

times that I have been in this Parliament. We have had occasions, from the days of late Shrimati Gandhi, of borrowing from these international agencies. Every time I had made this point. You will borrow this money, be it 'x' billion dollars or 'x' million dollars, if three years from now this money is spent and what we had set out to achieve with this money is not achieved, are you going back to the IMF or the World Bank? And, with sickening regularity we have gone back. I would submit to the hon. Finance Minister that in this there is one great shortcoming and the one great area of doubt that I have is about the profligacy of expenditure when it comes to the Government itself. I do not think that this Government, and with due regard both personal and professional for the hon. Finance Minister, this Finance Minister can succeed in curtailing this elephantine, uncontrollable expenditure of this bureaucracy, that is India. The bureaucracy, that is India, is not merely an expenditure it is also like the weeds that are clogging up the free flow of water. It is some kind of clogging of veins and arteries of India. Unless you address yourself there, we will not cut down expenditure, we will not achieve efficiency.

I will conclude with just one thought which I shared with the hon. Finance Minister earlier in a different context. Uptill yesterday we were told that the economic gods that we are to worship are the Gods of centralised planning. It is almost a sacrilege even to utter about them. For the last two years we have been told that now the God that we have to worship is free market economy. I do not mean it personally at all, Sir, but I treat all economist with great suspicion. I have seen the god of centralised planning perish. I am also not sure in my mind that the God of free market in the economy is the God in which we will find all answers and it is the panacea that we are looking for and it is the God that will provide salvation to India. I would be happy if the hon. Finance Minister share his thoughts on that subject.

I submit again that the 315 million Indians who live below the poverty line do require State intervention but they require State

intervention from a State intervention from a State that is just, from a State that is caring, from a State that is compassionate and above all from a State that is honest and a State that is able to efficiently deliver what is required to be delivered to those 315 million Indians. I am also not so sure that for those 315 million Indians these reforms, welcome as they are, will serve the purpose of lifting them-however fudged the figures of lifting them up are from that absolute tethering of poverty.

Sir, I am grateful to you for the time that you have given me to speak. thank you, Sir.

---

17.55 hrs.

#### BUSINESS ADVISORY COMMITTEE

##### Tenth Report

[English]

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): I beg to present the Tenth Report of the Business Advisory Committee.

---

17.56 hrs.

#### DISCUSSION UNDER RULE 193

Present Economic Situation in the country with reference to the Steep rise in Prices of Essential Commodities in recentd months, deficit Financing, the foreign exchange crisis and the Conditionalities Sought to be imposed by the International monetary fund -Contd.

[English]

MR. CHAIRMAN: Since, we have got

some time, I will call another speaker, Shri Debi Prasad Pal. Let him start and tomorrow, he may continue.

DR. DEBIPROSAD PAL (Calcutta North West): It will be more convenient, if you allow me to start tomorrow.

MR. CHAIRMAN: You may make your introductory remarks and continue tomorrow.

DR. DEBI PROSAD PAL: Mr. Chairman, Sir, while speaking on the economic situation, we have got to consider the position in the year 1991.

In the year 1991, when we are considering the economic situation of the country, we shall have divide it into two major parts.

When the year 1991 started, it was state of economic confusion, it was a state of frustration in our economy. We find in the earlier period which ended in June, 1991, the economic position of the country was reduced to such a position that even in the international world, our creditworthiness was completely at its lowest ebb. The price situation in the country exceeded the two digits. The price level increased up to 13.4 per cent, although in the earlier periods, it never exceeded the one digit. This was the position when the present Government took up the administration. When our foreign exchange reserves dwindled to only Rs. 2600 crore and it could hardly meet our

Balance of Payment position for even two weeks in the international world, our credit worthiness was not accepted. So, this was the position of our Balance of Payment situation.

Our Rupee was not acceptable to the international world at their face value. The position is this that even the industrial production was at its lowest ebb, even though in the agricultural sector, there had been three good monsoons. So, it increased. But in the industrial sector, the development was not even 4 per cent compared to the earlier period of 7 per cent to 8 per cent.

In this state of affairs, the economy was reduced to such a position at that time when the present Government took up the administration. (*Interruptions*)

MR. CHAIRMAN: Do I take it that it is the pleasure of the House to extend the time of the House in order to listen to a very interesting speech by Mr. Debi Prasad Pal?

SEVERAL HON. MEMBER: No.

MR. CHAIRMAN: Mr. Debi Prasad Pal, you can continue tomorrow. The House stands adjourned to meet tomorrow at 11 A.M.

18.00 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, December 17, 1991/Agrahayana 26, 1913 (Saka).*