farmers, bigger farmers and marginal farmers. This type of hair-splitting argument is not going to help the farming community. I want to humbly submit that a senior parliamentarian like Indrajit Guptaji ought not to have gone to the extent of saying that the farmers are affluent. After the land laws have been introduced in this country, where are the affluent farmers?

I want to say that we are all proud that Karnataka is one of the pioneer States in respect of implementation

of land reforms. We are the first State in implementing land reforms. Today no land lord exists in Karnataka. Nobody is holding more than 10 acres of land. When such is the case, where is the question of rich farmers? How many farmers today live in luxury?

[*Translation*]

SHRI MOHAN SINGH (Deoria)
The family of the hon. Prime Minister possesses 1500 acres of land. The land has been encroached upon by the naxalites.

[*English*]

SHRI H. D. DEVEGOWDA : If it is in some other State, I do not know. I am only confining to Karnataka. Of course, the day will be there when the people will go to street and fight for their own survival. But I want to tell my hon. friend, Shri Indrajit Gupta that there is no such affluent section in the farming community. He has quoted farmers going to college, paying Rs. 25,000 for admission. I would like to say that the farmers are today denied even higher school education. In the rural areas, there are no proper facilities. There is neither teacher, nor school nor any other infrastructure in the rural areas. If we want to compete with an urban boy, we must sell our land to spend money on education. We have to fight for our own survival.

I want to draw the attention of my hon. friends like Shri Indrajit Gupta who has said that only this time fertilizer price has been hiked. It is not so. At least, three or four times, the price of fertilizer was hiked. I would only give certain figures from the statistics. From 1972 to 1991, if you compare the prices of fertilizer over the years, the price has been hiked mainly because of various other components like increase in railway freight or diesel etc. These are all the cumulative effect. For example, in 1972, Ammonium Sulphate was priced at Rs. 2.72 per kg. It went up to

Rs. 10.36 per kg. in 1991. There is a price hike of nearly 350 per cent. Whereas our procurement price has never gone up beyond 150 per cent. The farmers should get a higher procurement price to compensate such a heavy strain which he is putting today on account of the removal of so-called subsidy.

I would like to draw the attention of the House that the price of wheat in 1977-78 was Rs. 110/- per quintal. Now the existing procurement price is Rs. 215.

I would say that some of the friends have got a different opinion about the farming community. When the hike in the procurement price during the period of 10 years is hardly about 100 to 150 per cent, the price of fertilizer had gone up by 300 per cent to 350 per cent during the same period. This is the fate of the farmers.

I have no grouse about other sections of the society. In Delhi, for providing transportation to those people who are in the fixed income group, who have got some assured income, who are in the salaried people group, we are going to provide subsidy to the tune of Rs. 150 crores for the Delhi Transport Corporation. They have got their own privileges and we are going to provide subsidy to such section of the society. I have no grouse and I do not oppose this type of subsidy. But what is to be borne in mind is, some opinion formed by some of our friends about the farming community is totally baseless. Even on the textile industry, we are spending Rs. 350 crores.

I would like to draw the attention of the hon. Members of this House to the question "Are we not providing nearly Rs. 5,000 crores to Rs. 6,000 crores of Budgetary support for the various public sector units? Who are going to get the benefit in the so called public sector

units?". So I am not anti-labour. Let me be very frank on this issue. Why some sections of the House are opposing Rs. 2,000 crores subsidy to farmers on the plea that some of the farmers are affluent?

This is anti-development Budget. For the year, 1991-92, the only proposed increase in our developmental expenditure is about Rs. 4,916 crores whereas for irrigation, they have provided hardly Rs. 81 crores.

For Social Services, they have provided Rs. 1,337 crores.

That is why I say it is anti-development Budget.

I can give several other figures. The developmental works have been totally neglected. I am not in a position to accept the proposals made by the hon. Finance Minister.

For the time being, I have five Members in my Party including my leader. But today I am a lone Member. Whether I vote in favour of the Budget or not, it is immaterial.

SHRI MURLI DEORA (Bombay, South): You have to vote in favour of it.

SHRI H. D. DEVEGOWDA : Whether I vote or not, it makes no difference.

I would like to draw the attention of the House and of the Government particularly to the fact that Karnataka has been shabbily treated. I am not so much parochial. I am not so much small in my thinking. Karnataka State has been totally ignored so far as development is concerned. Karnataka has been totally ignored even in regard to the transferring of the Central resources. I only want to express my feeling and grievance on this. I will give you one or two instances.

[Sh. H. D. Devagowda]

14.33 hrs.

[SHRI SHARAD DIGHE in the Chair]

I do not want to elaborate on railways and the development of national highways which I have already mentioned on previous occasions.

As regards release of grants to anti-sea erosion programme, Kerala friends were telling that this was not done. So far as Karnataka is concerned, not a rupee has been given whereas Kerala has been provided Rs. 10 crores. I know because I was the Irrigation Minister and I handled that particular portfolio. I know how much money you have got. Unfortunately, nothing is provided to Karnataka. I do not know how it happened. My elder sister is sitting here. I do not want to provoke anybody. But these are the hard realities.

As regards power generation, Karnataka has been totally ignored. The investment made by Central Government in Karnataka is about Rs. 881 crores; Uttar Pradesh Rs. 3,403 crores; Tamil Nadu Rs. 3,010 crores; Madhya Pradesh Rs. 3,660 crores and Maharashtra Rs. 3,053 crores whereas in Karnataka, it is only Rs. 881 crores. Are we not contributing to the national income? We are producing more than 80 per cent of coffee. Is it not going to earn foreign exchange? Are we not producing 80 per cent of the silk? We are producing gold. Why Karnataka has been shabbily treated by the Central Government? I am not bothered about whether it is this Government or which party Government which is at the national level. My stay here may be a temporary one. I want to show how Karnataka has been treated very shabbily and this type of shabby treatment, this type of what is called the step-motherly treatment, we are going to resist at any cost. This is all what I want to say.

MR. CHAIRMAN: Please conclude.

SHRI H. D. DEVEGOWDA: I will now conclude in a minute. Sir,

the Gadgil formula has been modified. But I do not want to take the valuable time of the House unnecessarily. Even the Gadgil formula is changed. I know how these formulas are going to be changed, modified and to suit whom. It is changed for the sake of those people who are sitting in Delhi. And, if we have got political lobby, if we have got such a strength and lobby at the national level, we can also change the existing formula. I am going to give the figures to show how Karnataka has been affected. These figures are your own figures. The figures relate to the below poverty-line. The national average is 26.04. With regard to Karnataka, it is 30.201. The fact is that we have been categorised as one of the developed States. In the case of Karnataka it is 30.201. As far as Punjab is concerned, the figure is 11.01 which is treated as below poverty-line. I can only give this citation to show how Karnataka has been totally destroyed economically.

Sir, as far as the modified Gadgil formula is concerned, I want to tell how it is going to affect the State of Karnataka. The State of Karnataka has been the regular loser in the share of Central assistance given to the State. This phenomenon started after the Fifth Finance Commission's recommendation and it has been continuing since then. The share of Karnataka has come down to 4.82 per cent. The recommendation of the Seventh Finance Commission has further reduced the share to 4.38 per cent. Under the recommendation of the Eighth Finance Commission, it further declined to 3.8 per cent. On account of this, the total monetary loss by way of transfer of Central resources to the State is more than Rs. 300 crores. What sin have we committed? Yesterday, I went to the Well of the House and sat there. I am not going to worry about the consequence. You may even expel me from the House because of my misbehaviour. But I am not going to worry about it. I fought for my State. I fought my political career for thirty years only

for the sake of the community i.e. the farming community and the State's development. I had resigned thrice from the Cabinet. Thrice I resigned my Ministership. I resigned my Membership of the House once. Even if such a situation warranted to fight for the cause of my people and the State, I may do so. I am not going to bother whether there is only one Member or half-a-Member. That is not the issue. The real issue is how Karnataka has been affected.

Sir, there may be change of political scenario in the entire country. But as far as Karnataka is concerned, so far as the Parliament Elections are concerned, the people of Karnataka voted for the Congress. The people of Karnataka considered Pandit Jawaharlal Nehru, Shrimati Indira Gandhi and Shri Rajiv Gandhi as their Gods. In spite of that, why there is such a shabby treatment meted for the people of Karnataka? Is it due to political considerations? We have no close lobby here. In this whole set up, there is a total neglect of the State of Karnataka. We were unable to get one person included in the Union Public Service Commission which is the Body for the selection of Class-I service officers like the IAS and the IPS. Not one person is there in the Union Public Service Commission and in the University Grants Commission. I can go on citing several areas where the so-called Government of India has neglected the State of Karnataka. Days were over, days are numbered. Now, we are going to agitate on this issue. I am going to give a kind of warning at this stage. If sufficient and adequate industries are not going to be established and if justice is not going to be meted out by making sufficient provisions in the 1992-93 Budget and also in the Eighth Five Year Plan, I want to tell, through this House, that we are going to start a peaceful agitation throughout Karnataka and no Minister can come to Karnataka very easily. That is what we are going to do. Of course, there are other issues. I would request my sister Smt. Basavarajeshwari sitting here to join hands with me as

far as this issue is concerned. If you want to save the Government, you can vote for it. I have no objection. But the State's issue is not a party issue. So far as the issue of the State is concerned, we must unite. That is all I want to say now. There are various other issues. Unfortunately, I have no time.

With these words, I would like to conclude. I once again thank the hon. Speaker for having allotted me this much of time.

RAO RAM SINGH (Mahendergarh): Mr. Speaker, Sir, I rise in support of a very practical, progressive and pragmatic Budget presented by the Finance Minister. (*Interruptions*)

SHRI V. DHANANJAYA KUMAR (Mangalore): When a senior Member like Shri Ram Singh is speaking, the Finance Minister is not here.

MR. CHAIRMAN: Finance Minister is here.

(*Interruptions*)

MR. CHAIRMAN: Please do not waste the time of the House.

RAO RAM SINGH: I think, he deserves to be congratulated for undertaking a difficult job with courage and convictions even though we may not agree with all the measures that he has proposed. Of course, the capability, experience and expertise of the Finance Minister are well-known, but what came as a pleasant surprise was the boldness and the sense of humour that he displayed. One had hardly suspected him of harbouring these qualities! The boldness shown in the proposals along with the transparent attitude of total commitment and devotion to the well-being of the nation was indeed laudable. And the touches of humour that he imparted to an otherwise bone-dry subject, augurs well for the country. If we, as a nation, can learn to laugh a bit, especially at our ourselves, then the

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future will not be too dark for our children of the next generation.

The devaluation of the rupee, the additional levies both in direct and indirect taxes and excise duties will no doubt hit the poorer sections hard, but there were no soft options left any more. The crunch had to come sooner or later and better sooner than later.

As a layman, I must confess that I fail to grasp the intricacies of all the financial jargon used but I do feel that the Finance Minister could certainly have come down with a heavier hand on Government spending and Government red-tape. The fleets of Government cars and jeeps, the armies of stenographers, clerks, peons and class four servants could easily be reduced by at least 20 per cent, if not more. It has been estimated, I believe, that a cut of five per cent will lead to a saving of about Rs. 5000 crores annually. I cannot vouch for these figures. If this is the case, well, I think, only with this reduction, half the problem will appear to be solved.

The next point I wish to take up is the question of allocation for family planning or family welfare as it is known these days. All developmental gains in the health services, education, employment and other social services are promptly mopped up by the ever increasing population. Of all our miseries, I think, the greatest by far is caused by the country's failure on the population front. If we could just enforce even a three-child norm, most of the problems would solve themselves automatically. It is surprising that before Sanjay Gandhi, not one of the political leaders paid any serious attention to this problem. The Government leaders were, of course, busy in tackling the innumerable difficulties faced by India after independence. But not one of the opposition stalwarts showed any serious concern for this approaching catastrophe. The recent census has counted about 850

million heads and we are expected to overtake China some time in the beginning of the next century. With a population four times as large as America's our national product is roughly the same as one of the smallest countries in Europe. In my opinion the only answer lies in legislation. If we can be bold enough to enact a legislation, which need not be too harsh to begin with, I think a signal service will have been rendered to this country.

My next point concerns the Armed Forces. We have one of the finest Armies in the world—I should know that—because I have served for 25 years in that very Army. That also goes for the other two sister services—the Air Force and the Navy.

During my visits to a number of units, a feeling has been expressed that the morale of the Armed Forces is not quite as high as it should be. There are two or three main areas of dissatisfaction.

The first reason is very poor pay and allowances, compared to their civil counterparts especially in the teeth arms; the infantry; Armoured Corps and Artillery.

Secondly, very poor housing facilities. No family accommodation is allotted for the jawans for the best years of the soldiers' life. The soldiers spent the best part of their life in the Defence Services. They are recruited at the age of 18 years and they retire at the age of 35-36 years. He gives the best age of his life to the defence of the country and he has no opportunity whatsoever to spend that time with his wife and his children. Of course, that is one method of ensuring family planning also.

The third thing is the very early retirement age for the defence service personnel with practically no prospects of re-employment.

These are the points which are a cause of major dissatisfaction amongst

the Armed Forces and I think there should be no difficulty whatsoever in solving these problems but for the apathy of the bureaucrats. High powered committees have been formed in the past, voluminous reports are prepared and then these reports are left to gather dust on the bureaucratic shelves.

I have no doubt that our political leaders have all the sympathy and goodwill for the Armed Forces, but the system ties up everything in big ribbons of red tape, so that nothing ever moves.

Now that we have got a dynamic Defence Minister and a dynamic Finance Minister, one hopes, that the Armed Forces will get high priority and their problems will, at long last, be dealt with expeditiously.

We have been taking the Armed Forces for granted because of their discipline. They have no means like Trade Unions or associations for ventilating their grievances or for pressurising the decision-makers. It is, therefore, all the more imperative that their problems are tackled on a priority basis.

I also suggest that visits by Parliamentary delegations to the forward areas to visit the troops should be more frequent. I refer especially to the snow-bound areas and the high altitude areas. I can assure you that the troops look forward to such visits. When I was commanding the high altitude Warfare School in Gulmarg, in the middle of the winter there was approximately 25 feet of snowfall all around and I was informed that a Parliamentary delegation was going to visit us. I can tell you that all my men, all the officers were so happy about it that at least some of our Parliamentarians or rulers had taken the trouble of visiting Gulmarg when there was 25 feet of snowfall. They came up, snow was falling and one gentleman was really shivering and the cold was down his bones. I offered them a cup of tea. To this particular

gentleman I said, if he does not mind I will put some medicine in it and I took the cup inside and put a drop of brandy in it and gave it to him. He recovered and said, Colonel the razor sharp of the medicine had done the trick. That is why no extra duty has been put on brandy I think!

Apart from visits by Parliamentary delegations, I would also request the Defence Minister to organise visits by cultural troops and film artists for entertainment of the troops. I think this is a subject which we totally neglect. Those poor chaps are stuck up on top of hills 18000 or 20000 feet high and life is very boring to them. I think we owe them this much that we should organise more frequent trips by artists for the entertainment of the troops.

I have served in the Army when the British were here. In the jungles of Burma entertainment troops used to come all the way from England and America and entertain the troops there, live with them and see their difficulties and study their difficulties. That is the sort of thing that keeps the morale of those boys high. Again I say that we should not take the armed forces for granted too long because trouble does not take long time to break.

I remember, one of our hon. Members Shri Sunil Dutt and his gracious wife Shrimati Nargis Dutt used to organise such visits. I cannot tell you how greatly appreciated these visits were by the troops in the forward areas.

There is one more point I would like to mention regarding the armed forces. In this I think our friends of the Fourth Estate can do a lot of help. There is a general tendency to accuse the army on false charges of terrorising the local population and indulging in rape and other atrocities. I can say from personal knowledge that our army is the most disciplined army in the world and it is unthinkable that a soldier or an officer of

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the Indian Army can ever indulge in such despicable activities. I would therefore request the Press that instead of rushing out to publish such stories demoralising our army and accusing them on false charges, let the reporter go there, personally check the story that they publish.

Recently a story was published about Kashmir, about the troops indulging in a mass rape. I can tell you that it was entirely false. Our troops can never dare to engage in such activities. There is a question of sensationalisation. I think this sensationalisation is the thing that makes the Press publish such stories instead of going there, checking, re-checking and cross-checking the story. Of course if there is any truth in a matter like this, I am sure the Army will take the strictest action against such people.

The other point I have is regarding Ex-servicemen and that is the question of 'One Rank One Pension', which is agitating the minds of lakhs of our Ex-servicemen. Before the last Elections, in 1989, Shri V P Singh made a commitment and a promise that he will give 'One Rank One Pension'. But, in this election, I was surprised that all the Ex-servicemen have voted against me. When I asked them as to what happened, they said.

[Translation]

"Mr. V. P. Singh will give one rank one pension. As such we will cast our vote in his favour".

[English]

After that nothing was done. This time, the Congress party in its election manifesto has put down that an innovative solution will be found to the 'One Rank One Pension' problem. I think there can be no innovation about it. These people have served this country and there, if one person who retired as *subedar* gets Rs. 200 and if another person who retires

today as *subedar* gets Rs. 1000 what is the position? Is there any justification for such an injustice? So, I would request the Finance Minister to go into this problem. I know the financial situation as to what it is; but it is a diminishing problem, because these Ex-servicemen will die out in ten years' time. The problem is only of a diminishing nature. I know that Shri Rajiv Gandhi and before him, Shrimati Indira Gandhi were ready to grant it. But the bureaucrats in the Finance Ministry and the Defence Ministry will not let the politician take a decision. I think major decisions in this country—it is our misfortune—are being taken by the bureaucrats and not by the political heads. I will therefore request the Finance Minister to go into this question.

I will just take a couple of minutes more. Sir, you authorised the Opposition to speak for one hour and twenty minutes whereas you are checking me after every five minutes.

MR. CHAIRMAN: The Congress party has 52 Members to speak.

SHRI RAO RAM SINGH: I will not stress too much on the point of fertilizer subsidy being withdrawn. This is a matter which I would humbly request the Finance Minister to look into it. Although I am sure that he would have examined every aspect of it, at least I cannot enter my villages even to thank my electorates unless something is done about this subsidy.

I also want to make a point about the public sector undertakings, although I am no expert in this matter. Some friends from the other side said that if some shares are sold in the private sector, then the roof will collapse on the Lok Sabha and the sky will also fall down along with it. I think the public sector undertakings are like white elephants. The job of public sector undertakings is this. When some high-technology production is going to be done which cannot

be undertaken by the private sector, then the Government should step in and a public sector corporation should be formed to popularise that and get the thing going. But as soon as a market is created and sufficient know-how is created for the manufacture, then the public sector undertaking must step down and throw it open to the private sector, so that some competitiveness will be there. But at present what do we find? Government Match Factory, Public Sector making matches, Government Bread Factory, Government Leather Factory, etc. are there. If Indians cannot make bread in this country and if the Government should go and manufacture bread, then I think we are in a sorry state of affairs. In this case, we have to do something. What happens there? When army of officers with their perks and allowances are appointed, then they have two stenographers, three PAs, four Class IV servants, *chaprasis* working at his house, a house, telephones, two cars, etc. When half of the budget for that, is exhausted, then he will think of starting that factory for making bread. So, sooner we do away with these white elephants, the better it is for the country.

15.00 hrs.

I think even the Soviet Union does it. I am surprised how our Leftist friends advocate this thing, when in the Eastern Europe, the whole thing got scrapped. I think we are being more Marxists and being more loyal than the King himself.

I think I am within my time. I thank you for giving me an opportunity to speak on the subject.

SHRI MURLI DEORA (Bombay South): Sir, I rise to welcome the Budget presented by Dr. Manmohan Singh. This is the first time that a sincere attempt has been made by the Government of India to convert an economic crisis into an historic opportunity for the betterment of our people. During the speech on Dr. Manmohan Singh's Budget and also

during the discussion on President's Address, every Member of this august House spoke not on the Budget and the Address but on the effect which IMF and World Bank will have on our country. I just do not understand why some of our friends here, the Leftists and even sometimes BJP, are suffering from this inferiority complex that the World Bank or the IMF loan will totally destabilise our country. Yesterday, Shri Indrajit Gupta said that these loans will jeopardise our economic sovereignty and political independence. Day before yesterday, my friend from the BJP, the professor from Bangalore—not Shri Jaswant Singh, I do not remember his name—said that the Government has sold our sovereignty and even the soul to the World Bank and the IMF. I want to remove this myth. At present, we have a total of 72 billion dollars as foreign debt and out of this 72 billion dollars, nearly 42 billion dollars is from the IMF and the World Bank. For the last 40 years, we are the largest recipient of the World Bank loan in the world except for one year. China was higher than us when they just entered the World Bank. And just after the Tianamen Square firing, China's quota was also reduced. So, for the last 40 years, India has been receiving the highest amount of soft and hard loans from the IMF and the World Bank. How had they destabilised us? What problems have they created for us? The other day, Shri Indrajit Gupta was saying, when the Finance Minister gave the example of USSR, that we need not keep on giving the example of USSR. I do not want to quote what President Gorbachev had said.

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): You speak about the problem in which we are today.

SHRI SRIKANTA JENA (Cuttack): We want the break-up for the last 40 years. (*Interruptions*)

SHRI MURLI DEORA: Then whose examples should we follow?

[Sh. Murli Deora]

He also said that we do not want to follow the examples of South Korea, Singapore, Taiwan and Hong Kong. If so, should we follow the example of Cuba? Whom should we follow? You must learn from the mistakes of other nations. If you go to the flying club—Shri Nirmal Kanti Chatterjee, I am reminding you and Finance Minister must also be knowing it—you may find that they learn from others' mistakes, as you will not be there to repeat it. If one mistake, you are crashed. And our Leftist friends do not want to learn from others' mistakes. They want to commit the same mistakes again and again. I recognise Mrs. Mukherjee sitting here. Communism is no more practised anywhere in the world. The Russians and the Chinese have given it up the Leftist friends want to practise it in India. But I must congratulate them. They have totally discarded it in West Bengal. I must tell you that those big industrialists and multinational groups from Bombay feel satisfied when they meet Shri Jyoti Basu in Calcutta. I must congratulate him because there is a total liberalisation of economic policies in West Bengal. But what is wrong if we want to have it in the whole of India? Why do you want to implement those policies only in West Bengal? Don't you think that India is your country? Why do you want to confine these liberalisation to West Bengal only?

SHRIMATI GEETA MUKHERJEE (Panskura): You want to confine it to Bombay only!

SHRI MURLI DEORA: Next week, you have to come to Bombay. Please be careful.

SHRIMATI GEETA MUKHERJEE: I am a free citizen of this country.

SHRI MURLI DEORA: So many things have been said. It is said that going to IMF and the World Bank is a total sell-out. Yesterday, I was

listening to the speech of Shri Indrajit Gupta. I congratulate Dr. Manmohan Singh who has taken a lid off the N. F. Government. It has been stated in the *Economic Survey* that two loans were taken from the IMF in 1990 and 1991. A loan of Rs. 1173 crores was taken in September 1990 by the Government of Shri V. P. Singh. Another loan of Rs. 3334 crores was taken by Shri Chandrashekar's Government in January 1991. And our Communist friends were supporting the National Front Government. It is really a very sad state of affairs that when the former Prime Minister of India, Shri Chandra Shekhar was speaking on the Presidential Address...

AN HON. MEMBER: But you supported him!

SHRI MURLI DEORA: We supported him and it was a mistake. We regret it and please do not keep on reminding us about that mistake again and again.

While speaking on the Presidential Address, Shri Chandra Shekhar had a paper in his hands and he was talking about the conditionalities of the World Bank. I would request the hon. Finance Minister one thing. Whatever be the conditionalities of the IMF, there is nothing wrong in making them public. We must allow them to be placed before the House. If my Leftist friends or anybody else, have some reservations about the IMF loan, a meeting can be arranged between them and the World Bank team which is visiting India next week. The Finance Minister should arrange a dialogue between the I.M.F. team and leaders of the left groups.

Sir, I do not want to repeat what happened in the G-7 Meeting. When Mr. Gorbachev attended the G-7 Meeting, forget about getting the loan, he was advised certain remedies. Yadavji, for your kind information, those remedies include unprecedented special association with the IMF and

the World Bank which will provide the Soviets access to expert advice! They are seeking their advice and guidelines. And you talk of conditionalities. They are seeking advice and guidelines on creating a convertible currency and market oriented economy and not merely access to loans. This is what the Russians are now seeking from the IMF and the World Bank. What are we doing? We are simply crying 'wolf' time and again. We say that the IMF will take us over. For 20 years, the loans which we received from the IMF are the highest than the loans taken by any other country of the world.

SHRI SRIKANTA JENA: During Shri Rajiv Gandhi's time also?

SHRI MURLI DEORA: Unfortunately, Shri Rajiv Gandhi was not the Prime Minister for 20 years. Shri Chandra Shekhar has stated that the World Bank is interested in representing the interests of the Americans only. Where are the international forums? Shri Yadav was a Minister of Steel in the Government of India. Where had we followed the American advice? On the other hand, many times we had fought with them. Where and when had they come in our way in getting the IMF loan? I want to tell the Government that the time has come to defend the World Bank. If they have come to our rescue, there is nothing wrong in it. If some of the measures suggested by them are good for our economy, we must accept them. If they are not good for us, we must reject them.

SHRI SRIKANTA JENA: But what are the conditionalities? The Finance Minister has not revealed them. Why don't you enlighten us?

MR. CHAIRMAN: You are in the habit of disturbing every speaker. Please let him speak.

SHRI MURLI DEORA: Let me tell you. The World Bank always advocates to reduce corporate tax.

On the other hand, the Finance Minister has increased the corporate tax. Is this following the IMF advice? The IMF always wants to reduce the food subsidy. The Finance Minister has increased the subsidy on food. It is said that the expenditure on anti-poverty programmes of the Government of India must be curtailed and reduced. But the Finance Minister has increased it.

AN HON. MEMBER: What about the cut in the fertilizers' subsidy?

SHRI MURLI DEORA: I am coming to that. It is Rs. 400 crores and not 40 per cent.

What I am trying to say is this. There are several measures which are suggested by the World Bank. The Finance Minister has implemented those suggestions which are good for us and he has not implemented those which are not good. Measures which were not good the Finance Minister has not implemented them. The one which have already been implemented, if the Minister considers that they are not good for our economy and for our farmers, they will not be implemented. We don't have to borrow from the World Bank.

I don't want to quote articles from Papers. One Economist, Shri Swaminathan Iyer has written in the Times of India, Editorial that "The Finance Minister has given a lesson to the World Bank rather than learning something from it." Every country has got its own problems and every country has its own solutions. India has a very specific problem and I am very glad that the Finance Minister has taken only the advice which is good for the country and has not taken the advice which is not good for the country.

Shri Indrajit Gupta in his speech has said and I would like to read it for the benefit of the Finance Minister because he was not there at that time.

[Sh. Murli Deora]

He said that out of World Bank loan nearly 12.5 Billion U.S. Dollars are still lying unutilised. We are still paying 30 million dollars as commitment charges to the World Bank and other institutions. I don't know why such delay is there.

I would like to draw the attention of the House to the fact that when I was the Mayor of Bombay, we were getting the World Bank loan for Bombay Water Supply Project. At that time our Communist friends in the Bombay Municipal Corporation used to say that if we take the World Bank loan then they will take away the Bombay city itself. It is 14 years now. Shri Chandra Jeet Yadav was the Steel Minister at that time, and he came to Bombay in connection with this project. That project was completed. Had we not taken the loan...

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): They took for Calcutta also.

SHRI MURLI DEORA: Yes, what happened to Calcutta Metro? (*Interruptions*). You are ready to take the loan for Calcutta but you don't want to take it for India as a whole. (*Interruptions*) I would request the Finance Minister to cut these delays in disbursement of the loans. It takes nearly 5 to 6 years in the actual disbursement of the money; first you have to identify the project; to get it approved and then surveys are to be conducted. That is why these twelve-and-a-half billion dollars are lying unutilised.

The Leftist and other friends have said so much about the newly announced Industrial Policy of our country. I don't want to quote Shri J.R.D. Tata because it would not suit you today. I would like to give one example.

I remember some 10 years back, in 1980 Cement was in the market

and the market price of cement was Rs. 60-62 per bag. The official price of cement was Rs. 16. At that time Mr. Yadav used to come to Bombay and he knows as to what was happening to cement in Bombay. The total production of cement was 21 million tonnes. Nobody was allowed to manufacture cement. The manufacture of one million tonne of cement was costing Rs. 130 crores. Mrs. Indira Gandhi delicensed the manufacture of cement and all the big houses, multi-nationals; they were allowed...

SHRI NIRMAL KANTI CHATTERJEE: Handed over to them.

SHRI MURLI DEORA: Yes, handed over to them. You can say anything you want. They were allowed to manufacture the cement. Today, what is happening? In 9 years we manufactured 47 million tonnes of cement. Today, whatever is the market price, the same is the official price and the real price goes in the kitty of the company.

SHRI SRIKANTA JENA: Why the official prices are so high? (*Interruptions*).

[*Translation*]

SHRI MURLI DEORA: I am replying to it, please listen to what I am saying. Earlier also the official price was more than the control price. As such the cement dealers showed the price as Rs. 16 in their records and sold them at the rate of Rs. 60 in the market. I am not aware of the people who are helping the big industrialists. This is what I am saying (*Interruptions*).

[*English*]

Big industrialists are making more money by shortages rather than by more production. I will come to IFFCO and Tatas and I will prove it.

The Government liberalised, the government delicensed, and removed

the price control on cement in nine years. Today, we produce double the quantity of cement in our country. We have two-three million tonnes of surplus cement. We are exporting it. If it was not 47 million tonnes today, the price would have been more than Rs. 300 a bag. Please believe me.

We are facing massive resource crunch. We were getting Rs. 169 crores as excise duty, Mr. Finance Minister. Today, the Government is getting Rs. 1085 crores—six times the revenue. This is the effect of liberalisation, delicensing. You produce double the quantity of cement, you collect six times the revenue in nine years; and there is no shortage. Instead of importing cement, they are exporting it. This is what is happening to steel; this is what is happening to several other products. I would request you all to go through the new industrial policy properly and some of the measures which have been taken. If I tell you the truth, I am not satisfied with some of the measures that have been taken; there are still more measures to be taken.

The five major aspects of the new industrial policy are:

(1) Scrape the industrial licence. Why do we not allow the people to manufacture cement here? The Indian entrepreneurs and industrialists are spending more time in Delhi meeting politicians and bureaucrats rather than spending time in their factories and offices. This will totally dismantle the plethora of the control and regulation which this country has been following for 34 years.

Why has the Finance Minister written in the licensing list pharmaceuticals and drugs, etc.? I do not see any reason for that. Today, there was a question in the Parliament with regard to IDPL. It was mentioned there that it is one of the chronically sick public sector units. I do not know why the Finance Minister has included it in the list which is reserved exclusively for the public sector?

It should not be here. There is no reason for that. It should be deleted. That is my intention.

(2) The total foreign debt of our country, as I said earlier, is nearly 72 billion dollars. Do you know what is the total investment in our country? It is less than 1.7 billion dollars. The yearly investment 145 million dollars. I am talking about the investment in equity. This is the real investment. This is the lowest. The annual investment of the countries like Thailand, Indonesia, Bangkok and South Korea is more than our twenty years' total investment. Every country in the world is trying its best to attract more and more foreign investment; and we have stopped that. I congratulate the Foreign Minister for raising it from 40 per cent to 51 per cent. According to me, it should have been more than 51 per cent. What can they do to us? Have you seen any company which has 90 per cent share-holding? I remember Siemens, Colgate, etc. There are so many industries, I remember, in Bombay. They gave 95 to 100 per cent holding. What have they been able to do to us?

There are several other controls which are available with us in the Government both in the States and at the Centre. They cannot destabilise our country; they cannot do anything. So, the Government must allow more foreign investment, not 51 per cent; even more than 51 per cent. There are several companies which already had more than 51 per cent share-holding in India today before the new industrial policy was announced. What have they been able to do to us? Nothing. Today, if they invest ten per cent more, you will get more money.

SHRI NIRMAL KANTI CHATTERJEE: They could not do anything because of the control; otherwise, they could have done.

SHRI MURLI DEORA: They will produce more. When a company

[Sh. Murli Deora]

has foreign investment in equity, they will look after the well-being of the company. The foreign market will be opened. New technology will come. If the money is given by loans they are not interested in it. They will only get it back with interest.

The third point in the new Industrial Policy is that technical agreements have been streamlined. It was high time that this was done. The Government should be congratulated for that.

The fourth point is about the working of the public sector undertakings. I really do not feel like congratulating the Finance Minister because he reduced the limit and said that only 20 per cent could be divested in the Government owned mutual Bonds. That is not fair. He has really not done well. He has only lowered the limit. He converted the investment capital from the public sector undertakings to the Government Mutual Fund. If he had sold that 20 per cent to UTI, GIC, LIC, ICCI, IDBI it would not have been really a disinvestment. The real investment in public sector undertaking will come when the share is not given to Tatas, Birlas and Singhanias and Ambanis. That should go to the small scale shareholders.

What is the public sector in India? The biggest private company in India is the TISCO, Tata Iron and Steel Company. What is the share of the Tatas in it? It is only three per cent. The rest of the holding is of the financial institutions. Whatever you want, you cannot remove anybody's share in that. But we are still sure that TISCO and Tata are working better than the steel plants and even ISCO which was taken over.

SHRI NIRMAL KANTI CHATTERJEE: And it is they who control LIC, GIC, etc.

SHRI MURLI DEORA: All right, you are right. So, my suggestion to the hon. Finance Minister is that, of the 20 per cent investment into the public sector, or Government-owned mutual fund, at least 10 per cent should be given to small shareholders, with some maximum shareholding limit. It can be ten per cent or of less. Make it as small as you want. But at least ten per cent may be given. There are one million people investing in ONGC. They may not know what they are earning. In MTNL also people are investing. They should know where their money is. Also, you may keep a check on productivity and the working of these organisations. There is nothing wrong in that. The real public sector will be there when at least 10 per cent of the total equity is divested to the public at large, by a small quantity share holders.

SHRI NIRMAL KANTI CHATTERJEE: The one hundred per cent participation in the management also should be there.

SHRI MURLI DEORA: No, not necessarily. Management has nothing to do with it. I am against that.

My fifth point is about MRTP. The Hon. Finance Minister has scrapped the limits of MRTP. It was Rs. 100 crores some years back. It is not even 22 to 23 per cent now. There is no reason to limit the manufacturing activities like, cement, pharmaceuticals, steel and other items. It is good that the Government has totally scrapped the MRTP limits in the new Industrial Policy. I am sure that the new Industrial Policy which has been presented to the people of India and Parliament will be implemented quickly. I hope that it will not like Shri Ajit Singh's Industrial Policy about which we heard so much in the Press, but which was never implemented. It was only a speech in Parliament. Even Joint Secretary in the Government knew it. Whatever the Government is publicising or whatever the Government has announced should be actually,

implemented through an Act, or legislation or law urgently.

My next point is about employment. The labour force growth in our country is 110 million, during the 20 years from 1980 to 2000, against only 69 million in the previous decades, that is, from 1960 to 1980. The private sector employment growth is practically stagnant now, almost zero.

SHRI INDRAJIT GUPTA (Midnapore): No; it is going down.

SHRI MURLI DEORA: What I read in the Economic Survey is that it is zero. It may be minus. But, Shri Indrajit Gupta, you wait for two years. Let us give a chance to this new Industrial Policy. If it succeeds there will be a massive growth of employment. There will be massive growth of employment in the private sector.

With modernisation of agriculture the picture is changing. Our major labour force was involved all along in agriculture. If we see the developed countries the service sector accounts for nearly 70 to 72 per cent of the total employment. We are here seeing that the service sector provides only 20 to 22 per cent of total employment. Service sector is the informal industries like carpenters, masons, plumbers, electricians and retail traders. I would request the hon. Finance Minister to give more thrust, more chances, more encouragement to this sector.

One major sector is the housing sector. I am sorry to say that the hon. Finance Minister has just not touched that sector. In the massive liberalisation which the people were expecting, nothing has come on housing. 16 per cent of the total employment in the organised sector today is in housing. One lakh rupee investment in the construction activity generates 1,300 mandays of unskilled and 1300 mandays of skilled worker. The real problem which is coming in the way of construction activity espe-

cially in the urban areas is the Act called ULC. You dedicated your speech to Shri Rajiv Gandhi. In 1987 when Shri Rajiv Gandhi presented the Budget he said that the Government or the people of India had failed to achieve what they wanted to achieve through ULC. He just wanted to scrap it. I am not saying that you scrap it but at least you amend it in a way that the land which is lying in Bombay, Calcutta, Madras, Delhi can be used. Today the prices of apartments have gone up so much that there is a backlog of 30 million dwelling units in rural and urban India today.

What are you doing for housing? There is a section 80 HC which was giving some incentives to those who own their houses. That needs to be amended and more incentives have to be given and more benefits have to be given. Only then you will be able to achieve something on this score.

I want the hon. Finance Minister to say something as to what the Government wants to do on ULC. This is one area where we can generate massive employment and massive housing. So this is very very important.

One-fourth of the total population in our country today live in urban areas. There was a time when people used to say that India is a country of rural people. By the end of the century one out of three persons will be living in urban areas. Today there are 12 cities which has a population of more than one million. In the last 45 years the Government has set up only one programme—Self-Employment for Urban Poor. Unfortunately, this programme is implemented in such a faulty way that those who are the beneficiaries in Bombay, Calcutta and Madras are not able to use it. I would request the hon. Finance Minister to please do something to streamline the working of Self-Employment for Urban Poor Programme so that the real beneficiaries can take advantage of that.

[Sh. Murli Deora]

The exim policy which virtually abolishes CCS is welcome. But there are two or three things to which I would like to draw the attention of the Finance Minister. The exim scripts which you have just announced, should now be given through the banks themselves rather than being given through the JCCI&E. If our exporters really want help, they want help in reducing their documentation, in getting out of this plethora of regulations. If that is done, then the exports can really rise.

When you export, the letter of credit comes through the bank. When the bank gives the letter of credit, the foreign exchange is credited to your account like the NDR Scheme. There was a National Defence Remittance Scheme some years ago. Whosoever was getting foreign exchange, the licence was given to him.

These things should be done through the bank itself eliminating three or four months delay in the process. Garments and diamonds are the two industries which are the highest export earning industries. They do not have any incentive now. But they are crying that the policy of pre-export inspection should really be revised so that diamonds and garments are exported properly. If they get a letter of credit from their foreign buyer and if their foreign buyer is happy with their product, why should the Government nominee delay this? This will give again massive employment... (*Interruptions*).

I would like to say one line about the rate of interest. The rate of interest should be high enough to attract saving, but it should not be so high to discourage investment itself. I would request the hon. Finance Minister to see that the rate of interest is lowest especially in the manufacturing activities... (*Interruptions*). You have stated about the investment allowance which was there in the books. I am in agreement with that. I would request the hon. Finance Minister to give some special protection, on investment allowance, to the companies

which manufacture indigenous capital goods and equipments in India, so the investment allowance should be different for those who are importing the capital equipments and those who are manufacturing here. The investment allowance should be more for the indigenously manufactured capital goods.

And now about the EXIL Policy. You have stated on Page 6 that all the units including public and private sector—what Mr. Indrajit Gupta said yesterday—will be looked after by B.I.F.R. I am of the opinion that even if the Department is allowed to be closed, has become redundant about the New Industrial Policy, the persons who are working in that Department must be absorbed by the other Department and before the workers are taken care of in other unit that Department must not be allowed to close down. There is nothing like saying a unit has become sick. Six years back what was happened to Bombay Textile Mills. In 1983, Shrimati Indira Gandhi came to Bombay and 11 mills were nationalised. Nobody was ready to take the mills back. Today the same people are ready to take their mills back. What was not profitable six years back is very profitable today. So, you cannot say all the units which are sick today will be permanently sick. I support my friends here who have said earlier that the Government must not allow this EXIL Policy to be implemented. I would like to draw the attention of the hon. Finance Minister that some of your banks' Chairman in Bombay city are making statements everyday supporting the EXIL Policy. It is not the Government's Policy. They have no right to say this. You please have a check on that. Even yesterday in the Economic Times and Financial Express one Bank Chairman has said "There is nothing like a permanent sick industry. The industry be given loans at concessional rate of interest." Textile mills are the maximum profit making industries in India today. Six years back nobody thought that. So,

if the Government Policies are correctly done we can revive them and it is the responsibility of the Government to see that people are not out of job. ...*(Interruptions)*.

In Bombay there are financing institutions like LIC, GIC and banks. I would like to draw the attention of the hon. Finance Minister that there is an Act called Public Premises Eviction Act. This Act was passed in the Parliament in 1971. Shri Naik you also went to the meeting. This Act was for evicting MPs and bureaucrats when their term was over. In Bombay and Calcutta what are they doing? LIC, GIC and banks they are all serving notices to those poor tenants both at official and residential premises, some of whom are living in one-room apartment for the last thirty five years. But, now, they are being given eviction notices. LIC has given, Dena Bank has given and Bank of Maharashtra has given. There was a very big public meeting on that. I want to request the hon. Finance Minister to please direct these institutions not to serve the eviction orders to these people. Amend the 1971 Public Premises (Eviction) Act. The purpose of that Act, as Mr. Gujral, the then Housing Minister said in this House, is not for the legalised tenants in Bombay, Calcutta and Madras, but it is only for the unauthorised MPs. or the bureaucrats whose term of office has expired.

With these words, I support the Budget.

[Translation]

SHRI KARIYA MUNDA (Khunti): Mr. Chairman, Sir. I rise to oppose the Budget. The funds that were to be allotted for Tribal Sub-Plan do not figure in the Budget. I would like to submit that during 1990-91 an amount of Rs. 64716.80 was earmarked for a big tribal area of the country but it is missing in 1991-92. It appears as if the Government is against the tribal areas. It has been mentioned therein that the funds to be allocated on this head have not yet been finalised. It is now August and it is strange that

till date no allocation for an area with a huge population has been made in the Budget. As such I am opposing it. Perhaps he is not aware of number of people coming under Tribal Sub-Plan and the vast area it covers. Besides, this area does not consist of tribal population only. Along with the tribal people other people of the society also live there. The Government has formulated a rule that special schemes will be implemented for the special development of the tribal majority area.

Mr. Chairman, Sir, if you go through the figures from the year 1986 to 1990 you will come to know that billions of rupees have been shown to have been spent on this head but no development worth the name has been done in the area. There is nothing ambiguous above it. It has been shown that upto 1990-91 a total of Rs. 10765 crore has been spent on the Tribal Sub-Plan in the country. Mr. Chairman, Sir, I hail from that tribal area which is the most backward area of Bihar. In terms of development it is the most backward area, but perhaps the centre is not fully informed about it. There is no doubt that there are many major industries, large mines and scores of other things in Bihar but if you go around the rural area you will find that in terms of development it looks totally deserted.

Mr. Chairman, Sir, the Minister of Finance should know that it is a educationally backward area. He must feel concerned that though funds have been provided by the centre for its development for last forty years yet there are no school buildings in the area and the children are studying under shade of trees.

AN HON. MEMBER: The number of children is high. The population is increasing. Even the Chief Minister of Bihar has nine children—how will they study?

SHRI KARIYA MUNDA: We are taking of the Tribal Sub-Plan and not the population. If you study geography you will come to know about it.

[Sh. Kariya Munda]

Mr. Chairman, Sir, I wanted to point out that forty years have elapsed but the children are still studying under trees. It is because the Central Government provides meagre funds. It is not known as to where this fund is spent. If there are schools, there are no teachers and if there are teachers there are no students. There is no college and many other things. Roads are to be constructed for the development of villages and today there are no roads there. There are a number of blocks where Block Development Officer are not able to pay a visit for six months at a stretch. In case of an epidemic or famine taking place during the rainy season in the area people living there have no other option but to die. No truck or bus can reach the area. There is no railway facility also. As such roads should be constructed for their social development. The plight of the area coming under the Tribal Sub-Plan is very deplorable. While making a statement on power he has said that power is being supplied everywhere. If you go to the Tribal Sub-Plans area you will find that electricity poles have been erected and electric wires have also been connected for the last four to five years but there is no electricity. This is the development that they have carried out. For the last four years poles have been erected in the name of electrification of the area and the Government also declared that the area has been fully electrified, but electricity has not been supplied to places till date where electric wires were connected three years ago. This is the Tribal Sub-Plan area and there are many such places where electric wire connections have not been given for last three to four years. Many people hold the view that our Government does not have adequate funds. This is the best way to deceive the tribals of that area under Tribal Sub-Plan. The Government could have provided funds from Delhi. It should have been the duty of the Government to evaluate the expenditure every 2-3 years was there proper utilisation of funds? If not, why it has been so and if so, where and how it

has been utilised and how far the public of that area has benefited from the schemes? Hospitals are there at both the places, but there are no doctors, no medicines, no compounders. This is happening in the area of tribal sub plan. The Government is sending funds from Delhi quarters are constructed, sign boards for the hospitals have been put up, but there are no doctors or nurses. You will be surprised to know that X-Ray machines are not available in several hospitals. They are not available, because there are no technicians to operate them. Several schemes were started in the name of Tribal sub plan. Such schemes, which have been implemented in the entire country, are only to deceive the tribals of those areas.

Schemes like Jawahar Rozgar Yojna, N.R.E.P. and I.C.D.P are being implemented in the Tribal Sub-Plan area for the welfare of tribals, under the Jawahar Rozgar Yojna, the development of the village should have been taken place, but the Mukhiya and the B.D.O. are showing an inflated expenditure of Rs. 1 lakh, instead of an expenditure of Rs. 20 thousand to Rs. 30 thousand only. Earlier, these Mukhiyas used bicycles or walked on foot, but now they are driving scooters. The villagers should get the funds meant for them. But these funds, which are being sent from Delhi for the development of villages, are being misused. No investigation is being made in this regard and no attention is being paid to it.

The central scheme of Integrated child Development Programme is also going on in that area. The children should be given well-balanced diet for their proper growth. Mr. Chairman, Sir, there is maximum bungling in this department. Let there be welfare, no matter if it is the welfare of the village or the welfare of the Development officer. But it is the welfare.

AN HON. MEMBER: There is one Kalyan Singh (*Interruptions*)

SHRI KARIYA MUNDA: He is Mulayam Singh. (*Interruptions*)

Mr. Chairman, Sir, under this scheme, facilities like nutritious diet for the children are provided after a gap of 3 months and 6 months and the officials assigned with this job, know nothing about it. They have no funds to provide these facilities. As a result, the entire funds are diverted instead of reaching the people for whom those funds are meant. People are deprived of the benefits of the schemes. In this way, this department has become a den of corruption. The entire funds meant for tribal development are going waste. May be the government is not aware of this. Now the situation is that the saplings are distributed in the month of August and some of them will be planted on the 15th of August. It is not known whether the Forest Department is aware of the fact that the saplings planted in the month of August have very low growth and fade away by September. Every sapling will fade away. All the saplings already planted or are being planted will also fade away. And then it would be said that the land is barren. Moreover, the forests there have already withered away. Afforestation should be undertaken there. The saplings that cannot grow there, should not be planted. The Government should take immediate steps to plant only such saplings as may grow there and clean the environment for the development of tribal areas. If they go through the figures of the last three years, and get an enquiry conducted, they will find that all the saplings planted there have faded away.

By citing an example, I would like to make it clear that under the Tribal Sub-plan, the government spends hundreds of crores of rupees every year for development of tribals and tribal areas in the entire country. It also provides special facilities. There is a separate scheme in this regard. It is not known how many politicians are involved in them or the bureaucracy there is either not efficient or experienced or may be they do not want the development of the tribal areas and to provide facilities to the tribals. Perhaps, they

think that so long as these tribals are in this condition, it will be easier for them to keep them in slave-like conditions. It may also be possible that some politicians and bureaucrats think that they will not be able to pocket the government funds, which are provided for the development of that big area, in case the tribals there became educated. Therefore, both of them find out ways to continue to get funds from the centre, but deprived the tribals of the benefits. They also think that there should be no development of the tribals and they should remain illiterate and hungry so that they can utilise their services as bonded labourers at their sweet will.

Although I may speak on many points but the topic I have chosen is small as other hon. Members have spoken a lot on other topics, such as, the foreign policy of the country, fertilizer and industrial policy. I was elected to Lok Sabha last time also and I heard speeches by all but I am sorry to say that none of them even uttered a word about tribal development. And this time too I have been listening to the speeches continuously but none of the hon. Members has touched this topic in his speech. The Government spends hundred of crores of rupees every year for the tribal development, but it is not even discussed in Parliament nor has it been mentioned in the Budget. Although an allocation of Rs. 100 crore has been made in the Budget for the Rajiv Foundation Trust, but the head under which hundred crores of rupees are spent is mentioned neither in the Budget nor anywhere else. It has not been mentioned anywhere that an amount of rupees such and such crore is going to be spent during the year 1991-92. Therefore, I am sorry to oppose this Budget. Other hon. Members have said a lot on the national policy and other policies. I would like to give two-three suggestions in this regard.

Once during the period of Janta Dal Government, a meeting of the

[Sh. Kariya Munda]

Committees had taken place. (*Inter-ruptions*) Yes, you have not specifically mentioned anything. When the National Front was in power, a meeting had taken place with the Planning Commission. At that time also, I had suggested that a separate scheme should be worked out for the expenditure under Tribal Sub-Plan. I had a reason to suggest it.

Bihar is in a very peculiar situation. Every year funds are provided to the State under the tribal Sub-plan. On the other hand, the North Bihar in the north of the Ganga and South Bihar in the south of the Ganga either face drought situation if does not rain and if it rains, there is flood situation. But the funds provided under the Tribal Sub-Plan are diverted to other fields. Therefore, some of the people die there due to drought and some due to floods. I would request that the funds provided by the Government for development of this area, should be spent in this area only. In no case the funds should be diverted to any other area. The officers, who are posted to execute the schemes under the Tribal Sub-Plan, whether they are I.A.S., or B.D.O. they should be asked to make two-three commitments before hand. The officer should be aware of the social structure, culture and common behaviour of the people of that area, otherwise, there will be no use of these programmes as the villagers will not come in contact with them. They have no knowledge about these schemes started by the Government and therefore, there are no results. This can only be achieved through sincere service. That is why, no development is taking place in this area and the funds spent on the development programmes are going waste. Therefore, I would request that such officers should be sent there who are sincere and are aware of the cultural activities and the common behaviour of the people there.

Mr. Chairman, Sir, secondly, I would like to submit that there should be

an annual appraisal of the lands spent for development in this area in order to ascertain whether the project for which funds had been sent from the Centre has been completed and whether the tribals for whom the project was made have had any benefit from it? Because so long as the funds continue to be sent from the centre and spent there, there would be no use of it unless the tribals have the benefits. Besides this, I would like to submit that in this Budget the Government has withdrawn the subsidy on fertilizers, which is very distressing. The areas covered under the tribal Sub Plan are not only in Bihar, but are in Madhya Pradesh, Rajasthan, Maharashtra, Orissa and Himachal Pradesh also. These areas are not dominated by rich farmers, but these are dominated by small farmers. Till now they used to use fertilizers for their cultivation, as the fertilizers were sold on subsidised rates, but now, it appears that due to the withdrawal of subsidy on fertilizers, their prices will increase and these people will use less fertilizers for cultivation.

I do not know how they arrange distribution of fertilizers because I have seen that fertilizer does not reach the depots located in remote areas of Bihar for as long a period as three months. Constant vigil should be kept over the distribution of fertilizers. It takes unduly long time for the supplies to reach there and hence the distribution is also delayed. Therefore, I would request the Government that in such remote areas, there should be reserve stocks for at least three months so that the farmers who want to buy it later could do so. I would also request that the subsidy on fertilizers should be kept at the previous level as the farmers are very poor.

Mr. Chairman, Sir, so far as electricity is concerned, I would say that there is acute shortage of electricity in Bihar in spite of the fact that there are a number of thermal power plants in the State, namely Barauni,

Bokaro, etc. apart from a number of others which are coming up. However, generation in these power plants is less than even 1/4th of the installed capacity, which is very distressing. Our colleagues from Bihar say that we are being exploited by the Centre, but I would say that apart from the Centre, some people from Bihar are also looting us with the result that there is acute shortage of power in the State. I would request the Government to take measure to increase generation in these thermal power plants. Similarly, hydel power plants are functioning at Kosi and Balan. There is one hydel power plant in our area which was handed over by the State Government to the Centre in 1978.

In 1982, this plant was brought under the control of NHPC, but even after so many years, this plant is not in operation. The hon. Minister had, however, assured yesterday that all projects have been cleared and the work would start in a month or two. If this project is completed, the power shortage in Bihar could be met to a large extent. This project is meant to meet the power requirements at the peak hours and its installed capacity would be 710 MW. It should be completed expeditiously so as to meet the power shortage of the area.

Our demand for a broad gauge railway line is outstanding for a long time. There is a metre gauge railway line between Ranchi and Lohardaga—a distance of about 50-60 kms. The train which runs on this line takes 12 hours to cover this distance. A demand has been raised a number of times to convert this line into broad gauge line because most of the bauxite deposits of Bihar are located in this belt. Therefore, this line should be converted into broad gauge and further it should be extended from Lohardaga to Baradi. It will yield double benefit—on the one hand the area being a tribal belt would get an op-

portunity for development and on the other hand the bauxite deposits of the area would be exploited paving way for further development. At present the passengers who want to come to Delhi and Chandigarh have to take Ranchi-Muri-Bardana route which takes 7-8 hours extra. If the proposed line is constructed this time would be saved and hence the necessity for this line. Even 'Dharana' was staged in support of the demand for this railway line, but the Government did nothing. If you want this area to develop, it should get its due share from Central grants. To facilitate overall railway line from Ranchi to Lohardaga should be converted into broad gauge and a new line from Lohardaga to Baradi should be constructed so that it could be connected with the main line.

There are some national highways in the State which are in a very bad condition. If you happen to drive on Ranchi—Kharagpur—Calcutta national highway during rainy season, you will have a horrible experience. Similar is the condition of Ranchi—Patna highway which passes through Gumla and Baradi. This road is under construction for the last ten years in the name of national highway. The road is full of ditches and boulders which make the vehicles turn turtle. Therefore, the Government should pay special attention to construct this national highway as early as possible.

15.59 hrs.

[SHRI MALLIKARJUNAIAH *in the Chair*]

*SHRI V.S. VIJAYARAGHAVAN (Palakkad): Mr. Chairman, I rise to support the budget. Shri Rajiv Gandhi is not with us today. But, his vision of future India and the programme he prepared for the economic reconstruction of the country are contained in the Congress manifesto. What is contained in the manifesto is

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fully reflected in this budget. I welcome it. The mature, experienced and scholarly Prime Minister Shri Narasimha Rao, I am sure, will be able to transcate into reality the vision and programmes of Rajivji.

16.00 hrs.

Sir, India's economy is facing an unprecedented crisis today. The Finance Minister has come with his budget against the background of this crisis. The crisis has aggravated to this extent only during the past one and a half years. The Indian economy is a sickman. About an year and a half also he was treated by an allopath and his condition got worse. Then he was treated by an ayurvedic physician. But after the treatment by these doctors an operation became inevitable to save the patient. Our Finance Minister is performing that operation. All operations, major or minor, are painful. There will be a little bleeding and so on. But it is necessary to save the patient. Through this budget the Finance Minister has performed an operation on the patient, that is, the Indian economy. He knows the inner secret of our economy. I, therefore, hope that under his stewardship, the Indian economy will tide over the present crisis and regain its inner strength and vitality.

The greatest speciality of this budget is that, contrary to the general fear that there will be heavy tax burden on the people it does not impose heavy, unbearable burden on the common man. On the contrary he has reduced the prices of some of the items used by the ordinary people. He has totally withdrawn excise duty from edible oil, electric bulbs and cycles and reduced the price of kerosene used for domestic purposes. He has also liberalised and simplified the procedure with regard to NRI investment. The proposal to set up a commission for greater interaction between the Indian nationals in foreign countries and the Govt. of India as well as to allow them into the sectors of housing as well as real estate is quite in the right direction

and this step will certainly help the Keralites, who are living abroad. Similarly, the allocation for the development of Scheduled Castes and Scheduled Tribes is Rs. 479 crores as against Rs. 364 crores during last year. The proposal to set up a corporation for the welfare of the Backward classes is a very important step. The Govt. led by Shri V. P. Singh had done a lot of drum beating about Mandal, but did practically nothing to implement it. It is this Govt. which has taken such a decisive step to improve the living condition of the backward classes. I also welcome the provision of Rs. 25 crores for the rehabilitation of scavengers who carry night soil on their heads. The provision of Rs. 400 crores for the welfare of women and children is a very important step. Then, Sir, a big hue and cry has been made about the Rajiv Gandhi Foundation by the friends in the opposition. They are simply guided by blind hatred. They have not tried to understand or appreciate the basic objectives of this foundation. They are promotion of literacy, scientific and technological research, national integration, Protection of environment etc. Can any one possibly have any objection to these objectives? The opposition should not adopt this attitude in this matter.

Now I come to a very important matter. I want the Finance Minister to listen to me. Agriculture is the backbone of Indian economy. When the Govt. takes some steps against the interest of the farmers we generally say that it will break the back of the farmers. The increase to the extent of 40% in the prices of fertilizers is an extremely harsh step. It is like cutting the throat of the farmers, and not just breaking his back. I am expressing the strong feelings of the farmers of Kerala and particularly the farmers of Palakkad which is the rice bowl of Kerala. Sir, the farmers of Kerala are small and marginal and they are the hardest hit. They produce cash crops like Pepper, cardamom, etc. which fetch us valuable foreign exchange. It is they who are going to suffer on

account of this increase. When already the cost of production has gone up very much, this increase will further push up the same. Therefore, I would request the Finance Minister to reconsider it and withdraw this increase in the price of fertilizers.

Similarly, the price of sugar has been raised. This will only raise the price of sugar in the open market and will go beyond the reach of the common man. The increase in the prices of sugar, foodgrains etc. will certainly push up the prices of all essential commodities. I want to know what specific steps the Finance Minister is going to take to keep the prices in check.

Sir, the Finance Minister has reduced the prices of edible oil, copper, aluminium, processed foods, jam, butter, cheese etc. But he has raised the prices of refrigerator which is no longer a luxury item. In families where both husband and wife work and are still unable to meet all their expenses, a refrigerator is a must. It is infact an item used increasingly by the lower middle class and the fixed income group. Therefore this increase should also be reconsidered. Same is the case with cooking gas. The increase in the price of cooking gas is quite unjustified, and I want it to be reduced.

Sir, the income tax exemption limit should have been raised at least by Rs. 5,000. This would have given some relief to the fixed income group. Have you made any calculation as to how much amount you will lose as tax revenues? Similarly, the D.A. paid to the employees is taxed at present. D.A. constitutes a small relief from the price rise. So, no tax should be levied on that. A few years ago, the Govt. had said that this was under consideration. But so far it has not been implemented. The Finance Minister who has not hesitated to make bold experiments in the various sectors of the economy, need not hesitate to take this small step. He will earn the love and respect of lakhs of

employees who belong to the fixed income group. I, therefore, request the Finance Minister to exempt D.A. from income tax.

Sir, having said this much about the budget in general, I now come to some of the problems of my State, Kerala. The most serious problem is that of unemployment. Four years ago the Left front came to power in Kerala which promised ten million jobs per year. When it came into office, the number of unemployed was 28 lakhs. When it left office after 4 years the number went upto 34 lakhs. The recent gulf crisis has made the situation worse. The new industrial policy of the Govt. is good, because we will be able to get capital as well as new technology for industrial development. But, the question is whether there will be a corresponding increase in employment generation. The Economic survey, a few years ago had said a very interesting thing, namely, that even though the industrial production as well as industrial growth was impressive in that particular year, the employment generation remained static. Why? This is a paradox. The coming in of multinational companies will certainly give a fillip to mechanisation. But that will lead to lesser employment opportunities. If employment generation is confined to construction of roads in villages, what will the educated unemployed do? This is a question which needs an answer. The unemployment among the educated youth will create a very explosive situation far more dangerous than the situation created by ULFA, the terrorists in Punjab etc. Therefore we must take effective steps to solve unemployment. In this connection I must point out that the central investment in the industrial sector in Kerala has been declining over a period of time. There are very few industries in the central sector in Kerala. Sir, Kerala's economy is basically a money order economy. If the money orders become less, the economy collapses. Therefore what we need is industries. Many schemes have been sent to the centre but no attention has been paid. There was a proposal to

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set up a railway coach factory in Palakkad, which is my district. A team came there and even inspected the site. The State Govt. had assured to provide all infrastructural facilities free of cost. But ultimately the factory was set up in Kapurthala. I demand, that at least in Eighth Five Year Plan, a railway coach factory should be set up in Palakkad. Similarly, Palakkad is moving out of the stage of an undeveloped village and entering the stage of development. There is need for setting up an industrial growth centre.

Sir, Kerala is the biggest producer of rubber. But all the tyre factories are located outside Kerala. Why can't you set up a tyre factory or a rubber-based industry in the Central sector or the joint sector in Kerala? The Central Govt. should formulate a scheme for the quicker development of industries in Kerala. Kerala has the most intelligent man-power. The people of Kerala can be seen in any part of the world. This spirit of enterprise, hardworking disposition should be put to use for the betterment of the State.

Sir, Budget is an instrument for the planned development of the economy. It contains measures for removing social inequalities. The congress Govt. has been able to raise lakhs of people above poverty line. The Govt. of Shri Narasimha Rao too is engaged in the great "Yagya" of eradication of poverty. This budget is a part of that "Yagya". I wholeheartedly support this budget.

[English]

SHRI S. B. SINGH (Rajnandgaon): Mr. Chairman, Sir, our Finance Minister is a Doctor of Philosophy whereas I am a mere matriculate; he is a man deep in wisdom whereas I am a mere learner; he has walked the corridors of IMF and the World Bank whereas I know only the by-lanes of my constituency. He is an economist and has produced the economist's Budget and I think, I now have begun to

understand why they call economics a dismal science. While my loyalty to the party assures the Budgetary support, my concern for my constituents obliges me to bring a few considerations to the attention of our distinguished Finance Minister.

He has started the Budget by dedicating this Budget to the hon. late Prime Minister Shri Rajiv Gandhi. The first point on the Congress Manifesto was to re-introduce and pass the Constitution (Amendment) Bill on Panchayati Raj and Nagar Palikas for devolving powers to units of local self-Government. In 1989, this Bill was brought to this House wherein there was a provision to give a portion of the Central revenue such as excise, sales tax and income-tax to local self-Governments as well as to the panchayats. So far, Jawahar Rozgar Yojana is being carried out in the panchayats. But this Nehru Rozgar Yojana which was supposed to be given to municipalities or corporations, is not at all mentioned in his budgetary speech. And Shri Gandhi wanted that essential quota should be divided into three portions—one for the Centre, second one for the State and the third for the panchayats and municipalities. I am sure, perhaps, the Finance Minister has over-looked it and I hope, he will correct this, if he feels really that the Budget is dedicated to the late Prime Minister.

I do not have to say much about the subsidy on fertilizers because all the MPs, whether from this side or from that side, have the same view.

(Interruptions)

SHRI SRIKANTA JENA: Except Shri Murli Deora.

SHRI S. B. SINGH: Yes, there are a few exceptions like those who are only limited to the cities.

As regards raising revenue is concerned, as many other speakers have mentioned, it is related to the industrial policy.

Regarding delicensing on a few subjects like petroleum related products, leather, electronic goods, sugar, alcohol and motor cars, it appears that sugar was not delicensed because the sugar lobby is very strong politically. Similar is the case with liquor. What was the objection? Why is the Government against delicensing these items? Let there be many more sugar mills; let there be any amount of breweries. Why should you stop this? Let there be foreign collaboration with them and let a multinational come in here and invest in these items. You can charge 200 per cent or 300 per cent excise duty. Who is stopping you? Open a casino in the hon. Member Shri Bhakata's constituency. You will get so much foreign exchange. I do not know why you are hesitating. If you want money, we are suggesting you the ways.

About your taxes, it seems the Budget, as many speakers have said, is anti-farmers. I do not think so.

Because, he has not levied any tax on it. But definitely there are so many professionals like Lawyers, Doctors who like many other people show income as Rs. 50,000 or Rs. 60,000 per year but show the annual income on agriculture between Rs. 5 lakhs to Rs. 20 lakhs. You ask them where from they get that money? They say that they got it by selling roses & vegetables. People who show such amounts in their returns should be taxed for the full amount because, these are the people who are getting the bad name for the real farmers. They have all along been in the urban areas, the so-called metropolitans. It seems the bureaucrats and all those concerned in making the Budget only for these places and they say that 'Oh! our farmer is earning so much, we must tax him. I request you to make a note of it. I do not know whether the External Affairs Minister is also making a note of it.

Another thing is about black money. As Shri Indrajit Gupta had very rightly said, when NRIs come to this

country, you see many Ministers, ex-Ministers going and hanging around them as though Lord Vishnu had arrived. They are all those people who had left this country and had no interest in it.

The Government of India has started a scheme for the NRIs in which they had the privilege to deposit the foreign exchange on which they would get interest in this country. I am sure you are aware of it. Your scheme which closed down in October last year, facing a crisis, what happened when the other banks asked for the foreign exchange from Indian Overseas Banks? If the NRI knew the Chairman or bosses, he would ask for money on a loan and then he would put it in a bank in India—it may be Bank of Baroda or State Bank of India—because the British Government gives more interest on the deposits and charges less interest on borrowings. They are abided by the rule of that country. When they transfer the money to this country what happens is they are getting interest and after getting the interest they withdraw the money and put it back in the other bank. There is no money left in the Indian bank since the money was put back in the original bank, with the result, when the Government of India or the RBI wants the foreign exchange there is nothing left in the Indian Banks. I am sure, the hon. Finance Minister is aware of it. Would you like the NRIs to carry on in this way? What have they done here? You ask them. They have so many strings attached to any proposal which they would love. You talk to them. I agree with you that you must have those who are experts in various spheres of activities. They can come and assist the Government of India, be it at ONGC, may be in making rudders, making aircrafts or let it be in anything else. A positive approach has to be made with the multinationals or expert companies. Life for example—Brazil, where many German companies have gone and there they are manufacturing the cars. They do not withdraw their money imme-

[Sh. S. B. Singh] diately. They have taken the Government into confidence to keep the money there. If you move to this step and delicense your motor policy, alcohol policy and many others. I am sure, you will attract reputable concerns from outside who will come to this country and invest here. But for heaven's sake do not put them at par with NRIs because, the Government here used to consider the NRI as a person who came to work here and earned so much money. They are also doubting the way as to how they earned it. If you are going to compare an NRI with reputable concern, they are not going to come to this country and they only do *hawala* business.

The National Housing Board's scheme meant for mopping the vast amounts of black money in the country is bound to fail. As very rightly said by my hon. friend from Karnataka the withdrawal of fertiliser subsidy is affecting many other farm products. So it is not only the food-grains. Why don't you give the export permission for any farmer who wants to export his grains outside? In that also Punjab and Haryana will shine. We from Madhya Pradesh would like to invite the Finance Minister to come and visit any of the tribal farmer and see how much money is he making and with this fertilizer hike, what is going to be his plight. I would invite the hon. Finance Minister to come and meet our people. For the first time let him face the reality that they are facing there.

It is very easy to compare the farmers who are either from the Western Maharashtra, Haryana, Punjab or the Gangetic belt of Uttar Pradesh. But in Chattisgarh part of Madhya Pradesh the farmers are very poor. Today they are not even availing of the credit facilities. They are provided with Rs. 2000 fertilizer loan at the old rate. Now with the increase in the fertilizer rate how much are they going to get? I am sure this factor has not been taken into consideration in the areas where there are mainly

the tribals, harijans and the people belonging to backward classes. Today they cannot even afford to get fertilizer to their house.

I quite agree with you that the country is facing a crisis. There is no harm in borrowing whether from the IMF or from the World Bank or from the Russian friends, or from the Kuwaiti friends or from Iraqi friends or from any other friends; we have no objection. At least you must withdraw what you have stated in the Budget regarding the subsidy. Please do consider delicensing of the alcohol, sugar and motor car industries if you are genuinely interested in the welfare and the uplift of this country.

Thank you.

SHRI MANMOHAN SINGH: I think the hon. Member has made a statement about my having walked through the corridors of the IMF and the World Bank. I know that a campaign of disinformation is going on. I had stated categorically yesterday in the other House and I repeat that I have never been the employee of the IMF or the World Bank and I don't draw any pension from any international organisation.

SHRI S. B. SINGH: I never said that you draw anything from there. I only said that you are well versed with the IMF and the World Bank.

SHRI MANORANJAN BHAKTA (Andaman-Nicobar): The newspapers published it.

SHRI MANMOHAN SINGH: If the newspapers has published it that is totally a baseless allegation.

SHRI M. V. V. S. MURTHY (Visakhapatnam): Mr. Chairman, Sir, I rise to express my disapproval of the Budget presented by the hon. Finance Minister. He has stated in the policy statement that the foreign investment will improve the productivity of the industrial houses. But as a matter of

fact it will hamper the Indian industry because you know the present state of technology and the methods that are being adopted by the Indian industry. If recklessly it is allowed in all the fields, it may likely to hamper the very basic fabric of the Indian industry. So it has to be very carefully and selectively allowed into the Indian industry.

Many of the friends have stated about the industrial policy as announced in the House. They said foreign investments could be made available in some of the heavy sectors, from where we can earn more of foreign exchange, like motor cars, spirits and also the sugar industry. I do not know why in these industries the licencing policy is still to be continued.

The hon. Finance Minister has stated that the present Budget will curb the inflationary tendencies. But, to me, it appears that this is also a different Budget which may trigger inflation further in the months to come, as we see now that the prices of all the essential commodities are sky-rocketing. I do not know as to how in the next sixty days the prices will be brought down because it is stated earlier that within hundred days, the prices will be brought down considerably. This is another factor which is also to be considered by the hon. Finance Minister.

In the Budget, the agricultural sector is the worst affected sector, as agreed by the hon. Members on either side of the House. Without considering the farmers' plight, the fertilizer subsidy has been brought down. At the same time, the hon. Finance Minister has not stated anywhere that correspondingly the procurement prices will be increased. Had he stated that the procurement prices will also be simultaneously hiked, at least to some extent, the farming community would have felt that they had been taken care of. This attitude of increasing only the fertilizer price will

certainly give heart-burn to the farming community. So, this aspect should also be taken care of by the hon. Finance Minister.

For rural development activity he has stated that the amount has been increased from Rs. 3,115 crores to Rs. 3,508 crores. Many Members have today said that the value of rupee is 22 paise. Can we take it that actually this is going to be great increase in the rural development and for the upliftment of the poor? This has to be considered again, if they want to take up poverty eradication.

Coming to the housing front, the Budget has not spelt out very categorically that the shelter for the poor will be created. As it is, we can see today the housing schemes have been highly neglected in many parts of the country; and particularly in Andhra Pradesh for the past two years, the housing scheme has been totally neglected.

Now, coming to the commonman's plight, we can find out the price increase due to the Budget in sugar and LPG etc. As we all see today, refrigerator is not a richman's product. Many of the common people will store the left-out food in the refrigerator; but here, instead of saving food, we will be destroying the food by way of increase in the duties on such items. This is also one of the items on which there has been an increase in price. So, these are also other aspects which should be taken care of by the hon. Finance Minister. Many people think that diesel is the only petroleum product whose price should be brought down. But the motor spirit price increase has also triggered the difficulties of the commonman's transport. Today, many people travel in two wheelers and three wheelers than in cars. And really, the price increase of the motor spirit and that of petroleum products has brought great difficulty to the commonman who travel by two wheelers and three wheelers. This price

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

increase has a bearing on the price increase of other commodities also. So, the hon. Finance Minister should take into consideration that this petroleum product price increase is really going to increase the prices of other commodities also. And I do not know how the common man is going to be taken care of in this regard.

Coming back to the public sector undertakings, lot of money is being drained from them and they are really becoming white elephants, as told by many hon. Members. The hon. Finance Minister has not spelt out as to how he is going to tackle the problem of rejuvenation of public sector undertakings. They are starving really for want of funds. Unless money is again pumped into them, they may not be even able to pay the salaries to their employees. If this is the state of affairs that is likely to be continued in the banking sector, when whatever is left out as surplus in the Budget, will be eaten away by the public sector undertakings. When foreign investment and foreign technology is allowed into our country, if they are inducted into the public sector undertakings and taken care of in a good manner, then our country will come to the shore at the earliest rather than only allowing foreign investment and foreign technology in the private sector. If the existing public sector undertakings could borrow foreign technology and foreign investment, then we may be able to generate a surplus in the years to come.

Hon. Members have said that the only sector where we are making surplus is the agricultural sector. But we are taxing the small farmers. If that is the case, then in course of time, it will act as a disincentive rather than acting as an incentive to the farmer to create surplus. If surplus has to be created and if exportable commodities have to be created, then the Finance Minister has to take care in modernising the agricultural sector like other sectors. The agricultural sector should not feel that

they are neglected and that they are the only taxed community today, as many other Members have expressed. This aspect should be taken care of by the hon. Minister.

We are in need of foreign exchange to a great extent. There are certain areas from where foreign exchange can be made available to our country. One such area is the area of marine products where we can tap our resources provided a helping hand is given to the operations involved in the marine products. Today, the marine export earnings are on an increasing trend. But we are not looking after this item to the extent that it deserves. This aspect must be taken into consideration. The fishermen are not able to pay their dues to the Government for the boats and trawlers that they own. They are also not able to buy the petroleum products at the competitive prices. Petroleum products should be made available to them at internationally comparable prices so that the foreign exchange earnings could be doubled in the marine products exports.

I also suggest that there must be an export promotion zone in my constituency, Vizag. This is being taken care of, for the past three years and land and other things have been acquired. But the infrastructure work has not yet started. If we start this work, this will be another area from where we can have some foreign exchange earnings. I am sure this will be taken care of in the years to come, so that our foreign exchange earnings will be improved.

Likewise, in Andhra Pradesh there are rich deposits of the mineral ore, bauxite. If we set up a large industry, it will have export potentialities to a great extent. For the past 10 years, we have been talking of exploring the possibility of exploiting the bauxite ore and establishing an aluminium plant there. If we take care of this, this will be yet another area where we can have a lot of export potentialities.

I am sure the hon. Finance Minister must have taken note of some of these areas to improve upon our foreign exchange earnings. Unless we improve our balance of payments position, in the years to come it is going to be in a disastrous state. I am sure the Finance Minister will take some of these suggestions given by me, into consideration. Thank you very much.

SHRI YAIMA SINGH YUMNAM (Inner Manipur): Mr. Chairman Sir, I rise to oppose the Budget. Sir, while presenting the Budget in this House, the hon. Finance Minister has asked the people to prepare to make necessary sacrifices to preserve the economic independence of the country. I shall be very happy if the people are prepared to respond to the call of the Finance Minister. But I am doubtful about it. Will the farmers who are asked to pay more for the fertilizers be happy? Will the poor consumers be happy when they will be asked to pay more for the essential commodities because the prices of food and other essential items are bound to increase due to increase in support prices?

Sir, the people respond to the call of only such leaders who recognise their sacrifices, who stand for their causes, who understand their difficulties and who share their grievances. Very few people will be happy. Only those who share loafs and fishes with the Government will be happy but they are the persons who will not sacrifice because their interest lies only in the exploitation of the poor and in earning more. So, the call of the Finance Minister for preparing the people to make necessary sacrifices will be defeated.

Sir, I rise to demand from the Government on two or three matters. Firstly, I would like to demand that they must have a spirit of service to the people; not only to the people but to the humanity as a whole, because this country stood for the

cause of humanity since the time immemorial. So, it has to stand for the same cause for the time to come.

Government must maintain austerity to the maximum. I agree with the Hon. Member who just now spoke, and I would like to say that austerity will play a very important role in keeping the economy of the country stable. I would say that it [Sh. Yaima Singh Yumnam]

Secondly, I would like to demand from the Government that it should not surrender the high ideals and the principles that have been maintained in this country by our respected father of the nation, our first Prime Minister Shri Nehru and Shri Lal Bahadur Shastri. They adopted these high ideals and principles to promote the prestige of the country and it has been promoted. There is no doubt about it. That is why I would like to request the Government to agree to the good counsels given by the senior Members of the Opposition to reconsider certain items of the proposals. I would say that the Government should not kneel before the IMF with the begging bowl. It does not mean that I am objecting to taking loans from IMF. I only say that the Government should not take the loan as beggars do.

I would like to refer to one occasion. Just a few years after Independence we had a great famine in the country which affected large parts of the country in the south. At that time Nehru ji was the Prime Minister and the country was advocating the principles of Non-Alignment. U.S.A. had plenty of Food. The Government, with Shri Nehru as the Prime Minister, made a request to the U.S.A. for supply of food stuff on payment and not on *ex gratia*.

But taking advantage of the precarious situation prevailing in the country, the USA wanted India to be alinged with her on certain conditions of pressure tactics of attaching political strings for the supply of food.

[Sh. Yaima Singh Yumnam]

But, Shri Jawahar Lal Nehru refused to accept them. He stood against the demands from U.S.A. Instead of begging from the USA and surrendering to the high principles of Non-Alignment, what he did was that he came to the people and made a call for big sacrifices. He said, let us miss a meal every day for a certain period. The people responded tremendously. The savings thus collected were despatched to reach the needy persons and families. The people gladly responded to the call of Shri Jawahar Lal Nehru; even the people of Manipur, the remotest part of the country, responded to the call of Shri Jawahar Lal Nehru.

The people of the USA felt the pulse of the people of India and their sentiments. They pressurised the then Government of the USA to accept, to agree to the request of the Government of India and supply food stuff without attaching any political strings. The condition was that it would be supplied under PL. 480. Shri Jawahar Lal Nehru did not surrender even at such a crucial time and situation.

When China invaded India, the Prime Minister of India, Shri Jawahar Lal Nehru, required gold for the purchase of weapons from other countries. At that time also, the westerners also pressurised India to align with them so that they can fight in favour of India; but Shri Jawahar Lal Nehru did not agree to be aligned. What he did was he again made a call to the people to donate the golden ornaments they possess. The people responded to it tremendously. Even people from the remotest corner of the country, that is Manipur donated a great quantity of golden ornaments. I myself came to Delhi and donated ornaments through Lal Bahadur Shastri on behalf of the people of Manipur. And there is no leader in the present Govt., who can be identified as such leader.

Likewise, Shastriji also made an appeal to the people and it was responded favourably.

Only those leaders who recognise the sacrifices of the people and share their difficulties, they can ask for sacrifices from the people and the people will respond to their calls as they responded in the past.

I oppose the Budget proposals on the following grounds:

I object to the proposal for raising the price of fertilisers. On this matter, much has been said in this House and discussed. So, I need not repeat them again. However, I would like to add that there is a peculiarity in our State of Manipur. There is no such system of zamindari system or the landlord system in Manipur.

The farmers in Manipur possess land but only of small acreage, two or five acres or a little more. So, the assurance of the Finance Minister that the increase of the price of fertilizers will be compensated through raising of the procurement price cannot be applied to the farmers of Manipur because they have no savings at all. There is no scope for savings; so I object to that.

The Hon. Finance Minister has mentioned about the promotion of national integration and schemes for that. No doubt, it is a good scheme. But merely organising some conferences, meetings, calling on the youth, holding some dance festivals or inaugural functions, etc., will not do. Let us not spend heavy money on it. We have to do something to inspire the people. We have to bring about emotional integration though development works and that is very important.

In Manipur the extremists or the people who are underground have organised some organisations like the Indo-Burma Liberation Front associations. They are demanding separation of Manipur, Nagaland and Assam. It was published in Newspapers. If the Government is silent

at this juncture one day that part of the country will be flared up and there will be danger as it is now in Punjab or Kashmir. So, I am mentioning that this national integration or mere simple emotional integration will not do. Please let us work hard for it and do something for the people. If you do not do it, how if you do not take up the problems of development earnestly but if you just exhort on the youth, that will not do.

Lastly, I come to the proposal for tourism. The situation prevailing is that many foreigners want to come to Manipur because they are enchanted by the scenic beauty there. But they are not allowed to stay in Manipur for more than two or three days. What is this?

The Japanese consider Manipur as a place for their pilgrimage because a great number of their Buddhist priests were killed in Manipur and Nagaland in the last war. So, a great number of Japanese had come to Manipur. But they are not allowed to stay for more than two or three days. They have to seek the permission of the Government in case they are stranded on account of cancellation of flights etc. and they are confined as intruders. So, it is a most dangerous situation, prevailing at the moment. The inner line permit system must be reviewed. Otherwise, it will block the earning of foreign exchange also.

From the United Kingdom also many people came. They also wanted to stay there but because of the restrictions laid down they could not come. In this way so many people want to come and stay there for ten or fifteen days. But they are not allowed. Why is it so. Is Manipur not a part of the country? Why is this restriction imposed? If it is removed, we can also earn a lot of foreign exchange for the country. It will provide some revenue to the State and it will be very much beneficial.

Lastly, while concluding, I do object to this Rajiv Gandhi Foundation Trust. I do not want so much money of the Govt. be spent on this. The name of Rajiv should not be dragged in such controversial matters. So, I oppose the proposal.

I conclude my speech with these few words. Thank you.

KUMARI SELJA (Sirsa): I rise to support this Budget because given the adverse economic situation the hon. Finance Minister had no option but to grapple with the economic situation and the evolving economic crisis boldly. And for that he needs the support of all the patriotic people.

In an interview with a New York Times' reporter just ten minutes before he was assassinated, our late leader Shri Rajiv Gandhi said that he wanted to give top priority to the education of the girl child. The time has come to change the order where the male child is given more importance than the girl child in education and in any other field. As we all know, once you educate the woman, the mother, a change for the better will automatically come in the society itself. I would urge the hon. Finance Minister to give more thrust to such programmes and provide more money for them.

The rural water supply scheme is befittingly named after Shri Rajiv Gandhi, for as a high-tech man, his commitment to technology missions is well known and appreciated by every one.

Regarding the agricultural sector, may I submit that 40 percent increase in the price and reduction in the subsidies of fertilisers is very harsh on the farmers and has created a panic. Farmers are the backbone of our economy. The green revolution, *harit kranti*, has helped the whole country.

16.59 hrs. [SHRIMATI MALINI BHATTACHARYA in the Chair]

But they are feeling extremely disappointed to say the least. I would request the Finance Minister to reconsider this decision. While there is

[Kumari Selja]

going to be an increase in the procurement price I hope, the Finance Minister will give due protection to the small farmers.

While 50 per cent of the plan resources are invested in the agricultural and rural sector, there is a need to have at least a semblance of proportion between the prices of agricultural produce and the prices of industrial produce. There is more profitability from investment in the industrial sector than in the agricultural sector. Surely, there ought to be some linkage between the two.

In this connection, the thrust to food processing and other agro-based industries is a step in the right direction. Perhaps, it would be better if we could have a scheme for farmers' cooperatives so that farmers could get direct benefit from these industries.

17.00 hrs.

I would also submit that notwithstanding the fact that the hon. Finance Minister has taken due care of the inflationary inputs in the Budget, but the price-line particularly of the essential commodities has to be maintained, may be by coming down heavily on the black marketeers and hoarders. Simultaneously, efforts must be made to streamline the Public Distribution System.

I welcome the Special Scheme to mobilise black money which is to be deposited in the National Housing Bank. I just hope it works.

I would like to congratulate the hon. Finance Minister for lowering the price of kerosene by about 10 per cent. Many I request the hon. Finance Minister to also consider lowering the price of domestic L.P.G. which has been raised by 20 per cent.

To conclude, on taking an overview of the Budget, I would say that

the Finance Minister needs to be complimented on presenting a fairly balanced Budget.

[*Translation*]

SHRI SULTAN SALAHUDDIN QWASI (Hyderabad): Madam Chairman, when shall I get an opportunity to speak. Earlier, I was told that I would get a chance to speak after the hon. lady Member, but I am not being allowed to speak.

MADAM CHAIRMAN: Please take your seat, I shall call your name.

SHRI MOHAN SINGH (Deoria): Madam Chairman, I want to thank you for giving me an opportunity to speak against the Budget. According to the hon. Finance Minister, this Budget has been dedicated to the memory of late Shri Rajiv Gandhi, but if you go through it, you will find that the Budget has, in fact, been dedicated to Indian and foreign capitalists. This gigantic document is the net result of the conspiracy hatched by Indian and foreign capitalists and is, therefore anti-people. The policies which our country adopted in the beginning, viz. secularism, non-alignment, swadeshi and self-reliance, were not the policies of Jawaharlal Nehru or Indira Gandhi alone. These were the policies which our country accepted through a general consensus. But I am distressed to say that the Government wants to break the conventions and reverse the policies which our national leaders had formulated after 40 years hard labour keeping in view the country's problems. When we were students there used to be an organisation and political party named Swatantra Party which used to support free trade, removal of all controls and unrestrained inflow of foreign capital. We know that the existence of that party came to an end in 1974. But the way the new Prime Minister and the new Finance Minister are functioning, it appears as if the present day Congress Party is no longer the Congress Party of the good old days but it is an

incarnation of the Swatantra Party. Therefore, I want to say that there cannot be a bigger damage to the entire Indian system than to open the gates for foreign capital.

There is a news report in today's newspapers which says that 100 per cent foreign investment would be allowed in the power plants which will be set up in the country in future. There would be no restrictions whatsoever. Similarly, the news-report says that new units to be set up in the drugs and pharmaceutical sector or the foreign companies which propose to set up such units would be allowed to do so without waiting for any licence as there is going to be an automatic licensing system. Where are we taking this country to and in what direction? There is a need to ponder over it. Just now a strong... (*Interruptions*).....

[English]

SHRI NIRMAL KANTI CHATTERJEE: That is the way to hand over power to foreigners.

[Translation]

SHRI MOHAN SINGH: You are right. In the morning, in this very august House, the question of BCCI was raised saying that through this bank, some foreign powers were interfering in our internal affairs. By allowing a branch of the bank in question to be opened in the country, we have seen how multinational companies can interfere in our internal affairs. The case of private sector was vociferously advocated here saying that private sector has been discouraged from participating in the development of Indian economy during the last 40 years and the result was that big impediments came in the process of speedy industrial development of the country. If that is true, I would like to know why all the industrial units in Dalmia Nagar are lying closed for the last six years. If the private sector is so competent, why no private sector company comes forward to take over and run the units of Dalmia

Nagar which are lying closed for the last 4-5 years? Why did the private sector fail to run all the textile mills of Bombay? What happened in the case of sugar mills of Uttar Pradesh? When those mills in the Private Sector started becoming sick, these were transferred to the Public Sector. It has been the misfortune of this country that as long as the Private Sector remained a source of pillage and exploitation the capitalists of the country claimed that efficiency can be seen in the private sector alone. But when these mills become sick, all of them are transferred to the Public Sector only to put the ultimate blame on them for all failures. There is no such mention in the current Budget as to what the Government is going to do to adopt the integrated policy of mixed economy that was evolved as a result of inefficiency in the public sector and loot in the private sector.

Madam, one day our hon. Minister of Agriculture boasted of surplus production of foodgrains in the country. Who is making contribution for such surplus in foodgrains? It is only the farmers of this country. Prior to 1968 and 1979, i.e. before the start of the green revolution in the country wheat worth crores of rupees was being imported from Canada and the U.S.A. for supply to the tinning millions of consumers of the country. The farmers of this country did hard labour under trying circumstances and helped the country keep surplus stock of foodgrains thereby making it self-reliant. I would like to know as to what has been the contribution of the financial institutions in the development of Indian agriculture? Even today, Banks are being asked to contribute their lot to the social cause and the cause of social justice, but unfortunately since the day Congress Party began organising "Lean Mela", in connivance of the capitalists and some of the top bureaucrats of the country, some new financial institutions have emerged. I would like to know from the hon. Minister of Finance as to what proportion of funds deposited in the Unit Trust of India, the L.I.C. and those

[Sh. Mohan Singh]

deposited by the poor people of the country in the post offices through Indira Vikas Patras has been invested in the farm sector, which is the key sector in the development of our country. The hon. Minister of Finance will have to clarify this point. It is regrettable that when loans of farmers are waived these people feel uneasy. The MODVAT scheme has been re-introduced a new. In this very House their party and the then Minister of Finance Shri N. D. Tiwari had abolished the MODVAT scheme. While explaining the reasons of abolishing the scheme he had pleaded that a huge amount to the tune Rs. 6.5 billions went to big industrial houses through the MODVAT scheme. He had taken the name of Campa-Cola company specifically at that time. What this Campa-Cola company is doing? It simply installed a concentrate plant and mixing water with it called it Double-Cola. They fixed the price at Rs. 4 per bottle. In this way the Government used to give an amount of Rs. 6.5 billions to such business houses through the MODVAT scheme. It is the Congress Party and the Congress Government which had abolished it and now it is the same Government which is going to re-introduce the scheme on cold drinks. The scheme which had been withdrawn by their party and their Government with the remark that only some of the big industrial houses of the country availed entire benefits of this scheme, is being re-introduced by them only to benefit those industrial houses again.

When a small concession was given to the farmers, the Union Finance Minister, time and again, said that the entire balance of economy has been shattered because of the previous Government's sanctioning some billion rupees for the waiver of loans of farmers.

The Government proposes to give a slight concession of Rs. 850 crores on customs duty. The entire benefit of this concession will go to big industrial houses and big people dealing in

import export business. The Government did not waste a single minute while giving this concession to big people, but when the question of giving concessions to farmers came up it seems to be in trouble. It is very unfortunate that when the country is facing extreme hardship to mobilise small resources, the Government has allocated Rs. 100 crores for an institution to be named after Shri Rajiv Gandhi. What will be the function of this institutions? It has been argued that this foundation will work for the development of Science and Technology. But, the Department of Science and Technology which is functioning for the last 40 years has been allocated only Rs. 271 crores in all under grants No. 70 and 71. A provision of Rs. 116 crores only has been made in the Budget under Grant-in-Aid for the outlay of planning for the entire department which is working for the last forty years for the development of Science and Technology. It will spend Rs. 118 crore for all its schemes during the whole year and a foundation, the aims and objects of which are not known to the country and the accountability of which has not been ensured to Parliament has been provided a sum of Rs. 100 crore on the pretext of development of Science and Technology. There can be no greater misfortune for the country than this... (Interruptions)... They say that the foundation will be allocated Rs. 100 crores in five year @ Rs. 20 crores each year. But once the process is started there will be no end to it. It is a big joke that the Government, which is warning the people to remain prepared to bear the burden of new taxation, is playing with the hard-earned money of the poor people of the country.

Since the time allotted to me has been reduced, with these words, I strongly oppose this Budget.

I would like to say that the Government should immediately withdraw the hike made on the prices of fertilizers, at all costs. At the same time

it should scrap the proposal of providing an amount of Rs. 100 crores for the Rajiv Gandhi Foundation, immediately. Besides, it is only an empty slogan when they say that inflation will not rise and the prices of essential commodities will be kept under check. The hon. Minister of Finance has dedicated all the policies of the Government to the big traders and capitalists and has succumbed to their pressure, thereby harming the interests of the poor masses of the country.

SHRI SULTAN SALAHUDDIN OWAISI (Hyderabad): Madam Chairperson, rupee was de-valued twice before the presentation of Budget. In the Railway Budget also passenger fares and freight charges have been increased. All these things have demoralised the poor man. Prices have gone up by 15 to 20 per cent, and the result is that the poor man has lost his purchasing power. I am reminded of the incident when Nadir Shah captured Delhi. He drew his sword, at Sunhari Masjid and ordered massive massacre of people. The people of Delhi were massacred. After that the then Prime Minister of the country called on him and recited a Persian couplet to him. The meaning of the couplet was that all the people had been slain. If the emperor wanted to slay more people he should bring the dead to life and slay them. The same is the position these days. Poor people are starving and we go on increasing the prices. No provision has been made to provide succour to these poor people in the Budget.

On the one hand we gave the slogan and went a step forward to incorporate the word socialism in our constitution. But where is socialism today? In the past I used to listen to the speeches of Congressmen and now also I listen to them. I feel something strange... (Interruptions)... Let me narrate one incident. There was a king. He was served with brinjal. While dining the King was all praise for it. The courtiers told the King that it is for this very reason that God has placed a crown on the head of brinjal. The King began taking brinjal every day.

When he developed itching problems on his body he charged the courtiers that it is only they who had advised him to take brinjal. They said, "Sir God has given a thorn at the bottom of brinjal and that is why one who eats it suffers from itching problems". The emperor said, "yesterday all of you were saying that brinjal has a crown on its head and today you say it has thorns". They replied "Sir we are faithful to you and so also to brinjal." It is very strange that till yesterday they were staunch votaries of socialism and today they are giving lectures in support of capitalism. Where will it lead to? What is socialism and capitalism for them? The country is suffering tremendously because of all this. The poor think that as they do not even get two square meals a day it is better for them to go to jail where they can, at least, get some food to eat. Please let us know what is to be done at this juncture? The prices are sky rocketting but exemption limit of income tax has not been raised. How the salaried class with a fixed income will survive? If the Government says that they have already spent a lot and they do not have more, then currency notes of the denominations of Rs. 100 and Rs. 500 should be demonetised if something worthwhile is to be achieved. The black money should be unearthed. When a small country like Kuwait can do it why cannot we do it? They will come to know as to how many capitalists are there in this country. These capitalists are instrumental in inciting communal tension and are ruining the people. This will not work. We do not want to take steps but become puppets in the hands of those capitalists.

The ruling party wants the country to march forward but what is being done to achieve this goal. During the last 40 years this party has either adopted socialism or some other system to achieve this goal. Is there any clear cut policy with them through which the upliftment of the country could be ensured. We do not have any details so far. There is a need to create an atmosphere of political

[Sh. Sultan Salahuddin Owaisi] understanding in the country. There is an army of Ministers in every state. Is the expenditure made on them not a wasteful expenditure? Can't it be curtailed? The foreign tours of Ministers should be reduced and there should be a ceiling on the urban property that they can acquire.

Even after 40 years of independence lakhs of people in this country sleep on footpaths. They do not have a roof over their head. The Government passed the Urban Land Ceiling Act but it was of no use. I would like to ask as to how much land has been acquired on that account. May I say here that fifty per cent of our laws are made for accepting bribe. Today there has been mushroom growth of slums on Government land. No facilities have been provided to these slums nor there is any planned development. I would like to point out that Corporations have been set up for backward classes in many areas. When the Hon. Prime Minister was himself the Minister of Human Resource Development he had presented a Report to the Parliament wherein it was stated that majority of Muslims were educationally and economically backward. I, therefore, urge the Government to set up a corporation for them on the same lines as that of the backward classes. Today the number of Muslim employees has been reduced to only 2 per cent of the total Government employees. Why can't a corporation be set up for them and they provided better opportunities for progress. But the Government wants riots so that it can provide compensation to those people. The Government should decide that Rs. 3 lakhs would be given to the next of kin of the deceased in the riots and at least one person should be provided employment. Unless these things are done I don't think things can improve. I would like to make a submission about the plight of Hyderabad city of Andhra Pradesh. It occurred a unique place because of its history and communal harmony. But today, it is on the verge of destruction. The Government has been providing adequate assistance for the deve-

lopment of each and every big city in the country except Hyderabad. I would, therefore, urge the Government to provide some financial assistance to Hyderabad for its development. While the Government should provide assistance for the development of this city, it should also extend all possible help to its dwellers, so that they could make some progress.

I thank you for not ringing the bell for the second time. I would not trouble you more. Once again I would request the Government to do the needful for the poor and provide them basic amenities of their life

SHRI KRISHAN DUTT SULTANPURI (Shimla): Madam Chairman, I rise to support this Budget and feel that there is not an iota of truth in whatever my hon. friends from the opposition have said. First of all, I would like to welcome this Budget. Secondly, Shri Jaswant Singh who spoke prior to me said that he would praise and criticise this Budget. He also cautioned the people. Besides this, there has been a lot of discussion on the IMF loan. I think had he bothered to go through 154 paragraphs of this Budget he would have come to know about the plight of the whole country. Many things which were said here were politically motivated.

All the hon. Members of this House know very well as to how much progress has been made by our country during the 40 years of Congress regime. Those, who do not believe in this progress and say that nothing has been done in the country, are having some defect in their eyes. I would like to advise them that they should observe through their open eyes. It is regretful that somebody talks about brinjals and somebody says that Shri Manmohan Singh has been put in front of a wolf. Shri Manmohan Singh is an expert in the field of economics. It has also been said that he does not understand politics.

Mr. Chairman, Sir, I would like to say a few words about their politics. Who were the supporting parties of the National Front Government? The "Jai Shree Ram" people and you were also one of the supporting parties. You ruled the country for eleven months and during the period, one started the issue of Mandir and the other of Mandal. (Interruptions) You should speak when you get the opportunity. Please don't disturb me. (Interruptions)

There was a rath yatra and you can well imagine the bloodshed that took place. (Interruptions)

Mr. Chairman, Sir, I would like to submit that they had spent not only a huge amount of Rs. 14000 crore but they had also spent much more than it and waived the loans amounting to Rs. 10,000 each of those farmers, who had never repaid even a penny of their loans. Now, Shri Madhu Dandavate is not in the House. He had promised that all loans upto Rs. 10,000 will be waived.

Mr. Chairman, Sir, the BJP had promised to the people that the prices of wheat flour, rice and salt will be reduced to Rs. 1.50, Rs. 2 and 25 p. per kilo respectively but they have done nothing but to destroy the country. They had weakened the economic condition of the country. They collected funds in the name of Rama, but no audit has yet been done in this regard. Attention should be paid towards it.

Sir, I would like to advise the Government that it should stop supporting the capitalists of our country and instead it should support the employees in the private sector. So far as the outstanding amount of taxes is concerned, a time bound programme should be chalked out for realising the same from the big capitalists and big companies. If this is not done, the country will continue to weaken and the poor and the workers will

continue to be crushed by the economic crisis.

I would like to draw your attention towards another point. There is much exploitation of the poor and the labourers in private companies and the government factories are not running in profit due to the bureaucrats. The bureaucrats think themselves as the owners of the factories. They provide jobs to their own relatives in the factories. Such mal-practices should be checked and the importance given to private companies should be stopped. Expansion should be brought in the government factories and labourers should be allowed to participate in the management.

Besides this, I would like to submit that the Government has no specific programme for the poor and the scheduled castes and scheduled tribes in the country. Special attention should be paid towards them and all the programmes should be made keeping in view of their welfare. More assistance should be provided for them. There is heavy backlog in the quota reserved for the scheduled castes and scheduled tribes in jobs. In reply to the questions raised in this regard, it is said that they get a reservation of fifteen per cent and seven and half per cent respectively. But actually, they do not get this much also. I would like to say if this backlog has to be cleared, a time bound programme should be made, as was decided by Shri Rajiv Gandhi. The minorities and the backwards should also be provided assistance. The Government has said that a Board will be constituted for them and maximum funds will be provided for it. We indulge here in unnecessary criticism. We do not know as to what we are actually doing and in which direction we want to take the country. This should not happen. We should have one opinion about leading the country. Shri Indrajeet Gupta and Shri Chatterjee said a few good things, but during their speech, they gave it political colour also at some places. It happens with every person but so far as the B.J.P. Member

[Sh. Krishan Dutt Sultanpuri]

are concerned. I would like to urge them to have some mercy on us. Today they are sitting here only due to the dispute they have raised regarding the temple and the mosque. The people are aware of as to what do they want to prove through the temple and the mosque dispute. From the percentage of votes you got in Himachal Pradesh, Haryana, Rajasthan and Madhya Pradesh, you can imagine about your performance. All your candidates in Haryana lost. It is a matter of joy that big opposition leaders are here but you have sidetracked them and you became the opposition leader. LF-NF were sidetracked. I would like to submit if we want to run the country smoothly, everyone has to work together whether it is NF, LF or BJP. We all should have in mind that we have to strengthen the country. If you say that Shri Manmohan Singh does not know politics and you only know politics, it would not be correct. You have indulged in a lot of politics of dishonesty...*(Interruptions)*...

The credit, of the progress of our country in these last 40 years, goes to the Congress. Your Government lasted for 11 months only and two and a half years. Your Government did not exist like the Government in Bengal. The way, the State Governments belonging to these parties are functioning, will be criticised severely and definitely a demand will be placed before this very House that these State Governments should be dismissed. This House will be unhappy over the functioning of the Governments in U.P., Rajasthan, Himachal Pradesh and Madhya Pradesh. I would like to warn them not to misuse the funds of the nation. I would also like to tell the House that these people are very dangerous and they want to disintegrate the country in collusion with capitalists. So we should keep them away. With these words, I thank you and support this Budget.

[English]

SHRI DWARKA NATH DAS
(Karim Ganj): Madam Chairman, I

am thankful to you for allowing me to deliver my maiden speech in this august House on the General Budget, 1991-92. While discussing the Budget, I am putting forward some demands but I assure you that these are relevant to this discussion.

I shall confine my deliberations to three heads, industry, agriculture and surface transport, with a brief introduction, in a very simple way, without entering into the hurdles of statistics.

As regards Industry, I should say that we have got our mixed-economy where the public and the private sectors have a role to play and we have an industrial policy of over centralisation and excessive bureaucratisation. After the lapse of four decades since Independence, the result is not at all welcoming.

The hon. Minister of Finance has himself agreed that the public sector has not been managed in a proper way to generate large investible surpluses and that it has accentuated disparities in income and wealth and thus shattered our rural economy.

Madam, we are passing through a financial crisis. The foreign exchange reserve is alarmingly low and we have to mortgage our gold-reserves. We are hankering after IMF loan to tide over the difficulty. We are not in a happy state in regard to our Balance of Payments situation and our hon. Minister of Finance has come forward with his macro-economic adjustment to achieve macro-economic stabilisation in the shape of fiscal consolidation and this process should continue for three consecutive years. In this transition period, we have to sacrifice with pain. To get rid of the present crisis, we may borrow or print fresh currencies against nothing which will in turn generate more inflation and this process will continue in the years to come as is manifest in the past.

Our approach to development is not austerity—as has been stated by the hon. Finance Minister. Rather sincerity of purpose could alone help to achieve our desired goal of self-sustained economy. In the industrial front there should be decentralisation in view of balanced growth of regional economy by setting up of medium-sized small-scale industries.

Our Assam is a backward one in this respect and I would like to draw the attention of the Centre in this regard so that our Assam may come at par with other developed provinces of India. The tea industry of Assam is the biggest source of foreign exchange but the condition of the tea-gardens, specially in Barak Valley, is gradually deteriorating because of lack of proper management. In the border areas in Karimganj District, these are the safe hide-outs of infiltrators from Bangladesh. I propose that a through enquiry should be made to improve the working condition of such gardens. The Government should launch a generous scheme for the welfare of the ex-tea labourers and tea-labourers in general in all aspects.

Madam, 50 per cent of the plan resources is allocated for agriculture and rural sector. Since 70 per cent of our population is directly dependent on agriculture, this percentage be enhanced to another 10 per cent i.e. up to 60 per cent as had been done by the previous Government. Further, a 40 per cent increase in the price of important fertilizers is a stumbling block to the landed-poor farmers. An increase in the procurement prices of agricultural products would come of no avail to the marginal farmers. By doing this, the middle class farmers would be in the advantageous position.

Madam, Agriculture is inextricably bound up with irrigation and floods, the former is for production and the latter for destruction. In dry season,

the rural people of Assam are to enjoy a forced leisure at the cost of their earning and Barak Valley is no exception because of lack of irrigation facilities. Flood is a constant phenomenon in Assam with damaging affect on agriculture, specially in Barak Valley monsoon is a nightmare to its people.

To check floods there, the river-beds of Shingla and Barak be dredged out, and turbulent Longai and Katakhal rivers be tammed with suitable measures to save this granery of Assam. In this connection, I should mention that long awaited multi-purpose project "Barak Dam" be constructed soon. To solve the huge agricultural unemployment, we must rely on rapid decentralised industrialisation, because industry is complementary to agriculture and vice-versa. It is a crying need of the hour that one Agricultural College be set up in Karimganj District to import technical education to our hundreds of youths.

Madam, road transport is an important factor in our economy and it is commonly said that communication is civilisation and this is in the worst in Barak Valley of Assam particularly in Karimganj and Hailakandi Districts. (*Interruptions*)

MR. CHAIRMAN: May I request you to conclude?

SHRI DWARKA NATH DAS: I will take just one minute. That (1) the Karimganj—Rougpur Road; (2) Karimganj—Rangamati Road in Karimganj District and (3) Panchgram—Ramnathpur Road in Hailakandi District—in each case touching Mizoram border—are like lifelines of the rural people of these two districts. I should propose that these roads be improved soon and be upgraded to national highways. Besides there be a network of roads connecting remote villages with District Sadars to give a phillip over subsistence economy of our hundreds and thousands of common mass. The hon. Minister

[Sh. Dwarka Nath Das]

of Finance has made a welcoming reference that we are to provide them with quality social services such as education, health, safe drinking water and roads. In the end I should say that we must hammer our all out efforts to develop a simultaneous growth of agriculture and industry supplemented with a network of surface communication to usher in an economy of self-sustained growth.

In conclusion, I should say, that I cannot convince myself with this present General Budget 1991-92. Rather I oppose it because it is not growth-oriented. Rather it is adjustment based, enshrined with finest languages of economics with a hinted shift from Nehruvian socialism and monotonous repetition of the previous ones producing little substantial.

SHRI AMAR ROYPRADHAN (Cooch Behar): Madam Chairman, I have no doubt that the hon. Finance Minister Dr. Manmohan Singh is one of the great economists of our country. He is a pandit of economics. He is a good theoretician but his theory depends on the capitalist economy. As Dr. Manmohan Singh has prepared this Budget on the basis of this theory, I cannot support this Budget.

It is very clear from this Budget that it is guided by the IMF. It is based on privatisation, on the money of Non-resident Indians and heavy indirect taxes. This Budget is very much interested to develop the five-star culture in our country in the name of high technology. And it has hinted to the borrowing of money for the purpose of luxury. This Budget is based on the new Industrial Policy which shall not generate any employment but will generate high prices, inflation, black money and will make a good-bye to the public sector. To take the loan from the IMF, the Government took the decision of devaluation of rupee by 20 per cent against the major currencies of the world. What is the reason given for the devaluation? It is said and I have seen it in the newspapers also,

that it will improve the country's trade balance. But in actual terms, things never moved so simply. It is not going on so simply.

There is a difference between the nominal devaluation and the real depreciation. I hope the hon. Minister will agree with me and he has to take note of the prevailing relative price in the country. The Government can only influence the nominal value of high exchange but not the real exchange. It is not so easy business of the Government to control the real exchange policy. The rates depend upon whether inflation is higher or lower. If it is higher then everything will go down; the entire proposal which was mentioned in this Budget will go down.

This Budget does not produce any ray of hope in the minds of millions of unemployed youth in our country. You know it very well that in our country the youths whether boys or girls, they are selling their blood to the Blood Bank for their livelihood. This is the condition of youths in our country. Have you seen them? After 44 years of Independence, this is the condition of youths in our country. But you did nothing for these youths of our country. What you did is in the name of Rajiv Gandhi Foundation Trust to which you have given the money of Rs. one Hundred corer. Shri Rajiv Gandhi made a supreme sacrifice for our country. But why are you giving this money to the Trust? There are 31,000 villages with acute crisis of water. The money could have been spent on these villages in the name of Rajiv Gandhi drinking water scheme. He could have done that in the name of Shri Rajiv Gandhi. It could have been spent for removing unemployment in the name of Rajiv Rozgar Yojna. Simply I would like to say that this is an unethical policy. I request the Prime Minister to withdraw this proposal from the Budget.

This Budget is not speaking much about the problems of the rural poor

who are half-fed, ill clad, homeless and without any education. Have you did anything regarding free and compulsory primary education? You did nothing. It was stated in the President's Address that within this century it is not possible and it is possible only in the next century. But what does the Constitution say? We all have taken oath in the name of the Constitution. The Constitution says that within 1960 there would be free and compulsory primary education to all, after that, 30 years have passed. Nothing has been done except the extension of time. This Budget is very much silent about the remunerative prices for the agricultural produce, jute, tobacco, sugarcane, rice and wheat. Regarding jute, you know madam, the raw jute is coming up in the market, particularly in the North Bengal market and the Jute Corporation of India is not purchasing anything from the market. You have not yet announced the purchasing price of the raw jute. You have announced the price of wheat and rice but not the price of the raw jute. It is reported that you are going to pack up the organisation J.C.I.—9.0%.

Regarding the Land Reforms, it does not speak even a single word. In our Budget—that orange book—you have stated that Rs. 25.64 crores have been allocated. But Madam Chairman, through you, I would like to ask the hon. Minister to tell me what is the progress they have made on these Land Reforms. Why have you allocated a meagre amount money for this purpose? You know about the Mahalanabish Committee's Report. Now you have forgotten about it. Before independence, land to the tillers was the mission of the Congress people. After that in 1960, at Nagpur Congress Session, you have also announced about the land for the tillers. But now you are getting aloof from that. Why? According to the Mahalanabish Committee's report, 63 million acres of land would be surplus. But according to the latest Government figure available, 7.64 million acres have been declared surplus. Out of

that 5.97 million acres have been taken possession and out of that only 4.41 million acres have been distributed so far. This is your activity. It is also there in the report that out of the land distributed, one third has been distributed in West Bengal alone. This is the position.

Hon. Member Shri Devegowda said that land reforms have been completed. I know that there are many Members on both the sides who say like this. But in reality it is not so.

We know that the country is suffering from so many problems like rural economic problems and caste problems and rural unemployment problems. We would like it to be solved. If you want to eradicate the problem of casteism and the problems faced by the Scheduled Caste and Scheduled Tribe people in our country and if you want to develop the rural economy, then land reforms is a must. But you are allotting only meagre sums of money for this purpose. This time you have allotted only Rs. 25.64 crores for land reforms. Can you make any progress at this rate?

The separatist and secessionist forces are spreading their ugly hands throughout the country and particularly in the north eastern region—North Bengal, North Bihar and Sikkim. The hon. Minister must have to admit that these are the backward areas of our country mainly populated with Scheduled Caste and Scheduled Tribe people. But you did nothing for the development of these areas during the last 44 years.

If the hon. Minister goes through the record, he will agree with me that throughout the country there are 94 no-industry districts and out of this a majority of about 80 districts are in the north eastern region—in North Bengal, North Bihar and Sikkim. This is the attitude of the Central Government. You treat us as if we are the second-class citizens of this country. you speak that the country is one from Kashmir to Kanyakumari and from

[Sh. Amar Roypradhan]

Kutch to Kohima, it is our land and it is our India. But in fact you are neglecting us like anything. At least you can establish one industry in each no-industry district by allocating sufficient money in your Budget; but it is not so in the Budget. You think only about UP and now you are thinking about South as if only that is India. Try to think about the whole of India.

Finally I would like to say how North Bengal is neglected. About Tista Irrigation Project, if the hon. Minister goes through his Orange Book, he will find that he did not keep a single paisa for this project. Hon. Chief Minister of West Bengal Shri Jyoti Basu has said that this is the lifeline of North Bengal. But what did you do in all these years? The West Bengal Government with their meagre income have spent Rs. 250 crores for this purpose. But the Central Government has spent only Rs. 10 crores—that too at the regime of Mrs. Indira Gandhi. After that not a single paisa you have provided for this project. Why is it so? If this project is completed, it will become the biggest project in Asia irrigating about 13 lakh hectares of land. According to Agriculture experts 63 lakh metric tonnes of foodgrains will be available from these areas. That means, the State of West Bengal will be self-sufficient in foodgrains. How to do that, if this irrigation project is not completed? At this moment, again, I would request you that if you want it to be one, if you feel that North Bengal people are not second-class citizens, please allot some more money for this project. So under these circumstances, I cannot support this Budget.

DR. JAYANTA RONGPI (Autonomous District): Madam, Chairman, I stand here to express my fundamental difference with the present Budget. I tried my best in the last two or three days to at least find out certain points so that I can present a balanced view, while presenting my criticism on this Budget. But, in spite

of my best efforts, I could not find a single point where I can support this Budget. If you see the budget in the over all context of industrial policy, trade policy, devaluation and other package of reforms in the Budget, then you will find that this is completely an IMF and World Bank inspired Budget. I do not mind if the prescriptions of IMF and World Bank are suitable for India where vast majority of our people are living below the poverty line, where so many people are still illiterate. In this situation, I am sure that the prescriptions of the World Bank are not at all suitable for our country. I am surprised that not only our hon. Finance Minister has agreed to the dictates of the World Bank and the IMF, but also they are following the prescriptions of the World Bank as to how to carry forward the reforms, how to push through the reforms.

I have with me, 'World Development Report 1991', the so-called 'Challenge of Development'. It is a World Bank document. In this Book at page 117, it is clearly given that they should give a shock treatment to the nation, to carry forward these reform programmes. If you allow me to read three lines, then I will quote. At page 117, it says:

"Shock treatment implies that reforms are implemented quickly in a concentrated period lasting less than two years".

"Bold changes are especially necessary if a Government lacks credibility".

"Adjustment usually occurs in a climate of crisis. Governments do well to capitalise on the broad, potentially, short-lived mandate for reform that crisis confers by front loading the reform programme".

So, a situation of crisis has been meticulously developed and taking chance of this crisis, the Government has been pushing all the reforms which have got fundamental implications in our country. In their entire prescriptions for India, I feel that the

World Bank and IMF prescriptions are hypocrisy, because in their own country, they are not following these prescriptions and these measures. We can compare the data of USA and India. The World Bank and the IMF says that the Government of India is poking its nose in all sectors, even in industries, hotels and so many other sectors, which the Government should not. If we compare the figures, you will find that the Government of USA spends 23 per cent of the total GNP; on the other hand, India spends only

18.00 hrs.

17.7 per cent. Likewise, in the tax structure also, they have been saying that India should reduce direct taxes and increase indirect taxes. Even in the US, we see that out of the total taxes, 52.5 per cent comes from direct taxes and only 3.2 per cent from indirect taxes. But here we see that almost 85 per cent of the total taxes comes from the indirect taxes and only 15 per cent comes from the direct taxes and there is enough scope if taxes are imposed on agricultural income. I do not understand why successive Governments have failed to impose taxes on agricultural income. Why is it so? If the Government wants to increase the revenue, they cannot do so without imposing taxes on agricultural income. Most of the agricultural lands are controlled by kulaks or the landlords.

Madam Chairman, as time is too short, I will not go into the details of the Budget. But I would only like to say that it is contrary to the declaration of the Finance Minister. This Budget is going to have an inflationary effect. Already the prices of sugar, petroleum products have gone up. Fertiliser subsidy has been reduced and there is hike in the Railway freight charges as also the excise duty. Everything will lead to such a stage which will make the life of the common man miserable. There is total lack of developmental and meaningful programmes. Here, we can see that the Government has floated certain trusts, foundations and commissions which are at the cost of meaningful welfare

and developmental projects and schemes. I want to speak specially on this point because I belong to a backward area of the North-East and in that North-East, I belong to a hill district of Assam which is still more a backward region. I feel that the Government of India is aware of the regional imbalance of the country. There is no emphasis to curtail or to do away with this regional imbalance. As far as Assam is concerned, there is flood every year. And there is not enough fund earmarked for the functioning of the Brahmaputra Flood Control Board and the life-line of Brahmaputra region, the Guwahati-Tinsukia railway line was requested to be converted into broad gauge. This is a long pending demand. Even for this, the Railway Budget says that there is no fund. Likewise, there is not enough money earmarked for the North-Eastern Council and for any developmental project.

18.02 hrs.

[SHRI S. MALLIKARJUNAIAH *in the Chair*]

So, by this way, there is regional imbalance. This regional imbalance will not diminish through this Budget but rather increase.

I would like to emphasise on two or three more points. The entry of NRIs into India has been encouraged. Here, I want to make a word of caution that many of the NRIs who work for some dubious multinationals companies who when enter India shall make profits and plunder the wealth of India and exploit the labourers and the working class of our country. So, while allowing the NRIs to enter India in a free way, we must ensure that adequate precautionary steps are taken. I want to know from the hon. Finance Minister as to what are the measures taken to ensure that dubious multinational companies do not enter India under the cover of the NRIs so that they may not plunder our wealth.

The treatment which the Government has prescribed through the Budget for the financial ailments of our

[Dr. Jayanta Rongpi]

country, I am afraid, will not work. As a person belonging to the medical profession, I have heard doctors say that clinically operation is successful. But the patient dies. Similarly, the economic operation may be successful clinically but the economy of the country will die. The common man will die and the indigenous industrialisations of our country will die and it will ultimately end up like saying that the operation is a success but the patient has died.

With these words, I express my fundamental difference and opposition to this Budget.

SHRI NURUL ISLAM (Dhubri): Mr. Chairman, Sir, at the outset I seek your protection. I have seen in this House that justice is not done in the matter of allotment of time. While many members are allowed to speak for ten or fifteen minutes, sometimes even for one hour, when our turn came, time has been restricted to just five minutes only.

Mr. Chairman, Sir, I would like to congratulate our hon. Finance Minister for placing this historic Budget for 1991-92 before this august House. With this Budget contains very revolutionary reforms on economic, fiscal and industrial policy of the country. Sir, these reforms are inevitable in view of the fast changing global economy. The hon. Finance Minister has rightly brought these reforms just to keep pace with the changing global economy.

Sir, I do not like to make more comments on the Budget because enough is already spoken on it. I would just like to point out that this Budget has missed some important points which I want to highlight.

Sir, I have come from Assam, one of the most economically backward States. This State is fighting since long to remove the economic disparities. The Government of India is pleased to sanction some schemes such as the gas cracker unit, establishment

of an oil refinery in Assam, establishment of IIT in Assam, setting up a central university in Assam and so on. Of late, we realised that these promises are simply promises and they are not likely to be implemented by the Government of India.

Recently, there was a modernisation project for the Digboi Oil Refinery, which is the oldest oil refinery in the world. But after doing some work, the project has been stopped for unknown reasons. I am afraid even the funds must have been diverted to somewhere else.

Sir, in the year 1984, I made a very harsh speech on the floor of this august House regarding burning of gas which is the most precious national wealth. In my State, natural gas worth to the tune of Rs. 10 to 12 crores is being burnt every day. To utilise this gas, the Government took a decision to establish a gas cracker unit. At the same time, Government knows that in view of the acute law and order situation in the state, private capital is not likely to come in a big way. So we wanted the participation of Oil India as a sponsor to establish this gas cracker unit. But the Government is perhaps not allowing its participation, may be because they do not want this as cracker unit in this region to come up.

As regards agriculture, this State of Assam is likely to be one of the granaries of our country. Its economy is agro-based and is mainly dependent on river Brahmaputra. The problems of floods and erosions of river Brahmaputra are known to the Government, but since 45 years, the Government is deliberately not attempting to undertake any project either to control floods or to prevent soil erosion. Sir, there are lots of flood and erosion control projects submitted by the Government of Assam but they have not been implemented. They have been kept pending for reasons not known.

I represent the most backward pocket of the backward of Assam State which is popularly known as Lower Assam Zone. It consists of several districts like Dhubri, Goalpara, Bari-pata, Bongainagon, Kokrajar etc. The Government of India is deliberately keeping this zone economically backward. My home city, Dhubri has commercial importance but since the partition we have noted that the Government of India has cut of all communication to this commercially important city by dropping the direct railway communication from Dhubri to Calcutta and Dhubri to Guwahati and thereby making the city commercially barren.

Sir, Government has been doing many other injustices to this zone. For example, this Dhubri town had a small port which had water communication facilities. After partition, the Government of India on different pleas, withdrew these facilities. Now, I demand that the Government of India should come up with a comprehensive planning to convert this city into a port; if not a port a mini port and then restore the water communication facilities and railway communication facility in no time before it is too late.

This zone has one of the biggest aerodromes of the country built up by the Britishers during the Second World War but that has not been utilised by the Government since the last 45 years on different pleas to provided air communication to this zone. The state has already been burning and I am afraid and the Government must think of another eruption in this zone as it is likely to come up soon demanding to mitigate all these grievances.

This zone had a telecom system but it never worked. If you write to the Government of India, the reply is a via media. No specific and definite reply will come.

The Budget does not give any indication about the generation of employment. As you now, the educated

unemployed youths of the country are very much discontent. If the Government does not come out with a comprehensive programme for generating employment in the country, I am afraid, Sir, the whole country may start burning again. So, the Government must at any cost generate employment potential to mitigate the unemployment problem of the country whatever be the financial constraint.

Over and above, I would like to draw the attention of the Prime Minister to have a positive policy of appointment so far as the Central Government Undertakings, Central Government Offices and Central Secretariats are concerned. Sir, I desire that the Government should have a policy to reflect at least the State pattern of the country in appointments of the personnel, if not the population pattern of the country. It is astonishing to know that in the Central Secretariat not a single person is available from the North-Eastern region. Why are they not there? The Government should come out with a comprehensive policy to reflect the State pattern of the country in all appointments in the Central Government undertakings, offices and Central Secretariats.

Lastly, I would like to draw the attention of our Finance Minister to the population pattern of this zone where 65 per cent of the people belongs to the religious minority communities. Government has taken up the 15 Points Programme not from today but I think from 1984 onwards. But that programme has not been implemented anywhere in the country till today. Most surprising to note is that this programme took 6 years to travel from the Home Ministry to the Human Resource Ministry. How long will it take to reach the people.

So, I request the hon. Finance Minister to make some financial provisions for these backward pockets to establish a Regional Engineering Colleges and a Centrally Sponsored

[Sh. Nurul Islam]

Medical Colleges and a Central University either at Dhubri or Goalpara. Because these problems cannot be tackled by our State Government with their meagre resources. Kindly, issue a policy guide to all the backward states to identify such backward most pockets of their states and such proposal as passage of programme to be included in the 8th Plan.

You have already rang up the bell. I am a heart patient and I am afraid if you ring it second time, then I may not be able to withstand it and hence.

With these few words, I support the Budget and resume my seat.

[Translation]

SHRI BHAGEY GOBARDHAN (Mayurbhanj): Mr. Chairman, Sir, I do not want to say much, but I would like to say that I support the Budget presented by the hon. Finance Minister.

A lot of discussion has taken place on the details of the Budget. I will not repeat them, but I would like to express my views on some issues. Regarding the reduction in expenditure, the Finance Minister has said that the financial expenditure should be controlled as far as possible. But how this can be done until the administration is not streamlined.

A lot of wastage is going on in our country and it is only due to delay in taking administrative decisions. This sort of delay causes huge losses to the nation. You can have the idea from one or two things which are responsible for these losses. For example, today, the Government has near about 20-25 mega-projects and the cost of each one is more than Rs. 1,000 crores. Since the decisions for their execution were not taken in time, their estimated cost has gone up now by about 25%. It means that an additional amount of Rs. 10,000 crores has to be spent.

Similarly, there are 100 major projects, which have an estimated cost varying between Rs. 100 crores to Rs. 1000 crores each. Here also the condition is the same as above and in these cases also near about Rs. 8 to 9 thousand crores more will have to be spent as compared to the estimated cost. The reason behind it is that a lot of delay takes place in taking decision at different levels and as a result, the estimated cost overruns. The Finance Minister should say something in this regard.

After this some more has been said about the public sector. I fully agree with hon. Shri Indrajit Gupta that there should be de-bureaucratization of the public sector. There are no two opinions about it. Today, a C.M.D. of a public sector unit functions at the beck and call of an Under-Secretary in the Ministry. We can well imagine the future of the public sector if this situation persists. It does not mean that I am pleading for the immediate revival of the sick units in the public sector which have been referred to in the Industrial Policy and has been discussed and criticised at length. I didn't want to raise this issue but a discussion on the Budget would be incomplete without a discussion on the Industrial and Trade Policy though I don't want to go into the details yet I would like to know how these units became sick, how long will these conditions exist and whether budgetary or other support will be given for their revival. I would like to praise the Finance Minister because he never said that the people who would be declared surplus in the sick industries, would be on the road but there are arrangements made for them also.

Now I shall say something about the infrastructure. There is no indication as to how the infrastructure would be expanded in the backward areas. I have a suggestion to make in this context. For instance, it is claimed that expansion of rail and road transport in backward areas

would not be economically viable. If economic viability is the sole-criterion that is considered for laying a new railway line or converting a metre gauge line into a broad gauge one, then it is a wrong policy. If this policy is followed, the backward areas will never develop.

Now I shall say something about human resources. This aspect has been mentioned in 2-3 paragraphs and human resources are called the biggest resource but funds for its development have not been allocated in proportion to its importance. There is also a mention about the quality-primary education. I have raised matter earlier as a question. Nowhere in the country's rural areas is quality primary education being imparted. There has been a lot of talk about subsidies. I think a subsidy is given to cover-up our inefficiency. Fertilizer plants in our country are using outdated technology. If the technology had been up-to-date, fertilizers would have been available at lower rates. We had to give a subsidy on fertilizers as we did not upgrade the technology. The adjustments made by the Finance Minister are bound to cause some pain but it will have to be tolerated.

I would like to raise one or two other points. There is a lot of discussion on Harijans and Adivasis but nobody gives a thought to what progress they actually make. The state to which I belong finds mention in a recent publication of the Indian Council of Applied Economic Research. I am a tribal. After Madhya Pradesh, my state has the highest number of tribals. The publications say that more than 70% of the tribals live below the poverty line. In Orissa, more than 67% of the Scheduled Castes live below the poverty line. By 1989-90 about 28% of the country's population should have been left below the poverty line. We can never know how the money is being spent in this direction unless there is a concurrent evaluation of the expenditure incurred. Regarding

employment, the agriculture, forestry and mining sectors have a lot of employment potential. No such indication has been given in the Budget. I hope the Finance Minister would throw light on this subject in his reply. During the freedom struggle, Mahatma Gandhi had launched the Salt Satyagraha. Salt is an essential commodity consumed in every household.

So I request that the price of salt be rolled back to the July, 1990 level.

SHRI BHAGWAN SHANKAR RAWAT (Agra): Sir, I have risen to oppose the Budget presented by the hon. Finance Minister. I was expecting some steps to re-vitalise the economy but the Budget speech has disappointed me. Firstly, this is a highly inflationary Budget which will cause steep rise in prices thus increasing the household expenditure. There will be 24% increase in the prices of consumer goods. Devaluation of the rupee has made the life of the common man very miserable.

Secondly, by increasing the prices of petrol and cooking gas the Government has given a severe blow to the masses. The prices of petrol and cooking gas have registered a decrease in the international market but in India the prices of these commodities continue to rise. Thirdly, this is an anti-farmer budget that seems to cripple the entire rural economy. Withdrawal of the subsidy on fertilizers and 40% increase in fertilizer prices will increase the cost of agricultural production. This will adversely affect the common man. When I raised this point, an hon. Minister said that the Government would provide compensation. Once the agricultural inputs have been made costlier, the Government can at the most increase the support price of the crops. This in turn will make it difficult for the poor people to buy agricultural products.

[Sh. Bhagwan Sankar Rawat]

In Uttar Pradesh alone more than 33% of the people are living below the poverty line.

What would be the fate of those agricultural and other labourers who just manage to pull on their lives anyhow despite putting in hard-labour. Therefore, we will have to consider this matter in a broader aspect. We should not overlook these facts that due to suspension of the subsidy on fertilizers the cost of agriculture will increase resulting in all around price-rise which will ultimately affect the farmers as they will have to purchase other items at higher rates. So, the Government should change its anti-farmer attitude and re-allow subsidy on fertilizers.

Sir, I would like to say that the farmers as well as the youths of the country are not happy. Shri Rajiv Gandhi had promised in his speech to include the right to work as Constitutional Right and thereby give unemployment allowance to the unemployed youths. Our colleagues of the Janata Dal sitting on that side also made the same promise. Yet, the youths of our country are distressed today. One year ago, the whole humanity cried when many youths committed self-immolation on the roads of Delhi. Even today, in this budget of price-rise there is no sign of hope for them. In this budget there is no provision for creating adequate job-opportunities for the youths, both educated and uneducated, who are always ready to work hard. They are job-less today. They have studied in the Government recognised institutions and passed the examinations conducted by these institutions. But when they go in search of jobs, they are not considered fit for the posts and they are told that their education is useless. I would say that they should be given unemployment allowances until they are provided employment.

Mr. Chairman, Sir, I would like to say something about the range of the Income-tax also. By not raising its limit we have been cheated. On one

hand by devaluation of money our purchasing power has been reduced by 24 per cent and on the other hand the Income-tax limit has not been raised.

We welcome warmly the Non-Resident Indians and other foreign-investors for the foreign currencies. The Income tax range must have been raised as there is reduction in the purchasing power due to devaluation of rupee. Life has become very difficult especially for the service class, intellectuals, businessmen, small entrepreneurs, professionals etc. due to the price rise. I, therefore, make a request to raise the income tax limit in proportionate to the price-rise that has taken place during the last three years. I, urge upon the Minister of Finance to fix Rs. 48,000 as the exemption limit for income-tax. Besides this, all the allowances whether it is Dearness Allowance or House rent Allowance given to the employees, must be exempted from the income tax. This should be done while computations the taxable income.

Further, I would like to say that this budget has not been able to clarify the economic policy. In this budget there is no sign of the fulfilment of the promises such as to make available the drinking water in every village and town and electrify to every village and each Mohalla of the towns, to construct concrete roads connecting villages with the towns in the country etc. as made by late Shri Rajiv Gandhi in his election manifesto. No effective measures have been mentioned in this budget in this regard.

I would like to tell Shri Narasimha Rao, who is not present here at the moment, that the people of Uttar Pradesh from where I have been elected, have been compelled to starve right from the period of Independence. They were asked to be content only with the Prime Minister belonging to their state. Now that Prime Minister hails from Andhra Pradesh and the youths of Uttar Pradesh are not concerned with it but they will not

tolerate this partisan attitude and are not prepared to face this situation for a long time. I want to submit the data which shows the poverty of Uttar Pradesh. In 1977-78, our state was below the 8 states according to the poverty line. But in 87-88 we came below 11 states. As far as the *per capita* income is concerned, only 4 states were above us earlier whereas now 6 states are above us. In the country everywhere there have been increase in *per capita* income but Uttar Pradesh is the only state where it has decreased. From 1960-61 to 1984-85 there was 8.9 per cent increase in the *per capita* income at the national level whereas it was only 8.2 per cent in Uttar Pradesh. This shows decline in it in regard to this state. Thus, the youths of this state have a dark future. Even in the domestic production our state is lagging behind. The figures of average domestic production in our state are 2201, 2382, 2744, 3072 respectively in the years 1986-87, 1987-88, 1988-89 and 1989-90 against the All India figures of 2954, 3286, 3854 and 4252 in the same years. From 1960-61 to 1984-85, there has been increase of 8.5 and 9.3 per cent respectively in the *per capita* income even in the backward states like Bihar and Orissa. In regard to the national income also our state is lagging behind. In 1960-61 the *per capita* income in the country was Rs. 306 against Rs. 244 in Uttar Pradesh. In 1970-71 it was Rs. 633 at the national level against Rs. 493 in Uttar Pradesh. In 1974-75 it was Rs. 1004 in the country against Rs. 740 in Uttar Pradesh. In 1980-81 it was Rs. 1557 in the country against Rs. 1212 in Uttar Pradesh. In 1984-85 it was Rs. 2143 in the country against Rs. 1508 in Uttar Pradesh.

Sir, thus, our state is backward in every respect. Terrorism is growing in the state now-a-days. In 1990 the Police Head-quarter of Uttar Pradesh had sought the approval of the Union Home Ministry to establish an anti-bomb-squad there. But the Ministry of Home of India does not have time to approve the establishment of an

anti-bomb-squad in order to equip the Uttar Pradesh Government to deal effectively with the terrorism so that the women's honour may be saved and the murders of innocent people may be stopped there. And moreover they were told that if companies of armed forces would be asked for suppressing disturbances the expenses on sending those would be charged from the state Government. Even the constitutional propriety and conventions of announcing this in the House was not followed by them. They did not consider this House a fit place for announcing this. They announced about this in a meeting amidst clappings. I urge upon them to approve the proposal of Uttar Pradesh Government to establish the anti-bomb-squad in order to deal effectively the terrorism. I request them to provide assistance also in that regard.

There is drought and shortage of electricity in Uttar Pradesh. The economic assistance should be given to this State and the supply of electricity also should be increased there. Further, I would like to say that several industrial development schemes of Uttar Pradesh are pending in the offices of the Government of India. There is delay in clearing them. These schemes must be approved immediately. The Indian Constitution provides that justice should be easily accessible to the common man but the Government of India is adopting delaying tactics in the implementation of recommendations of the Jaswant Singh Commission pending since 1986. They say that the Uttar Pradesh Government has not expressed its opinion whereas the state Government announced one year ago in the Legislative Assembly that it had conveyed its opinion on the recommendations of this commission to the Central Government. One of the Central Minister, Shri Rajesh Pilot speaks a different language for which there is much excitement among the people of the state even today. A great injustice is being done with Agra.

[English]

SHRI MORESHWAR SAVE
(Aurangabad): Sir, there is no quorum
in the House.

MR. CHAIRMAN: Let the bell be
rung.

MR. CHAIRMAN: Since there is
no quorum in the House, the House
stands adjourned to meet tomorrow
at 11 a.m.

18.44 hrs.

*The Lok Sabha then adjourned till
Eleven of the Clock on Friday, the
2nd August, 1991/Sravana 11, 1913*

(Saka).