

I urge upon the hon. Minister of Human Resource Development to look into their grievances and do justice to them without further loss of time.

(v) Need to develop Kota, Bundi and Jhalawar region as tourist centres

SHRIMATI VASUNDHARA RAJE (Jhalawar): Sir, adequate attention has not been paid by the Government for the development of tourism infrastructure in the Kota, Bundi and Jhalawar region. The region is well connected by rail and road. There are several natural attractions like rivers, forests and wildlife. Forts, palaces, *havelies* and other man-made structures of the past, lakes, dams and other water bodies constitute potential resources for the entertainment of the tourists. Colourful fairs and festivals of the region, Kota sarees and handicrafts draw the attention of the domestic as well as foreign tourists.

Despite these positive factors, tourism in this region has not been developed to the expected level. The local population is totally unaware of the economic significance of tourism, particularly in transforming the idle resources available in that region. The region has not received adequate exposure through national and international publicity. Therefore, the Central as well as the State Governments should launch intensive publicity campaign about the region, both within the country and abroad. The Central Government should take immediate steps for proper restoration, renovation and maintenance of several forts, palaces and monuments, landscaping and beautification of tourist spots, dewatering, desilting and maintenance of lakes, introduction of water sports facilities, improvements of roads, provision of drinking water, snacks bar facilities, construction of hotels or middle-class as well as foreign tourists and restaurants in that region.

I urge the Central Government to take immediate steps in the matter.

(vi) Need to conduct a survey for a railway route between Achencoll and Angamaly in Kerala

SHRI P. C. THOMAS (Muvattupuzha): Sir, Malayora Railway, a rail route, proposal of which had been included for Kerala from Achencoll to Angamaly in the Status Paper of the Indian Railway in 1989-90, is yet awaiting survey. This rail route will be of great importance to Kerala, and India as a whole. It will give an approach to Sabarimala, the pilgrim centre of Lord Ayyappa, which is visited by crores of people. A station at Erumely which is a place renowned for Hindu-Muslim unity and communal harmony will become one of great importance if railway shall pass through agricultural, commercial and foreign exchange earning areas of Kerala. I request the Government to make an immediate survey of this Railway.

13.14 hrs.

GENERAL BUDGET, 1991-92—GENERAL DISCUSSION—Contd.

[English]

MR. SPEAKER: Now we take up the General discussion on the Budget. The time allotted for this discussion was fifteen hours; we have consumed fifteen hours and twenty-six minutes. The Congress Party was allotted six hours and six minutes, it has consumed five hours and forty-eight minutes; BJP was allotted three hours ten minutes, it has consumed two hours thirty-five minutes; Janata Dal was allotted one hour thirty-one minutes, it has consumed one hour thirty-seven minutes; CPI(M) was allotted fifty-seven minutes, it has consumed one hour and twelve minutes; CPI was allotted twenty-one minutes, it has consumed one hour two minutes; TDP was allotted twenty-one

minutes, it has consumed thirty-five minutes; and AIADMK was allotted eighteen minutes, it has taken ten minutes. This is the time that has been consumed. I think we will continue and give more time to the Members who want to speak.

SHRI LAL K. ADVANI (Gandhi Nagar): At what time can we expect the Finance Minister to reply?

MR. SPEAKER: We have a long list of Members. In fact the Finance Ministry is wanting to know from us as to when we would like him to come here. But we are trying to give time to the Members to speak. The reply may be at five O' Clock today or tomorrow.

SHRI INDRAJIT GUPTA (Madhapore): Shall we take it that the reply may not be given today?

MR. SPEAKER: Well, they want to know as to when the Minister should come here.

(Interruptions)

MR. SPEAKER: We will try to accommodate as many Members as is possible. Shri Mumtaz Ansari was on his legs. He had already consumed ten minutes. The hon. Member may conclude now within two minutes.

[Translation]

SHRI MUMTAZ ANSARI (Kodarma): Mr. Speaker, Sir, we expected that with the devaluation of our currency by 20 per cent, the quantum of import would come down and export would go up. Our import is static and there is no likelihood of any fluctuation in it. Our import mainly consists of crude oil and petroleum products. When rupees has been devalued, the prices of imported petroleum product will naturally go up and with that burden of price rise on poor people will continue to increase. Hence, devaluation of rupee is not going to serve any purpose.

We are importing petrol from other countries but not making any diversification of the countries from where these imports are made. We are making imports from Gulf countries only. We should also make imports from Indonesia, Venezuela and such other countries. The devaluation that has been made is not in the interest of the poor. It will further increase the burden of living on them and also increase the prices.

Secondly, I would like to point out that loans are being taken from foreign countries. Thus, the debt burden on the country goes on increasing. If further loans are taken, it will be a great injustice to the poor people of the country. That is why framers of our Constitution had made the following provision in Article 292 of the Constitution:

[English]

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

[Translation]

Under the provisions of this article, the Parliament should have enacted a legislation specifying that a limit or a ceiling should be fixed before taking any further loan. The Parliament should also have put the restriction that the Government should not borrow loan from abroad, because it will increase the debt burden on the country. As all the hon. Members have seen and it has also been stated by the hon. Minister of Finance, the debt servicing ratio has gone up to 21 per cent. But the actual figure as per the other sources have reached 33 to 36 per cent. As such even if the Government boosts export and thereby earns more foreign exchange, one third of the same will go out as loan repayment. Under the circumstances,

it is not justified that loan should be taken from foreign countries, thereby increasing the debt burden on the country.

Now I would like to make few other submissions. The Government withdrew the proposed allocation of Rs. 100 crore to Rajiv Gandhi Foundation. They did so because it pricked their conscience. Government's behaviour as reflected by this case gives an impression that some other person with a very low profile controls the state of affairs of the Government just as Noorjahan controlled the state of affairs sitting behind Jehangir. If one goes through Indian history he would come across an incident when Empress Noorjahan killed a dhobi with an arrow and Jehangir heard her case and delivered a historic judgement. I may point out here that setting up of a National Foundation of Communal Harmony is totally baseless. A number of promises were made through this institute but none of them was fulfilled. (Interruptions) Similarly, there are a number of other proposals. If the Government proposes to set up a National Foundation of Communal Harmony and its intentions are clear, let it constitute an anti-riot force and set up a minority Finance Corporation. If it does not do so, it cannot remain in office any longer by pursuing the course of deception.

The provision of Rs. 16,500 crore for non-plan expenditure should be curtailed. It is an unproductive work. It will give rise to inflation. There will be galloping inflation and it can in no way benefit the country. We should have good friendly relations with all our neighbouring countries. We should arrive at a consensus by sitting across the table to reduce this type of expenditure. Ours is a poor country. We cannot bear this burden. Friendly relations should be established with all the neighbouring countries, be it Pakistan, Bangladesh or Afghanistan. If we adopt such an attitude we can establish good neigh-

bourly relations with other countries also.

Now I would like to make a submission about gold being smuggled into our country. Gold worth 3.75 billion dollars is being brought in the country in an illegal manner. Similarly Luxury items worth billions of dollars are also being smuggled into the country. It should be checked.

[English]

MR. SPEAKER: Please do not repeat the points which have already been made. You conclude now.

(Interruptions)

[Translation]

SHRI MUMTAZ ANSARI: I would like to request you sir, to convey my views to the Government. The subsidy on fertilisers has been withdrawn and its prices have been increased by 40 per cent. It is quite improper. This proposal should be withdrawn at the earliest. Otherwise, we will stage a demonstration both inside and outside the House and are even prepared to fight with the Government on this count.

With these words I conclude.

SHRI ATAL BIHARI VAJPAYEE (Lucknow): Mr. Speaker, Sir, while speaking on the Motion of Thanks in this House on 18th July, I had made a few submissions. The Budget had not been presented by then. I had pointed out that illegal drainage of Indian capital to other countries is the main reason of balance of payment crisis. In this connection I had made a reference to smuggling of gold and attributed the cause to under-invoicing and over-invoicing. If we make an estimate of this money, the total drainage during the last 10 years would be about \$ 56 billion. The hon. Finance Minister terms it as capital drainage. Actually, it is not a capital drainage but a theft—a pure theft. Country's money goes out and we are

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not able to check the same. When the economic crisis in the country becomes grave, we invite the NRIs to invest the capital in the country which they have deposited in foreign countries. Their sources of income is not being questioned. In this way they are being given amnesty. Then starts the process of converting black money into white money. Mr. Speaker, Sir, how long this practice will continue?

Mr. Speaker, Sir, in the course of my speech I had made certain concrete suggestions, but I am afraid that the Government did not any note of them and did not prepare the Budget in the light of those suggestions. The Government is not prepared to state even today as to what steps are being taken to check illegal drainage of capital to foreign countries. If no effective steps are taken in this regard, capital of the country will continue to flow off and the country will be put in economic crisis. If the Government is keen on taking this point into consideration, it should take the House into confidence.

Mr. Speaker, Sir, I had made a demand to know the basis on which negotiations are being held with the International Monetary Fund. The House as well as the country should be taken into confidence in this regard. I had also made a demand that copies of correspondence that the two previous Finance Ministers and the present Finance Minister have had with the Board of Directors and the Managing Directors of I.M.F. should be laid on the Table. But the Government is keeping mum in this regard also. In the meantime borrowing of loans from the I.M.F. is continuing. We read from newspapers everyday that I.M.F. delegation is coming and holding discussions. There are 30 countries on its Board of Directors. Shri Gopi Arora from our country also knows what are the terms of loans. But the House and its Members do not know about it. Is this a happy situation? Let the Government think over it seriously. At least we should know what under-

standing has been reached with the I.M.F.

Sir, the 'Economic Times' of 26 July, 1991 quotes the hon. Finance Minister as saying:

[English]

"There will be a tremendous revolt on the streets of the country if all the conditionalities are accepted."

[Translation]

If all conditionalities are accepted there will be a revolt on the streets of the country. Agreed that the Government is not going to accept all the conditions but which are those conditions which the I.M.F. wants us to accept. Are those conditions so insulting that they could lead to a revolt on the streets of the country. The hon. Finance Minister has himself stated this. In the light of this statement, it becomes even more imperative to clarify matters, with regard to the conditions we have accepted and the conditions we have rejected. Sir, this is also important because I.M.F. has dealings with other developing countries also. During the 40 years after Independence, our country has set up an industrial infrastructure, become self-reliant in foodgrains and also made progress in other spheres. Even if faulty policies have created this economic crisis, we can still hold our own against the I.M.F. to some extent. Will these conditions of the I.M.F. not be applied in case of countries which are in a much worse position than our's. Shouldn't those conditions be discussed openly? If the House is not taken into confidence, the public would be deprived of a true picture of the situation.

Sir, I had even asked the Government to explain the State Bank of India's role in seeking loans from abroad. It is not the responsibility of the State Bank of India to seek loans from abroad. This is the work of the Reserve Bank of India. Why was the State Bank brought into the picture?

It seems the Government is misusing the State Bank. According to recent reports, efforts are on to dislodge the Chairman-cum-Managing Director of the State Bank even though his term has not expired. The reason is that the Government wants to throw the blanket over certain issues. The Economic Times further quotes the hon. Finance Minister as saying:

[English]

"I am worried about the banking system which is burdened with many strains."

[Translation]

Which are these strains or pressures? The Finance Minister is not present in the House, nor is Shri Potdukhe. He is Potdukhe and I wouldn't like to give him a headache.

The Annual Report of the State Bank of India for the year 1991 has just been published. According to it, the State Bank took a loan of Rs. 19,000 crores from abroad and between March, 1989 and March, 1991 it recorded an increase of Rs. 8,000 crores. This is a serious matter. The State Bank's role in this matter should be clarified.

Sir, what has the bureaucracy done to avoid the balance of payment crisis. The situation went on deteriorating every month between 1985 and 1991. Did the bureaucracy warn of the impending situation? Is it not their duty to apprise the concerned Minister if they foresee difficulties for the country? Have they fulfilled this duty? It is true that policies are laid down by the Cabinet which consists of politicians. Politicians contest elections. Politicians are answerable to the masses. The masses make them lose in elections. But what were the top bureaucrats responsible for handling financial and economic issues doing? This matter must be given serious thought.

Shri Bimal Jalan said in a seminar:

[English]

"Bureaucrats do not care as to what the consequences of their actions are."

[Translation]

If the report of the seminar which has been published is true, then it will create a sensation. The burden of implementing the new policies will fall on this Government. Will the policies be successfully implemented? Will the bureaucracy also be made answerable?

I would like to say a word about industrialists also. Industrialists demand liberalisation but many of them have become used to a protected market in India. Even those who are scared of facing competition and favour continuance of regulations and control so that they can further their interest in connivance with corrupt politicians and now they will have to face competition. Are they willing to face the challenge? I would like to cite an example in this context. This was discussed with the Hon. Prime Minister a short while ago. There is a controversy regarding the withdrawal of subsidy on fertilizers.

Sir, we are spending foreign exchange to import urea and we propose to set up five gas-based fertilizer plants to meet the shortage. Promoters of three out of the five plants say that construction work has almost come to a standstill as the Government has not given the green signal in regard to certain aspects. A loss of Rs. 4 crores in foreign exchange is being incurred everyday over a trifling matter which is not being cleared by the Government. But who will give that green signal and why should he take the trouble? If this situation persists then we shall not be able to derive full benefits from the economy that we are going to liberalise further.

Sir, now I would like to say something about tax proposals. The Gov-

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Regarding the personal income-tax a limit of Rs. 22,000 will not serve any purpose because there has been inflation in the last 18 months. There could be a further rise in prices. We feel that ideally the limit should be Rs. 40,000. In this year's Budget, the limit should at least be fixed at Rs. 30,000.

Sir, one question that I have repeatedly asked myself is whether any gentleman who is a tax evader in this country has been punished. I use the term gentleman because no punishment has been given. So, I cannot call that man a bad person. Cases have been filed but I cannot recall anything else. If Shri Indrajit Gupta or any other hon. Member can help.

SHRI INDRAJIT GUPTA (Midnapore): What sort of help is needed.

SHRI ATAL BIHARI VAJPA-YEE: Has any tax evader in this country ever be punished? Can you recall any such instance?

SHRI INDRAJIT GUPTA: There is no evidence that tax evasion actually took place.

SHRI ATAL BIHARI VAJPA-YEE: This means that they indulge in such activities and then challenge the administration. Evasion was committed so cleverly that they could not be apprehended. But I know the case

of England's Sir Lancelot Yeiger. He was the Queen's horse driver.

SHRI ABDUL GHAFUOR (Gopal-ganj): He was a nice jockey.

SHRI ATAL BIHARI VAJPA-YEE: Ghafoor Saheb possesses good knowledge of horses. I am simply talking about the lower breed than that of horse. Mr. Speaker, Sir, Sir Lancelot Yeiger was imprisoned for two and a half years and a heavy fine also was imposed on him. It is necessary that the people must pay taxes honestly but at the same time it should be kept in mind that they should not be burdened with so much taxes that tax evasion becomes more profitable than paying fine. Quoting Prof. Kaldor, the hon. Minister of Finance has said in his speech that maximum marginal rate of Income-tax should not be more than 45 per cent. But he has not adopted that criterion this time and has advised to wait for five years. No one knows where shall we and the Finance Minister be after five years. I request him not to ask us to wait for such a long period. In my opinion rate of income-tax should not exceed 40 per cent of the income. Thereafter, collect the taxes honestly and strictly, without giving any relaxation. If you want to check tax evasion, it must be within the capacity of the people.

There is a proposal in the Budget to reduce depreciation allowance from 33 per cent to 25 per cent.

SHRI INDRAJIT GUPTA: It is being reduced.

SHRI ATAL BIHARI VAJPA-YEE: I am saying the same. In the Budget Depreciation Allowance has been reduced from 33 per cent to 25 per cent. This reduction is too much. So I would like to suggest that it must be fixed at 25 per cent. In the light of new industrial policy there should be an effort to provide some stability to the industrial establishments.

The Finance Minister has said that he is one of the most worried Finance

Ministers. I have full sympathy with him. Therefore, I am not only talking of reliefs in taxes but also want to suggest him some new sources of income. He has announced extension of MODVAT Scheme to cover man-made fibres and yarns. His intention is good but its result is not good. The Government is going to lose an income of Rs. 230 crores. The hon'ble Minister of Finance in his Budget speech has hoped that the consumers would be benefited from it. But in fact, it is not so. The fibre and yarn manufacturers have increased the prices. They have not only availed of the relief given on yarns but have increased the prices of yarn by Rs. 11 thousands per tonne. The purpose of the Finance Minister will be defeated if the consumers are not benefited. Mr. Speaker, Sir, in this context I would like to mention that the same situation was faced in 1988. In the 156th report of P.A.C. such concessions, from which neither the consumers were benefited nor the Government got any revenue, were bitterly criticised. That Report caused a great uproar in the House also. I think it should be made clear to the manufacturers of fibres and yarns that they should pass on benefit of the relief to the consumers failing which this concession will be withdrawn. If it is not done, it will not serve any purpose.

Mr. Speaker, Sir, the Minister of Finance has accepted the fact that the taxes are evaded at large scale in the country. He has said in his speech that he wants to give a last opportunity to the tax-evaders so as to unearth black-money. According to an estimate the black-money of Rs. 80 thousands crores is created every year in the country. He has presented three schemes in order to make that money white.

Under the first scheme, any person would be allowed to make a deposit with the National Housing Bank on or before 30th November. He would not be prosecuted. Thereupon, forty per cent of such deposit would be deducted and set apart as a special levy. The second scheme is to improve the

balance of payment position. Under this scheme the remittances in foreign exchange can be made to any person in India. Even if the remittance is received as a gift by the donee, it would not be subjected to gift tax. The source of funds out of which the remittances are made would not be subject to scrutiny. Under the third scheme, the State Bank of India would issue India Development Bonds to be denominated in US dollars. These bonds will be available for purchase by non-resident Indians. I wonder as to why the hon. Minister of Finance did not consider all the three schemes together. To bring the black money out, he has said that any person would be allowed to make a deposit. Thereupon, forty per cent of such deposit would be deducted and set apart as a special levy. He would not be asked to disclose the source of such money. He would not be penalised. But it appears that the second and third schemes have defeated the very purpose. Because any person with unaccounted money would like to get dollars by remitting money outside the country through 'Havala'. They would not like to deposit it in the Housing Bank. Rates of 'Havala' premium have increased. The Finance Ministry should have seen these schemes in totality. And such practice is going on. The rate of 'Havala' Premium has increased to 30 per cent whereas the Government wants to keep 40 per cent of the total deposit. Crores of rupees are being remitted outside the country through 'Havala' transactions daily. Now the hon'ble Finance Minister has paved the way for bringing that money back in the form of dollars. This is a serious matter, it should be considered deeply. Why will these people like to suffer loss even after paying double taxes?

Excuse me please, those who have despatched their money outside the country, are very clever. Howsoever we may try to create the feeling of patriotism among them, they are thoroughly greedy. They have overlooked the interest of the country. If we want to exhort them to bring their money back in the country, we shall

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have to close all the loop-holes and to give handsome incentive. Only then it may be possible. The question is as to whether the Government wants to stop the out flow of capital from the country or wants to encourage this practice? I would like to suggest the Government to reconsider these three schemes. New schemes must be adopted to attract Indian capital remitted outside the country. The Government itself is ready to give Equity shares in some of the Public Sector Companies. Hon. Finance Minister has talked of 20 per cent. But some foreign companies are proposed to be allowed 51 per cent or even 100 per cent equity participation. I suggest that Government should get the net worth of some of the good public sector companies assessed and put their share holdings in National Renewal Fund and fix their prices in accordance with their assessment. Prices should be converted into bearer share and the price of each share i.e. the face value of each share should be allotted to the persons employed in these companies and they should not be asked to reveal their source of money. On the one hand, it will fetch money and on the other the country will be saved of the harmful effects of other schemes.

Mr. Speaker, Sir, now I would like to refer to smuggling of gold. About one lakh six thousand tonnes of gold have so far been mined throughout the world. There is about 10 thousand tonnes of gold in our country, out of which Five thousand tonnes of gold is hoarded and 5000 tonnes have been brought into the country through smuggling. If we succeed to manage to get two thousand tonnes of gold from the public, I am not talking of 5000 tonnes of gold but only 2000 tonnes of gold. It is essential that this gold should not be in the form of jewellery but in the form of gold. If we succeed in getting two thousand tonnes of gold for the nation by issuing gold bonds with maturity after ten years at 2½% interest, it would be a new solution to the present crisis. I am reminded of the call to donate gold given at the time of Chinese aggression when Pan-

dit Jawaharlal Nehru was alive. We received gold in a large quantity in response to that call. We returned that gold along with interest thereon. The economic crisis being faced by us presently is no way less than that one. Gold is there in abundance, it is hidden under the earth. It should be brought out. We should find a way to solve the present crisis through it. But hon. Finance Minister is totally silent on this issue.

SHRIMATI GEETA MUKHERJEE (Panskura): What is the difficulty if we trade in rupee or silver? What is the need of gold? For Dowry! Do not take gold as dowry.

SHRI ATAL BIHARI VAJPAYEE: We have passed the age of dowry!

[English]

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEB): You are under-estimating yourself.

SHRI ATAL BIHARI VAJPAYEE: I will take your expert advice in this matter.

[Translation]

Mr. Speaker, Sir, if we succeed in getting two thousand tonnes of gold, it would be worth 36 billion American Dollar. Gold is now losing its attraction throughout the world. The prices of gold did not increase much even during the gulf war. Now people want to invest their money in other way. People should be motivated to pledge their gold with the sound assurance that their gold would remain fully secured and in lieu of it they would get securities which they would be able to use with ease whenever they are in difficulty. I have many more suggestions to make, but again the same thing, hon. Finance Minister is not present in the House.

AN 'HON. MEMBER: Minister of State is present in the House.

SHRI ATAL BIHARI VAJPA-YEE: Yes, Minister of State is present.

If we sell gold worth 25 billion dollar to clear our debts and invest rest of the gold in such a way that would fetch us 10 per cent profit then it would help us in overcoming the present financial crisis. We can promise to give after 10 years a good plot of land in big cities to the persons who are prepared to give their gold. Land is gaining attraction along with gold. People are prepared to invest any amount of money in land. Government will have to take the responsibility. There is a large area of land lying unutilised with Government. Shri Jaswant Singh is present here. He was the Chairman and found that Army Cantonments possess lakhs of acres of land. The land belonging to army, of course, should remain with the army and future expansion should also be kept in view. But if Government promises to give a plot of land to the people after ten years in big cities along with the interest thereon then people would be ready to give their gold. It should be given a serious thought.

SHRI INDRAJIT GUPTA: Which Government would be there after ten years, nobody knows.

SOME HON. MEMBERS: But country will be there.

SHRI ATAL BIHARI VAJPA-YEE: People are purchasing Development Bonds, some will purchase after 5 years and some after 10 years, it is a matter of trust and faith, Comrade, it will not do without trust and faith. One must have some trust and faith.

I have another suggestion to make. Government should allow NRIs to bring gold in to the country. But that gold must be in the form of biscuits and not in any other form. Duty can be imposed at flat rates on that gold and should be charged in dollars or in the form of gold. This will help

in checking smuggling and meeting the requirement of gold in the country. It will also help in checking 'Havala' business.

Mr. Speaker, Sir, other measures are also required to be taken to bring back the country's capital. We are going to invite private capital, foreign capital for participation in public sector. Government can formulate a scheme after giving a serious thought to it. But Government has not yet made up its mind. Though everyone is well aware of the magnitude of crisis but it has become difficult to find out the solution because of political pressure. I would like to request the treasury benches to first make up its mind and then initiate dialogue with opposition. No initiative has yet been taken to enter into any kind of dialogue. Policies have been chalked out and have been placed before the House. We have been left with option to accept them or outrightly reject them. This is not a happy position.

I would like to repeat my earlier submission and conclude. We are passing through a very serious economic crisis and if we do not make far-reaching changes in our policies, we will be facing similar crisis after some time. Suppose, we grant general amnesty for black money, we had granted such amnesty earlier also, and black turns white as a result thereof, the persons involved in the generation of black money will again start their business of generating black money and we will be faced with the same problem of black money after 10 years.

14.00 Hrs.

Therefore, there is a need to stop black money generation and for that purpose if economy is freed from rules and regulations and clutches of Bureaucracy, it would be a welcome step.

It is quite necessary for the Government to take care of neglected

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sections of society and neglected areas. Our Government now-a-days cannot merely be a machinery to maintain law and order. It will have to devote itself to the welfare of society also. Government will have to undertake many schemes and while doing so it will have to ensure that our limited resources are not misused.

I hope that Hon. Finance Minister while replying to the debate would deal with these basic problems and take the House into confidence.

[English]

SHRI IMCHALEMBA (Nagaland): Mr. Speaker, Sir, I thank you for giving me time to speak.

14.00 hrs.

[SHRI SHARAD DIGHE
in the Chair]

I would like to say that since the commencement of this Session of Lok Sabha, we have been witnessing a heated debate on the failing economy of the country. We have also been witnessing the major political parties which had been in the Government in the past, throwing blame on each other. But, what I feel important to every Indian public today is that to what extent we are prepared to face the crisis; secondly, what is the period of time this crisis is likely to continue; and thirdly, what are the objective reforms which we have in our mind to overcome the crisis. These are the most important questions which faces the country today. Whether we like it or not, I think we have to admit that the present economic crisis could have been averted or minimised to a great extent if we had not ignored the symptoms and warnings which were visible at the earlier stages. We find that very often, it is only when the matters take a serious turn that we give recognition and acknowledge it. I would like to say that over 60 per cent of the political and economic problems which are facing our country today are our own creation and it is the result of our own neglect. I

would like to appeal to the leaders in the Government that they should not repeat the same mistake again; that they should be more sincere and devote their time to serve the cause of the nation; and that they should not waste time indulging themselves in political games, as has happened in the past.

I have seen that the present situation which we are facing today, is similar to the situation faced by the Soviet Union. For instance both countries opted for foreign assistance; with promise for radical reforms in the economy. Secondly both the countries have sold gold to revive their failing economy. Thirdly, both the countries over the years have built up an economy based on socialism. Both the countries are now trying to get out of it.

In India, the manner in which the gold was sold and the manner in which the emergency borrowing was made have driven the country into a state of a near-panic, though for a short time.

We find that we have not fully recovered till today. That is why I feel that this is the time to stabilise ourselves. Secondly, we have to keep in our mind that borrowing is not the ultimate solution to this crisis. We have to keep in our mind that unless we gear up our economic structure sufficiently to face the problem, we will not be able to succeed.

The concept of free economy, which the Government has been talking about, will bring in a new problem for the indigenous industries. What about the industries that are ill-equipped and ill-managed? Will they be able to face competition with the outside market? I think, that is the most important thing we have to keep in mind.

What about the existing labour force that we have in the country? We have not spelt out what role they will

play in the new economic programme. I think, we should not take them for granted. It is necessary, first of all, to create a sense of awareness. We have to give importance to our labour force in the country. We have to make them aware of the important role which they have to play in the economy under the changed situation. I think, that is more important.

What I want to say is that in view of the difficult situation which we are facing today, the Government of India has to seriously consider postponement of investment in those areas which are not crucial to our economy. At the same time, a clear-cut policy has to be worked out about the future of the public sector undertakings. I want to say that the workers and the employees in the public sector undertakings lack the dedication of the earlier days. They are not interested in the well-being of the very sector which employs them. They are more interested in their own well-being. That is what is happening today. As far as I can see, it will be difficult to change this attitude. The indifferent attitude which they are maintaining, will not help to overcome the difficulties which are facing today in the public sector undertakings. We should also not be led away because some of the public sector undertakings are making profit. It is possible that if it goes to the private sector, the profit may be more. We have to study that.

I also want to say that the economic measures do not necessarily mean needless cut in the areas which are vital to our economy. For instance, removal of fertilisers subsidy, about which we have discussed so much, has considerably demoralised the farmers in our country. What I want to say is that the farmers are not like us. They are practical people. They know the hardships which they are going to face. By simply raising the procurement price will not help them. Also procurement price will not affect majority of the small farmers who are living from hand to mouth. That

is why keeping all these things in our mind, I think, we have to be serious, we have to be more pragmatic in our approach. Then only I think, to some extent, we shall be able to succeed in our endeavour.

[Translation]

*SHRI K. V. THANGKABALU (Dharmapuri): Mr. Chairman, Sir, I am extremely glad to participate in this discussion on the General Budget for the year 1991-92.

We are very happy that the Budget proposals have come as a ray of hope in this gloomy economic situation. The Budget attempts to make it a reality the dreams and aspirations of the millions of our people in building a strong and self-reliant economy. The Budget is also an attempt to correct the mistakes of the past and to usher India in a new era. It is an inspiring Budget.

I not only welcome but also gratefully acknowledge the efforts of the Finance Minister to give continuity to the marvellous and glorious deeds of our late lamented leader Shri Rajiv Gandhi aimed at restructuring our economy. Thus he has commenced his speech with glowing tributes to the slain leader who gave his body, soul and mind for building a modern India.

The Budget proposals rightly reflect the promises made to the people in the Congress manifesto. The Budget is the blueprint of all socio-economic programmes assured to the people on the basis of which we have been returned to power.

India is a vast country but the majority of them are poor. The majority are deeply interested in growth. Therefore, the majority of the people of India welcome this budget which is growth-oriented. However, for political reasons, certain of them in the

*Translation of the speech originally delivered in Tamil.

[Sh. K.V. Thangkabalu]

opposite benches choose to criticise the proposals on flimsy grounds. They do not seek to appreciate the imperative need of these proposals in the given economic scenario purely for political reasons. We must stand above these parochial considerations and welcome this budget in the larger economic interests.

Sir, all programmes aimed at the upliftment of the masses depend on the soundness of the economy. A weak and mismanaged economy cannot sustain these welfare programmes. If we do not have proper and efficient planning, notwithstanding the enormity of our resources, we are bound to fail. Therefore, it is indispensably essential to relieve the economy from the present ailments and reform it to serve the needs of the times. Today, the Congress is burdened with that responsibility. The principles and programmes relentlessly pursued by Mahatmaji, Nehruji, Indiraji and Rajivji are being continued by the present leadership of the Congress. We will continue to walk on the road to progress.

Sir, inflation is at its height now. Today, India is in a serious economic crisis. To bring back the economy on rails, the people of India have reposed their trust in the Congress and have returned it to power. We would strive hard to fulfil the task.

Hon. Member Shri Vajpayee, who spoke just before me, referred to a point. I welcome his stand on black money. We, with concern, watch the evil growth of black money. The extent of growth of black money far exceeds the total outlay in the budget. This is the gravity of the situation. A parallel economy is being run by this black money holders. We must admit that we have miserably failed to curb the influence and growth of black money. But I find to my dismay that no specific step has been proposed to wipe out this monster. On the other hand, the budget speaks

about encouraging multi-nationals. Unless all sections of this House and those outside make concerted and co-operative effort, black money cannot be checked.

Hon. Finance Minister has expressed serious concern over price-rise. Successive Governments of Shri V. P. Singh and Shri Chandrasekhar have tremendously failed in their duty of taking steps to contain this price rise. The ever increasing prices have broken the ribs of the poor, the labourers, the farmers and the downtrodden. We, therefore, wish that all the budget proposals in their totality would aim at reducing those prices and thereby redeem the poor from the oppression of price rise.

I congratulate the Hon. Minister for exempting diesel and kerosene from further increase in prices. But the cost of LPG cylinders have gone up by 20%. The poor and the middle class families commonly consume LPG for fuel. This would badly affect them and I request the Hon. Finance Minister to reconsider this increase.

Another new area that is agitating not only the opposition but even the members of the Congress party is the withdrawal of subsidy on fertilizers. The farmers community is the only community in India which is born in poverty, which breeds in poverty and which dies in poverty. This withdrawal of subsidy on fertilizers will seriously affect the farmers. That would further aggravate their already pitiable living conditions. The 40% reduction in the subsidy provided on fertilizers would increase the cost of production and thereby shoot up the prices of agricultural commodities. The Government on the other hand consoles that they would increase the procurement prices. But let me categorically state that you cannot increase the procurement prices to the same extent of 40% of subsidy reduction. Even if you increase the procurement prices that would only further increase the prices of agricultural commodities

and thereby affect the consumers very badly. Can the poor farmers and the consumers cope with this kind of situation? The Government is therefore bound by its duty of protecting the farmers who constitute 60% of the population. I earnestly appeal to the Government to reconsider the whole matter and restore the subsidy on fertilizers. I myself belong to agricultural family and therefore I know the plight of farmers. I hope the Government would respond to my request.

Sir, the coming to my State, I must state with regret that Tamil Nadu has been relegated to background of development for various reasons. The Centre has given only stepmotherly treatment to the State. I can cite it with reasons. The V. P. Singh Government and the Chandrasekhar Government, I must strongly confess, have not provided the State its due financial assistance.

The Hon. Chief Minister of Tamil Nadu Selvi Jayalalitha has put forward certain demands. The Hon. Members of Parliament from Tamil Nadu have also put forward certain demands. These are genuine and deserve to be agreed to.

Sir, the Central Government must provide Rs. 289 crores to Tamil Nadu for the agricultural and rural debt relief operations. The State is already in receipt of Rs. 191 crores through NABARD and the remaining 98 crores must be disbursed to the State without any further delay.

Sir, Only in Gujarat and Tamil Nadu total prohibition is there. In this land of Mahatma, can't these States be adequately compensated? The Central Government has taken a decision to compensate by 50% of the financial loss suffered by the States enforcing prohibition. On that basis, Rs. 390 crores are due to Tamil Nadu for enforcing prohibition during the current year and Rs. 500 crores is already outstanding for enforcing

prohibition during 1977-78 and upto 1980 which must also be provided to the State immediately.

When the late lamented leader Shri Rajiv Gandhi was the Prime Minister, he chalked out a technological mission of providing drinking water to all villages. It was a noble mission of providing potable water to all villages. We welcome this mission. The Tamil Nadu Government has asked for Rs. 40 crores for this year for this project. I request the Hon. Minister to provide the same to Tamil Nadu without any delay.

The Okanakal integrated water scheme is hanging fire for a long time. Seven years back it was sent to the Central Government for clearance. 132 crores has to be provided by the Central Govt. I request the Hon. Minister of Finance to accord permission for the project and also allocate Rs. 120 crores for the State Government for carrying out this project.

The Krishna water project is to bring drinking water to Madras city by 1993. The project is the joint efforts of the Governments of Karnataka, Andhra Pradesh and Karnataka. It was inaugurated in the presence of the late lamented leader Madam Indira Gandhi. The project requires 600 crores and the World Bank has been approached for this. I urge upon the Central Government to take necessary steps to get this Project completed by its due date.

Sir, even the financial assistance under the Gangil formula has not been provided to the State of Tamil Nadu. The assistance thereof should be increased from Rs. 450 crores to 600 crores.

Sir, the Rs. 100 crore contribution to the Rajiv Gandhi Foundation is receiving unnecessary criticism. Hon. Chairman of the Foundation has in a written communication to the Government turned down the contribution. The crores and crores of Con-

[Sh. K.V. Thangakabalu]

gressmen in this country would donate for the Foundation and there is no need for Government funds. Now that the Chairman of the Foundation has turned down the donation and the Government itself has withdrawn the contribution, the opposition parties must gracefully abstain from politicising the issue. They should not bring our leader's name into disrepute. All controversies must end here.

Sir, nearly 60% of the people in the country are backward classes. I, therefore, welcome the proposal to constitute a backward classes commission. This proves that the Congress is the only party which is committed to the welfare of the backward classes.

Sir, today there is a meaningful apprehension that Tamil Nadu may well turn into a Punjab or Kashmir. The Central Government must awaken to the situation. Terrorism and militancy is on the increase in the State. The Tamil Nadu Government is making all out efforts to wipe out terrorism in the State. The people of Tamil Nadu are also equally determined to end terrorism in the State and to safeguard the unity and integrity of the nation. The Tamil Nadu Government has asked for Rs. 40 crores for modernising its police force. This should be provided immediately.

I thank you once again for giving me an opportunity to participate in this discussion. I welcome the budget proposals.

[English]

SHRI MORESHWAR SAVE (Aurangabad): Mr. Chairman, Sir, during Indira Gandhi's last year, the Government returned the last instalment of the massive IMF loan she had contracted earlier in 1981. This means at the end of 1984, the situation regarding balance of payment in our country was not as bad as it is

today. What happened since then to take the country into the present mess right upto the threshold of a debt trap?

In March 1985, India's external debt was Rs. 35,000 crores. By the end of 1989, it shot upto Rs. 1,02,000 crores. The foreign currency assets in 1985-86 were worth Rs. 7,384 crores. It came down to Rs. 5,787 crores by 1989-90 and now it stand at Rs. 2500 crores only. Thereafter, Government resorted to continuous commercial short term loans without any policy plan.

Thus besides the political instability of the last 18 months or so and the Gulf war, the crisis has several dimensions. What is wanted today is that there must be no repetition of reckless spending once the expected big IMF loan is received.

Our budgetary deficit continues to grow alarmingly and, on the other hand we are facing a balance of payments crisis of unprecedented magnitude. Government must take some bold and unpleasant policy steps so that we can overcome the current economic crisis and prepare our country to become a major player in the world economic arena.

Luckily, today, we are self-sufficient in our requirement of food, clothings, wide range of consumer durables and medicines. We are also self-sufficient in our requirement of transport and engineering goods, heavy and fine chemicals, petrochemicals etc.

Our current policies are designed to restrict the activities of large houses like the Tatas, the Birlas and Bajaj etc. What we really need to do is to create conditions where our country generates a hundred Tatas and Birlas and their like.

I would also like to draw your kind attention towards public sector undertakings. Out of 1150 enterprises, 248

are in the Centre and about 900 are in the States. Only ten out of these 1150 are yielding real profits. Thirty others give very low profits. The rest of the central enterprises are in loss. Most of the enterprises which are in the States are a serious burden on the exchequer. Losses have mounted to over Rs. 10,000 crores in the public enterprises which are controlled by the Central Government. Over employment is one of the main reasons which is to the tune of Rs. 22 lakhs in the central enterprises and about Rs. 10 lakhs in the enterprises run by the States. It is suggested that the ownership of the public sector undertakings should be gradually changed from the President of India to the people of India.

To improve economy we can do a lot in the following fields:

Oil and natural gas—presently, the exploration is limited to the Oil and Natural Gas Commission. I would suggest to the Ministry to open out an international field and allow all the people to compete in the open tender.

Regarding coal, exploration should be taken up in all areas and not to restrict it to Coal India and Sigareni Collieries only.

As far as electricity is concerned, because of local political interference such as over employment, poor plant maintenance, lack of financial control and accountability, the State Electricity Boards have performed very miserably with one or two exceptions. Plant load factor must be improved.

As far as agriculture is concerned, much is required to be done by our Agricultural Universities.

India has the potential to generate exports of agricultural as well processed food and horticulture products worth about Rs. 20,000 crores in the near future.

One another field is there and that is Tourism, which is one of the areas which are completely neglected. Last year we have earned about Rs. 2,500 crores out of Tourism, but unfortunately, no attention is being paid to improve upon the area where more potential is available.

As regards taxation, the tax structure should be simplified. Tax evasion should be severely dealt with. All barriers for entry of goods from one State to another should be completely removed so as to save a lot on the fuel which amounts to about Rs. 9,000 crores.

Mr. Chairman, before I conclude I request that the following suggestion may be taken care of by the Hon. Minister who is present here:

1. A cut of at least Rs. 5,000 crores annually is necessary in Government expenditure.
2. Administrative expenditure should be reduced as far as possible.
3. Personal tax rates and corporate tax rates should be lowered to 35 per cent.
4. Exemption limit of income-tax to be increased from Rs. 22,000 to 50,000.
5. Diverting the existing black money into productive channels of investment and preventing further generation of black money.
6. A separate agency to be created to look into the problems of sick small scale units.

Privatisation in India is coming. During the process of privatisation people have to ensure that politicians as well as bureaucrats do not take this opportunity for self-serving ends, corruption and mis-utilisation of resources.

[Sh. Moreshwar Save]

The future of India looks more threatened than for many years. In recent months, the Government has been all but paralysed by political squabbles. The country is divided by violence over caste, religion and demands for regional autonomy. Economic growth is slowing and poverty is on a scale that defies the imagination and seems beyond all remedies.

At the end, I request that the Government should take a realistic, positive and practical approach towards the problems and avoid playing political games.

Before I conclude, I congratulate the Minister for withdrawing the proposal to contribute to the Rajiv Gandhi Foundation and also for the indications to reconsider the fertilizer subsidy as was proposed.

Taxes on cigarettes and liquors may be increased further for earning more revenues as against fertilizers and avoid increasing the price of LPG and petrol.

**SHRI BIJOY KRISHNA HAN-
DIQUE (Jorhat):** Mr. Chairman, Sir, much has been said in the course of the debate about our alleged dilution of the concept of public sector as envisaged by Pandit Jawaharlal Nehru. There are some Hon. Members who even rejoice at the thought that the Nehruvian concept is gone, lock, stock and barrel.

There are some hon. Members again, on the other hand who deplored playing up the Nehruvian approach from the economic scenario of the country. I am afraid, both are wrong and they labour under an illusion. Nehru's ideas are very much relevant now. Nehru's views on the public sector *vis-a-vis* the development of the private sector. To brush up what Nehru said on public control over industry, I quote:

"What is important is not that there should be an attempt to nationalise

every thing but we should aid at ultimate result, which is higher production and employment."

I quote again:

"Certain basic industries, the key industries, should be under state control, partly because, it is dangerous for those key and basic industries to be controlled by private interests ... and for the other industries they can be under private control."

Sir, it is clear now that Nehru is always for certain selective industries to be brought under public sector. What the Finance Minister has spelt out in his Budget in the context of the New Industrial Policy is only a change of strategy. After all, a strategy is chalked out in a historic moment by the people to channelise changes emerging in a given period of history. You know yourself, Sir, half the world over the mind set which till a couple of years ago was an impregnable fortress of a command doctrine is fast undergoing the process of transformation.

Sir, this is not the collapse of the socialist system as some over enthusiastic critics are inclining to interpret. This is a pragmatic re-adjustment to the emerging social values, the essence of which the human individual.

So, as I said, the public sector is still the leader of the Indian industry in a selective area with commanding heights but we have to bear in mind, viability, and viability alone, is the touchstone.

Secondly, I have some apprehension about the fate of the laudable scheme, slum clearance and low cost housing. It is a laudable scheme, no doubt. But it is linked to the proposed NRI funding, I am afraid, this will dilute the seriousness of political will as similar appeals for coming clean on unaccounted money fizzled out in the past. I urge upon,

the Finance Minister to keep this scheme of slum clearance separate without bringing in the NRI or the antics of black money. As a matter of fact, all such measures for turning to black money into white as proposed in the Budget are too soft. Probably, we are offering too much of carrot forgetting the stick.

Another point I want to emphasize is the removal of regional imbalance, to which my party and for that matter, the Government is committed. The Budget, however, conveniently keeps mum on it.

We have devastating floods in Assam. Yet, there are no permanent flood control measures. The States are asked to mobilise their own resources. But how much resources can a State, massively ravaged annually by recurring floods, raise? On the other hand, all our demands for converting loans against Brahmaputra flood control into grants, since this is acknowledged as one of the national problem, have not yet been met. The oil refinery as part of Assam Accord and the proposed gas cracker project to tap millions of cubic metres of natural gas are still non-starter and lie choked under the weight of files and papers. Such a situation gives rise to massive popular resentment and ultimately to alienation. I am not advocating regionalism or chauvinism. Far from it. I for one believe that India needs a strong centre. India needs a centre in the sense of a core culture that leads the nation and seeks to give the nation a sense of direction. Yet within that broad framework of the core culture of the nation, Government needs to make certain re-adjustments in thinking and attitudes. For we should bear in mind that the economic health of the nation can be preserved only in a state of sound political health of all the States of the country.

While agreeing with the Finance Minister that direct foreign investment will provide access to capital technology and market, care must be

taken in giving blanket admittance to all multi-nationals, some of which have had notorious records according to the UNO Report, so that they along with the NRI, cannot destabilise Indian commerce and industry and cannot involve themselves in clandestine political activities.

We know the circumstances and the strains under which the Finance Minister had to make the Budget. Rather it is creditable on the part of the Finance Minister that he could chart the way out no doubt battered and mauled, yet he continues to be committed to the social objective. It is the conscious discrimination in favour of the poor and the disadvantaged which holds key to social transformation through peaceful transition in any society or country. Thus we have seen the Budget soaks the rich through severe imposts on corporate income-tax, interest payments and luxury goods. On the other hand, care has been taken for affording protection to the most vulnerably by reducing the price of kerosene oil and introducing food subsidies. And contrary to the predictions of the "prophets of doom" that India is simply obeying the dictates of IMF suggesting the certainty of Government's abolishing of non-tariff barriers and cutting customs duty to 30 per cent, the Budget maintains stringent import curbs. Again far from cutting food subsidy and slashing plan spending at the supposed behest of the IMF, the Finance Minister has raised both. It is again the human "face" that dictates and not the big money.

I once again support the Budget. I am confident that while translating into reality this Budget will soften the hard time the nation is passing through. It is a compulsion propelled budget. With a deepening crisis lightening its strangle hold on the economy it will be too unrealistic to search for ideological moorings to hang one's pet theories on.

[Translation]

SHRI HARI KISHORE SINGH (Shivhar): Mr. Chairman, Sir, a lot of things have been said about this Budget, but I am very much disappointed to see this Budget. I have great regard for the hon'ble Finance Minister. He is a well known economist and financial administrator, but if one is asked to comment on this Budget in one sentence, it can be said that self-reliance has been abandoned in this budget, it has been prepared under the pressure of I.M.F. and it will accentuate the problem of price-rise and unemployment.

X Mr. Chairman, Sir, the Industrial policy of 1956 was propounded not by Pt. Jawaharlal Nehru alone, it was the result of national movement and was formulated with a view to achieve self-reliance. Later on some reforms were made in it and efforts were made to balance it according to the needs of the time. But the Industrial Policy which has been placed forward before the House just before the Budget shows that the Finance Minister is not aware of the fact that self-reliance was made the base for economic and industrial development. But in the Industrial Policy which has now been presented, not only the vision of national movement for achieving self-reliance has been abandoned, but it appears that all sorts of restrictions have been lifted. International Monetary Fund and World Bank will now dictate their terms and only economists will have their say. What do you mean by this liberal policy? What kind of liberal policy is going to be adopted by the Government? Policies of the Government must be clear. Pepsi Cola has been issued a licence. Would a licence be issued to Coca Cola also under the liberal policy of the Government, which was withdrawn during Janata Party regime. We want a firm assurance from the Government that licences will not be issued for establishing industries for non-essential items. These could be issued for essential items only. M.R.T.P.

Commission was set up to achieve this end. M.R.T.P. was the result of perception and consideration for quite a long time. It has been suggested today that Private sector industries in which Rs. 1,000 crore have been invested, may be kept out side the jurisdiction of M.R.T.P. I want to know the economic philosophy behind it. Is there no need for any control over industries in the private sector? Does our Government think that our industrialists have become so honest that there is no need for any control over them? They have been given fully liberty to establish any kind of industry. Now the Government has no concern for public interest.

Mr. Chairman, Sir, I would like to say that many insurance companies and banks of U.S.A. have been putting pressure on the Government to open their branches here though Government may deny any such pressure. Many Branches of American banks are operating here. Even though we may have complaints about the functioning of our Banks yet I would like to know the policy of the Government in this regard. Will the Government succumb to any kind of pressure to get the next instalment of I.M.F. loan? I request the Government not to allow American Insurance Companies and banks to open their branches here, because our banking industry and insurance industry have been showing good results despite some shortcomings.

Mr. Chairman, Sir, I would like to say something about the labour policy of the Government also. In the Budget speech it has been said that this budget would generate more employment. But I am very doubtful about it, as we are not going to make any new investment in the public sector. Prices are increasing. When prices of articles go up, there will be recession. Therefore, when there is no new investment in the public sector, naturally the problem of unemployment would aggravate. Therefore, I want that labour policy

of the National Front Government be adopted and the Bill in this regard introduced in the Rajya Sabha by the previous Government should be passed by both the Houses. I want an assurance from the Government in this regard.

Mr. Chairman, Sir, it has been repeatedly assured and in reply to a question also the Finance Minister had asserted that rupee has not been devalued under pressure of the I.M.F. and World Bank. His statement may be correct. We are ready to accept his plea. But it is not clear as to why rupee was devalued thrice within a very short period? The Finance Minister said that the Government wanted to know the reaction. Whose reaction did they want to know? Did they want to know the reaction of 'Hawala' traders or that of the I.M.F.? What were the reasons for it? Mr. Chairman, Sir, it is being said that our administrators and economists had advised for only the first devaluation. Second devaluation was made under the pressure of I.M.F. I want clarification from the hon'ble Finance Minister in this regard.

Mr. Chairman, Sir, I would like to say a few words about the policy of seeking foreign loans. Government takes loan from public sector and private sector but unfortunately the ratio between these loans has gradually changed. The loans which Government seeks from the public sector has comparatively less rate of interest than that on the loan taken from the private sector. I would like to make it clear that foreign loan obtained in 1970-72 from the Government sources bearing lower rate of interest, was 95.8% whereas the proportion of loan taken from private sector was 4.2%. The percentage of loan received through official sources in 1980-82 was 83.9% whereas the percentage of loan taken from private sector rose to 16.1%. In 1989 percentage of loan sought through official source came down to 59.3% and the percentage of private

sector loan again rose to more than 40%. Mr. Chairman, Sir, presently our currency is under pressure, and we are under increased burden of loan and therefore, we would like to know as to why such an arrangement has been made? What was the need to change this ratio? I would also like to know the items on which this money was spent? This House wants to know as to why this ratio of loans received from public sector and private sector was changed? By taking the loan from foreign sources, we have become the biggest beggars in the world.

15.00 hrs.

In the end, I would like to say most humbly that I have differences with the Government about the soft options of strengthening the economy of the country. We have examples that no country could make progress by taking loans. It is not possible to build a country by taking loans only. The countries which have fallen in the clutches of I.M.F. and World Bank one getting weaker and weaker whether it is Mexico or Argentina or any other country.

I would like to suggest to the hon'ble Finance Minister that he must take harsh measures for improving the economic condition of the country. He should increase taxes on cosmetics and other such non-essential items. If necessary, he must take steps to close down the manufacturing units of these items. He should take the people of this country into confidence and march further for the development of the country. I.M.F. and World Bank will make us beggar and our condition will go from bad to worse. I want to warn the Government through you.

15.02 hrs.

[English]

DR. R. MALLU (Nagar Kurnool): Mr. Chairman, Sir, I stand here to support the Budget because it has protected the common man in gene-

[Dr. R. Mallu]

ral and weaker sections in particular from the clutches of the financial crisis. Also, allocation for rural development is enhanced from Rs. 3,115 crores to Rs. 3,508 crores. It has also provided Rs. 750 crores exclusively for rural development and that is, for the rural water supply.

I also appreciate this Budget because it has provided Rs. 25 crores exclusively for the welfare of scavengers who are the lowliest of the society, and I am also happy to note that this Budget has provided for a National Housing Bank in which the unaccounted money can be kept and it can be used for the clearance of the slums and also for low cost housing for the poorer sections of the villages.

15.04 hrs.

[SHRIMATI MALINI BHATTACHARYA *in the Chair*].

Madam, while supporting the Budget, I have certain things to be presented to the hon. Finance Minister for his kind re-consideration. The sudden hike in the prices of fertilisers has created panic among the farmers and as you know, in the recent past, the farmers are trying to solve their problem by themselves rather than leaving it to the Members of Parliament to solve it in Parliament. In the process, the farmers are coming on the roads and they are indulging in bandhs and all such things. They are going to the stockists and getting the stock distributed by themselves. If this continues, I think, the democracy will be in danger. In this regard, I honestly request the hon. Finance Minister, through you, to see that the sudden hike in fertiliser price is brought down so that the farmers would get the benefits. In the process, not only the farmers, but common man and others are also going to be benefited.

I am happy to note that the hon. Finance Minister has exempted the essential household utensils from taxation, but in the process he has

forgotten to include the cooking gas which is being used by the common man. Now-a-days, as you know, the cooking gas is more cheaper than firewood and a large number of people in towns and villages are using the cooking gas. So, I request the hon. Finance Minister to reconsider the hike in the price of cooking gas. Now, sugar has become an important thing for the rural people also. In these days, the people in cities and towns have realised the side effects of tea and coffee. But the people in rural areas have now started taking more tea and coffee than the people in cities and towns. It is evident from the fact that we are giving sugar through the public distribution system and it has become an essential commodity. Hence, I request the Finance Minister to reconsider this point also.

I appreciate the Prime Minister and the Finance Minister for setting up the Backward Classes Commission. In this regard, not only the Backward Classes but all other people also appreciate the stand of the Government. I request the Government to provide more funds to this Commission and see that the Backward Classes are taken care of. So, as a whole, I appreciate the Budget and wholeheartedly support the Budget presented by the hon. Finance Minister.

SHRI VIJAY NAVAL PATIL (Erandol): Madam Chairman, we do appreciate that because of the mismanagement of the economy and misgovernance in the past 15 months and adjustment for balance of payment position, certain stringent measures had to be taken. With that came the rise in prices of petroleum products, curtailment of fertiliser subsidy and increase of taxes on certain commodities like refrigerators, air-conditioners etc. But, this time we were expecting that the income tax slab would be increased. It is overdue and also because of the devaluation of rupee, the increase of the slab by Rs. 7,000 or Rs. 10,000 would have been appreciated.

I would like to add further that the time has come to link taxation or some disincentives with the increasing population in order to curb the increase. If some incentives are given to those persons who have the family of one child, say higher income-tax exemption limit and lower rate of taxation, they will try to see that they do continue to keep on with one child without adding a second child for a longer time. The time has come to think very seriously about population control. Otherwise, most stringent budgets will have to be brought and it will be very difficult to manage the economy without those measures.

Regarding curtailment of fertilizer subsidy, almost all sections of the society and also all sections of this august House have not appreciated the cut subsidy. We hope that something will be done to reduce the cut. We will be glad if the subsidy is maintained *in toto* because there will be increase in prices if there is increase in the cost of inputs to the farmers. The agricultural produce is used not only as raw materials for industry but also as food for our people and also some surplus is exported. That is why, some serious thinking should be given and before the Budget is finally passed, we hope the Finance Minister will do something about it. Instead of only thinking of giving some incentives to small and marginal farmers, maintaining the subsidy to fertilizers will be more welcome.

About two years ago, I had suggested in this House, on the aspect of subsidy and added that subsidy should be given to farmers not only on artificial or chemical fertilizers but even on organic fertilizers, just like when the farmers add nitrogen content to cow dung by putting it through bogar gas plant. One or two per cent nitrogen is added to cow dung. If such gas plant is started by the farmers, there also subsidy can be given. The farmers should be encouraged in that way to

produce foodgrains which are the raw materials for agro-based industries. Then only, it will be available at lower price and at the price which is affordable to the agro-based industry and the consumers.

Regarding expenditure, we can compare the expenditure incurred on the offices of the Ministry and that of the Corporations under them. We see super-star or six-star culture in the Corporations managed by the various Ministries. If you go to the office of the Energy Minister, you will find electrical wirings will be open and visible on the walls. If you go to NTPC office, in the Chairman's office who is controlling the projects worth Rs. 1,000 crores—may be Farakka project, or some other project—even bath rooms and toilets are centrally air-conditioned. If that expenditure continues whatever amount of taxation you may levy, whatever type of economy you may exercise, that is not going to help. The time has come when the banks and the public sector undertakings which are indulging in such kind of expenditure should be controlled by the Government. What type of control, you can exercise depends on you, depends on the Government as to how you ride the horse. It depends on the Minister in-charge of each Department. This is a challenge to the Government. I would not like to name the Corporation. Two years ago, it issued invitation cards costing Rs. 5 each. The invitation cards cost Rs. 5 each. This is a luxury which they are exercising at the cost of common exchequer.

There is MTNL in Bombay and Delhi. MTNL Officers are demanding more salaries, on the one hand, in Bombay involving extra expenditure and, on the other, people in the rural and remote areas are craving for new telephones and those telephones which are already available to the people are not working because of paucity of funds. In some other places the small Telephone Exchanges are not working because some instruments are not available

[Sh. Vijay Naval Patil]

to them for repairing them and also there is shortage of funds. But the MTNL Officers are enjoying 5-Star luxury and they are provided with good conditions in the office which are not actually required to be provided as it puts more strain on the economy.

If permitted, I want to refer to some instances in Delhi in regard to payment of taxes. We are taxing people who are genuinely paying taxes but there are people who avoid taxes, those who could pay taxes but who try to evade taxation. In every colony, you will find hundreds of property dealers and benami transactions are there. If you impose taxes on these property dealers by issuing licence, you will get some income. According to my expectation, you may get Rs. 15 to 20 crores in Delhi alone.

In other cities, the transfer of houses, flats and bungalows is allowed by taking certain levies, certain tax on transfer. Here an attempt has been made by DDA and Government to allow such transfers during the last six months. But still a lot can be done, and there will be good earning.

Other people feel that more concessions are being given to Delhites. By 2,000 AD, the population of Delhi will be one crore. One individual out of every 100 will be staying in Delhi. But you are giving very large concessions to Delhites. For example, you are giving concession in transport and you are incurring losses in crores of rupees. Delhi Transport Corporation is incurring loss of about Rs. 40 crore every year. If you increase fuel prices for all people all over India, that again increases fare charges for Delhi people and loss can be reduced.

The time has come to review the staffing pattern in various Departments and to introduce economy and to curtail expenditure. With the development of industry, with the

introduction of computer and electronics in certain areas, the staff can be reduced and this staff can be gainfully employed in other areas. But, at present, the same number of employees are continuing there irrespective of the introduction of modern technology. This has to be considered very seriously. If this exercise is undertaken by every Ministry, it can get the same work done with the same number of staff members and there will be some economy.

The present expectation is that with the development of technology and with the modern methods of administration, the expenditure on administration should be 19 to 20 per cent while that on development should be 80 per cent of the amount earmarked in the Budget. But what is happening today is that about 45 per cent to 50 per cent of the amount earmarked is utilised for payments of salaries and administrative expenses, and less than 50 per cent is utilised for development in any given project or scheme. This is also a serious matter which has to be gone into.

With these words, I thank the Chairman for giving me the time and I support the Budget.

[Translation]

SHRI SATYNARAYAN JATIYA (Ujjain): Sir, the House heard the hon. Finance Minister's speech in the House and here is the rejoinder—I quote from the Charvaak theory—

“Yavatjeevet sukham jeevet, rinam kritva ghritam peevet, Bhaskri bhutasya dehasya punragamanam kutaha.”

This means that as long as one lives, he should live in comfort even if one has to borrow money, after all the dead men do not come back (to life) to repay the debts.

The Government has acted in the same manner:

“Jab tak jiyo sarkar mein jiyo, karz lekar ghee piyo,

Sarkar se hate to khun aata hai,
 Sarkar chukane ko.

"Sau din mein mehngai kam karne ke vaade se Sarkar banae,

Aate hi sarkar ne rupaye ki keemat ghathe, bechari mehngai sharmae,
 Rupaye ki hote dekh khichae."

"Aur sona, sone ka kya hona,

parha-parha yahan kya karega, desh par uski suraksha ka bhaar badhega, Isliye kuch becha aur kuch videsh ko aise he bheja girvi sone ki chiriya ka desh, chiriya sona le uri videsh, desh ka kya hone wala?

Dukh is baat ka nahin ki chiriya uri videsh, burhiya ki maut to ek din honi hi thi.

Gam is baat ka hai ki maut ne ghar ka darwaza dekh liya.

"Aapne hi kaha — hum samajvaad layenge,

garibi hataenge, desh ki ekta banaenge.

Samajvaad aaya nahin, vaad-vivad ho gaya,

garibi hati nahin, garib garib ho gaya.

Ekta bani nahin, aisa kaise ho gaya?"

Vaade kewal vaade the, pukhta nahin iraade the,

bhool to hai kahin, smridh desh bana nahin.

Gandhi se Gandhi tak, chaar dashak beet gaye,

swadeshi ki sthapna ke, swapn sabhi reet gaye."

"Swatantra desh ho gaya, swatantra hum hue nahin,

maansik daasta se hum abhi ubre nahin,

ab videshi companiyan, Vyapar ko swatantra hain, yeh videshi tantra hai?

Hum kahan swatantra hain? Ab kahan swatantra hain.

"Aamdani se mehngai ki, hai dugni raftaar, price index barh gaya, life index bekaar.

life index bekaar, gujara kaise hoga, ab ghora gaadi ke peeche jutega."

"Are, koi inko samझhao, mehngai par rok lagao,

jitne tax lagaye, unse chauguna ghatata,

petrol to petrol, rasoi gas ko maara chaanta,

ausat Aayvarg hua hai aahat, vyaktigat aaykar mein mili nahin hai rahat,

imported saamaan hua hai sasta, swadeshi maal ki halat khasta.

Shakkar

"Ek aas baaki thi, cheeni ke mithas ki,

sau din mein mehngai kam karne vaalon ne,

kam kar di mithas bhi, kam kar di mithas bhi,

shakkar ke bhav barhenge, kahte the,

mehngai hum cum karenge.

"Kisan ke ehsaan ko, khet aur khalihan ko,

athak shram muskaan ko, bhula diya kisan ko.

beej thik milta nahin, khaad mehanga kar diya,

diya usne desh ko, humne use kya diya?

mehangi hogi khaad, laagat bhi jyada hogi,

tab phasal kis bhav bikegi, kisan ko laabh na hoga."

"Kahte hain—Samarthan mulya barha denge,

mehngai ke anupat mein, mehanga krishi utpadan hoga,

aise mein garib ka kya hoga?"

"Yaad karo, sau din ke vaade ka kya hoga?

Ghoshna patra mein chhapa kya kewal bharmane ko,

hathi ke daant khane ke hote hain alag,

alag hote hain daant dikhane ko."

"Jis kaagaz par chhapta tha, mehngai ka samachar,

us kagaz par bhi parhi mehngai ki maar,

[Sh. Satynarayan Jatiya]

kagaz sasta karo ji, mehngai ki sasti khabar chhapegi.”

“Shramam bina na kimupi sadhanam.”

“Shram ke bina asambhav sab kuch,

shram desh ki shakti hai, shram aradhana bhakti hai,

shram ke bina nirarthak jaan, shram hai udyogon ke pran.

kaun banaata Hindustan? Bharat ka mazdoor kisan.”

“Udyog mein shram aur poonji ka barabar ka hissa hai,

ek poonji lagata hai aur doosra pasina bahata hai.”

Isliye—

“Shram aur poonji ko, barabar ka mahatva milna chahiye aur udyog mein shram aur poonji ki barabar ki bhagedaari honi chahiye, udyog shram aadharit hona chahiye.”

“Shiksha

Shiksha—Shiksha bhinn hai

“Aa” Amir ka

“Aa” Asahay ka

Garib ki Shiksha

bhiksha hai?

aur samparnn ki

smridh hai!

Gaon

Ek aur gaon hai

abhav he—

abhav hai. Paani, bijli, shiksha ka

swasthya aur chikitsa ka

dhyan dega arre Koi?

jahan abhav hi abhav hai!

Aarakshan

Aarakshan ke naam par macha bahut kuhram.

Sanrakshan unko nahin mila

Anusuchit jaati-janjaati mein jinke naam!

kaam abhi bahut kuch karna hai

sab samaj ko liye saath mein aage badhna hai!

Berozgaari

Aaram hai haram,

baat ko anjaam do!

Bekaar naujawan ko

Har haath ko kaam do

kiya hai jab vaada

kaam to dena hoga!

Naujawan kab tak

dhare haath par haath

chup baithega?

Har haath ko kaam do

Naujawan ko swabhimaan do!

Rajiv Foundation

Foundation ke naam se virodh nahin tha hamara!

Par foundation kiski desh ki ya aur kisi ki yeh desh ne jaana!

Ab tak jitne naam se kiye gaye hain kaam

un sab kaamon ke kya hua anjaam?

Arre! kaam naam se nahin hota hai,

hota hai achha kaam jab karne wala achha hota hai!

Achha hua yeh banaane se pehle.

gira diya foundation ka dhan-cha!

Saanch ko nahin aanch, yeh samaj ne jaancha!

I shall conclude my speech by describing the Kumbh Mela being held in my constituency—

“Desh mein

Haridwar Prayag

aur Nasik mein

Kumbh Mela aayojit hota hai!

Ujjain mein.

Singhastha kumbh parva hota hai!

Ujjain

Sahitya—Sanskriti

Krishna Sudama ki maitri
Kalidas Vikramaditya
“Mahakaal” ki nagri hai !”

In the context of the Singhashtha Kumbh festival, I would request that—

“Kendra Sarkar
Ujjain main aayojit
Is rashtriya ekatmta ke
Sanskritik samaroh ko
safal banaane hetu
poori sahayta kare !
Jisse
desh videsh se aane waale
lakhon logon ko
koi asuvidha na ho !
Aur aayojan poorn safal ho !”

One thing I want to bring to the notice of the Government—

“Jhuk — Jhuk Karein Pranam
Baat Baat mein
Wah! Wah!! Kahiye
Karein Karari Ghat
Sambhal Kar Unse Rahiye !
Kahein Satya Kavirai
Karte jo Baat Khari
Mitra Use Apna Jano
Karta Chikani chupri Baat
Ghat Ushki Pahchano !”

[English]

MR. CHAIRMAN: It is a stint to interrupt poetry.

[Translation]

SHRI SATYANARAYAN JATIYA: I am heading towards completion:

“Budget mein
Vidyaman Pravdhan
Jisase

Prabhavit Hota

Desh ka

Gaou—Gareeb—Jan Samanya

Aur Kishan !
Unko vapas lo !
Swadeshi ko karo Protsahan
Swatantrata ko Sarthakta Do !
Janhit virodhi
Yah Budget Hai
Mera Virodh Darj Karo.”

With these words I conclude my speech. Thank you. (Interruptions)

[English]

MR. CHAIRMAN: Order, please.

PROF. SUSANTA CHAKRABORTY (Howrah): Madam Chairperson, the Budget presented by the Finance Minister, an expert economist, is an exercise of an expert. But to quote Dr. Robertson I shall deliver my lecture from the view-point of an idiot to his fellow idiots. And it is only expected that some non-idiots shall look at it with indulgence. By an ‘idiot’, I mean, those who are frightened by the simple but prolonged stretches of arithmetics.

The Finance Minister is expected to steer the economy to get rid of the ills of the country. But the tragedy is the steering is not in the hands of the Finance Minister—it is in the hands of the actual high command, the possessor of blackmoney, it is in the hands of the monopoly and the big landlords, the Presidents of the Chambers of Commerce and above all, it is in the hands of IMF and World Bank. That is why, they are all in praise for the Budget. Mr. Michel Cambdesus, Managing Director of the International Monetary Fund told the Asian News International at Washington the IMF believes “that the India’s Budget and economic reforms undertaken by the Government will make India a leading economic player on the global stage within a period of two years”. So says the Congress-I people and they are satisfied.

Given the nature of the Budget, the Finance Minister has confessed that “the life of the Finance Minister is

[Prof. Susanta Chakraborty] notoriously short". I do not know whether Dr. Singh will survive or not but the host of promises made in the Congress-I manifesto have been given a descent burial and I am sure about that. I am sure the promises regarding bringing down prices, giving employment to millions of unemployed youths which are there in the manifesto will not be fulfilled. The Finance Minister, however, was very keen to implement the promise to withdraw the subsidy on salt—the promise made by the Congress-I, in their manifesto. He observes, Alas! "I went back and checked to find that there was already no excise duty on salt". This is the way, the promises are made by the Congress-I people, to the people of our country.

The Budget seeks to reduce fiscal imbalance, create conditions for restoring vitality of the balance of payments, contain inflation, stake a balance between adjustment and growth and that too with a human face. The Finance Minister with these aims in view, has reduced the fiscal deficit from 8.5 per cent to 6.5 per cent, revenue deficit from 3.4 per cent to 2.5 per cent and the Budget deficit from Rs. 10,772 crores to Rs. 7,719 crores. And these, he has sought to down through cuts in expenditure and subsidies here and there and by way of tax reforms. These are backed by the devaluation, industrial policy—new trade policy, and a regime of non-regulated market—determined interest rates, opening the ways for mutual fund in the private sector.

The Budget seeks to contain inflation and it is believed to be for the poor people. But an analysis of the Budget ensures that, as it has come, in the wake of devaluation of the rupee and an increase in the interest rates, these steps will have an inflationary impact.

Secondly, the hike in the prices of petroleum products, the reduction in the fertiliser subsidy, the increase in additional excise duty, in the prices of sugar, escalation in the cost of on-

going projects and the continuing liquidity, I think, all these will make the situation more worse.

Third, the Budget proposals to flush out the blackmoney, I think, will be a very miserable flop. The Government proposes to whitewash the blackmoney of the tax evaders asking them to deposit 40 per cent of the blackmoney with the National Housing Board, whereas under the amnesty scheme, he can do the same at 20 per cent or he can buy dollars from the unofficial *hawala* market and send it abroad to an NRI who can remit the same amount back to India. The scheme, thus, will create more black-money.

Side by side you just think of the capital flight. It is a big amount. A recent IMF study says that the capital flight from India by way of over-invoicing and under-invoicing amounts to 28.1 billion dollars from 1980 end to December 1989-90. Don't you think that it also creates a pressure on the balance of payment position and the Government has some duty to control it? But the budget is silent about it.

The budget tries to create an impression that the taxation measures that they have taken is progressive. But what I have seen is that it is a regressive budget, 85% of the taxes are indirect taxes, only 15% of the revenue is coming from direct taxes. Of course there has been an increase in the tax on corporate sector—an increase of 40 to 45%. The revenue earned will be to the tune of Rs. 1304 crores. But compared to the previous year, the extra resources mobilised will be to the tune of Rs. 350 crores only. So the attempt of the Government to impress upon the people that they have relied more on direct taxes and the tax mobilisation from the source is very high, has not come true.

There is tax on interest. When the tax on interest is raised, the tax on credit is also raised. That means the burden will be on the people. The

basic direct taxes like the tax on wealth or income remain completely unchanged.

There has been an increase in the Excise duty and reduction in Customs duty. The reduction in Customs duty may make the foreign goods more cheaper and we will have to leave our market to the foreign people. By allowing the mutual fund to be invested in the private sector, control over cost of credit is going to be given up. If you give up the control over credit, what shall be the end use of the credit, the Government should think. If it is left to the market forces, then the interest is likely to rise more and the cost will be borne by the common people.

The entire budget is thus inflationary. It is anti-people and all these have been done at the dictates of the IMF.

It is a fact that there is an economic crisis. Our foreign debt is very high. We are almost amidst a debt trap. India's external debt at the end of July 1989 stood at 62509 million dollars. Today the figure is about 70000 million dollars. In rupee terms, after devaluation this amounts to Rs. 1,81,000 crores. Repayment of interest on principal in 1990-91 will be around, in pre-devaluation terms, Rs. 15,300 crores. At the current rate of exchange it will be about Rs. 18,900 crores. Still we have just accepted the path that has been dictated by the IMF or the World Bank. The tragedy is, we are not independent either economically or intellectually. We take for granted the prescriptions given by those people who in their country practice trade barriers, practice levy of quotas and in the third world countries advocate liberalisation, devaluation and all these things. You believe that these people believe in free trade; We believe that these people will open the market to you; and taking their recommendations, the Finance Minister had taken the course of devaluation, the course of industrial and trade

policy. Now, the industrial policy, as suggested, I believe, will dilute the self-reliance by opening the country to multi-nationals; it will worsen the balance of payment through liberal imports; it will make industry more capital intensive and further reduce employment. It will lead to industrial sickness and the small scale units will die their natural death. They will not be able to face this competition. What do the votaries of free trade practice in their country? The EEC protects its agriculture, dairy farming by a subsidy of 300 billion dollars, which is over Rs. 7,00,000 crores. U.S. spends an equal amount in protecting its agriculture so that the prices of wheat, rice and agricultural products are kept low artificially in the international market.

Are there any free market in the world? Some efforts from our furnace steel producers from India to export stainless steel bright bars to Canada brought about anti-dumping suits. The world has been shaped by the affluent much to their thinking. In 1990, the US under the threat of Super 301, forced open the market for US Cigarette in Thailand.

Speaking before the US House of Representatives, the Thailand's Representative asked:

"How can a product which is the cause of 4,00,000 premature deaths each year in the U.S., a product the U.S. Government is trying hard to help its citizens to quit, suddenly becomes different on other borders? Does health become irrelevant when the same product is exported to other countries?"

So, I will request the Finance Minister to reconsider this. We have been warning; the Leftist Party has been warning the Government since 1961. The famous economist Cheryl Payer has a Book 'Debt Trap', in which Book, there is a Chapter on Indian Economy, on India's Development, where he warned us against this danger.

[Prof. Susanta Chakraborty]

The Nobel Laureate and Economist Tin Bergen, in a recent Article in the *New York Times*, observed:

"Since 1985, there has been little net-flow of resources towards developing countries. And those countries as a group have more than repaid whatever they owed at that point of time. Yet they still owe an equivalent amount. Effectively, currency depreciation and adverse movements in interest rates have placed developing countries in a treadmill of external debt—having to run faster to remain in the same place".

So, we are taking foreign debts; we are taking loan from IMF, only to be satisfied that we will remain the same place and not that we shall proceed further. Our tragedy is that still we are traversing that path. Now, the question arises: Should we not change the path. That depends on whether the Government is ready to change their approach towards progress.

I have already spoken about the alternative given by the West Bengal Government. The West Bengal Government have placed before the Finance Minister an alternative and requested him to consider that. They have asked the Indian Government as to what will be their approach and whether they like to take for granted the existing inequalities in distribution in income; whether they like to take for granted the inequalities that exists in land, in agriculture and capital industry or based on the demand of five, to ten per cent of the affluent section of our people, a demand-led industrial policy they will adopt? These questions have been asked and an alternative was prepared. It is a tragedy that this alternative had been rejected. We did not depend upon the domestic market; we did not depend upon the purchasing power of the people. On the other hand, we thought that the economy can be saved if we just traverse on the export-led-growth path.

Now, I am not speaking of the Leftists. I will only remind them of a speech of Shri Jawaharlal Nehru which he delivered in this very Parliament on December 11, 1963 when he spoke on planning. He said:

"I am entirely an admirer of the modern machine and I want the best machinery and the best technique, but taking things as they are in India, however rapidly we advance in the modern age, the fact remains that a large number of our people will not be touched for a considerable time. Some other method has to be evolved so that they become partners in production even though the production apparatus may not be efficient as compared to modern techniques."

So, if you do not rely on our people, if you do not involve them in the planning process that you have undertaken, I am sorry to say that the economy of our country will never be independent and we are not going to overcome the difficulties. But we may overcome only if we rely on our people, only if we try to increase the domestic market to increase the employment opportunities and if we try to alleviate poverty and take such programmes about which the budget is totally silent. Only by treading that path, we may overcome the problem. We can tell the people that ultimately they will overcome against all these odds. Madam Chairperson, I oppose this budget.

One word more and then I will finish. The Government has already withdrawn the grant that they have given to the Rajiv Gandhi Foundation. But we do not agree with the casual manner in which they have done it.

So far as the fertilisers subsidy is concerned, already my friend has told about that. We request the Government to cut or to withdraw the fertilisers subsidy because in the background of the high procurement prices of food it will have an adverse

effect on the people. Therefore, I oppose this Budget.

SHRI PETER G. MARBANIANG (Shillong): Madam Chairperson, I congratulate the Finance Minister for bringing in a very practical budgetary analysis. We find that in India there are a number of variables which need to be tackled simultaneously if we want to achieve growth, development and progress. It is true that in this great country of ours, many factors are involved to bring growth and progress. But the most important factor is the human factor. If we look into the present budget, true, we cannot give immediate credit because we must remember about the political instability or the fiscal instability which has just come in India. Right from 1989, we found that both the fiscal policy and the monetary policy were of political nature to bring in praises from the masses of India. As such, such popular measures brought the country into a deep political and economic crisis. When the present Government took over, it was only fair to expect such a deep economic crisis. The present Finance Minister being a practical man himself, having been in different positions and knowing the actual situation that exists in India, I say that, he had really come up with a very very fine approach to the problem. However, I pity him that he too will find it very difficult to tackle the economic problem of India because we have the black money economy also running parallel to the controlled economy in this great country. The Government cannot find means to tackle the black money economy. It is true that the Finance Minister has requested the black money hoarders to come out with it and invest in housing project which the Government has started. But I doubt that only 5 per cent of them would come out like that. I have my fear and doubt in this regard. Therefore, all of us must change ourselves for the better. We must realise that each one of us have a role to play and change for the better. Otherwise, it will not be possible to tackle the black money economy.

I appeal to the Government that the subsidy on fertilisers should be extended for the benefit of the small and marginal farmers. The subsidy cannot be withdrawn at this point of time. Subsidy is a must specially to the farmers, who are poor and marginal, living in the North-Eastern region. The topographical situation there is such that they need the subsidy. The farmers there cultivate in slopes. They find it difficult to cultivate in slopes because the sub-soil there gets washed away due to incessant rain which falls continuously for six to seven months, mainly in the monsoon season. These farmers need special help in respect of fertilisers. Taking away the subsidy will be a disheartening measure against them. So, I request the Government to be really more kind to the farmers of the North-Eastern region.

I would also request the Finance Minister to direct the Agriculture Department to pay attention to the arecanut trees. We find that the arecanut trees, which extend to miles and miles in the Bangladesh border of Meghalaya, suffer from a peculiar disease. By this disease, the trees just die; they lose their nuts and fruits. Last year, the former Agriculture Minister, Shri Devi Lal visited Shillong. At that time, I had explained to him about this peculiar disease. Though he had called the officers of the Government of India and the Director of the ICAR, no steps have been taken till today.

On the other hand, till today, no one has tried to verify the causes for the disease. No one has gone to Meghalaya to see as to what is happening to these trees. I would request the hon. Finance Minister and the Ministry of Agriculture to kindly send experts to find out the reasons for the disease which is attacking the arecanut trees in our State.

SHRIMATI GEETHA MUKHERJEE (Panskura): Madam, without repeating what is already said by some of the hon. members including

[Smt. Geetha Mukherjee]

the leader of the CPI Group, I wish to ask the hon. Minister in charge, a few questions. The Finance Minister is not here and I hope he will take notes.

Firstly, the balance of payments crisis is so severe that the Government is desperately running for more and more IMF loans, without even divulging to the House the conditionalities of such loans. Why cannot the Government try to make the necessary savings on account of imports? I will quote just a few examples.

First of all, I would like to mention about the saving of aviation fuel. Five IAC flights are already existing from Delhi to Bombay, in addition to two AI flights in the same route. Now, another private company has been given licence for opening yet another route. Also, a new flight has been introduced to Gwalior from Delhi. Will the heavens fall down if some of these flights are withdrawn? May I also know what big achievements are shown to the country with all the air-dashings of the Ministers, MPs, bureaucrats, executives of companies and such others? I am not envious of Gwalior or any other place. But I sincerely believe that a number of domestic flights can surely be withdrawn for some time, excepting the flights to Agartala, Imphal, Shillong, Andamans, Lakshadweep, Leh, etc. May I know, how much foreign exchange can be saved thereby?

Now I come to saving on petrol. Take the case of Maruti cars. Except the seat covers and a few nuts and bolts, each and every part of this car has to be imported from Japan, spending precious foreign yen. A few less of those cars in our country, will perhaps not make our country an orphan! Saving on petrol spent on these and many other varieties of cars can also lead to a saving in our foreign exchange. Such measures can surely meet our BoP gap of 500 million dollars a year. Why not try these first?

Let me mention another small but quite important item of import. Import duty was exempted on synthetic caffeine during the tenure of the previous Congress (I) regime. The notorious Pepsi Cola Company was the beneficiary of this exemption. We produce tea in our country and natural caffeine can be produced from tea. While synthetic caffeine is injurious to health, natural caffeine has got anti-carcinogenic qualities. Why cannot the import of this synthetic caffeine be stopped and why cannot the natural caffeine be produced in our country?

Madam, much is expected from the NRIs. There are various kinds of NRIs. A group among them is the Indian businessmen who thrive in American and European market and also in some tax free havens in some islands and else where. The funds that they display mostly, are in fact, Indian black money laundered through Swiss Banks. These are acquired by very nefarious means, not excluding the export of narcotics and inward smuggling in India of gold, weapons and Silicon chips etc. If you remember the great scandal about the Silicon chips...*(Interruptions)*

16.00 hrs.

[SHRI S. MALLIKARJUNAIAH
in the Chair]

There are many more. In this category there are some of the most notorious NRIs. Many of you know their names. I don't want to embarrass a section of the House by quoting those names. But, may I know what is expected of these NRIs? Is there any precaution suggested that this kind of laundered money will be prevented and only such kind of NRIs will be invited who will not resort to these practices? I am not against the invitation of NRIs as such but I am against inviting this particular kind of NRIs and I feel strongly that nothing has been done to see that these notorious kind of

NRIs are not brought into the country back.

Many references were made to Mr. Gorbachev. I am not here to hold the brief for him but I believe I have the right to ask as to why there was no desire for supporting Fidel Castro's demands for re-scheduling of foreign loans which are supported even by noble laureate, Mr. J. N. Tinberger, which would have done good to most of the third world countries. I shall like to ask whether the friends here are aware of the fact that in Polland today the inflation has gone to three digit figure. Therefore, please think over. Our country will not be Polland, I am sure. Please don't make it so.

Regarding some reduction in excise duty, the hon. Minister has kindly proposed reduction of excise duty on Aluminium doors and window frames thereby adding to the already existing revenue deficit. May I know whether it is true that such frames do not fit well with mud walls in the vast areas of the country where real India lives? And, after all, how many middle class people can afford Aluminium windows and frames? I would like to know what was the necessity of lifting the excise duty on that.

Now, a few remarks about the question of Public Distribution System and food subsidy. The analysis of Budget paper reveals an interesting picture. In 1989-90, procurement of wheat and rice were 2,03,14,000 tonnes and in 1990-91 it was 2,42,90,000 tonnes. But supply through the Public Distribution System was 28 tonnes less in 1989 and 82,64,000 less in 1990-91. In this period the wheat price had gone up by 49 per cent and cereal price had gone up by 22 per cent. I would like to know what was the necessity of withholding these amounts of food-grains in these years. Now, when the market prices are rising in astronomical speed, with only—I am say-

ing only compared to the millions of people—Rs. 2600 crores of food subsidy it is possible to supply, even at least year's rate of subsidy, 24 million tonnes through Public Distribution System. May I know why are you not going to release these stocks in the Public Distribution System to really increase its extent? What is preventing you from that? I am not going in details about the Industrial Policy about which another debate will take place. Many of us here have declared our Opposition to the Industrial Policy proposed by the Government and I stand by it.

One small question to the hon. Minister. Why does he think that the big industrialists—both foreign and Indian—will suddenly change their hearts and behave like saints? What is our experience? What is your machinery of guaranteeing this aspect? I have seen none. Kindly clarify it, if you have any.

We from West Bengal have been hearing about modernisation and expansion of IISCO for about a decade. I and many others here in this House have raised this question several times but nothing has happened despite, at least, half a dozen Ministerial assurances on the floor of the House.

What about small industries. The ceiling of investment for such industries has been pushed up to Rs. 80 lakhs. They were thus swallowed up by big industries. This ceiling must again be brought down to Rs. 35 lakhs which was the last year's level, if we want to expand these labour intensive industries. What is the hon. Minister's response to this? For sick industries, if you want to punish the people, you punish the dishonest people, the managers and the bureaucrats. Why are you punishing the workers?

I am the President of the Bengal Potteries' Union. Here, we all work together.

[Smt. Geetha Mukherjee]

For the last 12 years, we have been given three assurances on the floor of the House, by which we have been able to keep the workers alive, through payment of wages. But no working capital is there. Can you imagine such a situation? The Tata Consultancy has given a Report about the Bengal Potteries, viability. It said: "If that it can be viable of unit is revived, we can earn huge foreign exchange. Even with a few pieces, last year, we did earn an international price of repute. But this has not been done."

It is very cute that the Department of Expenditure—the Minister is not here, anyway, you take note of it—in its revised estimate had made in allocation of Rs. 165 crores for plan expenditure and for non-plan expenditure, the allocation has been Rs. 260.54 crores. This year, the allocation to this Department has been Rs. 517.49 crores, out of which, the plan proportion has increased quite a lot. But may I know what is the real function of this Department of Expenditure where Rs. 517.49 crores has to be sanctioned. Please clarify the points which I have raised and also many other friends who have raised. I am unable to support the Budget and I oppose it.

[Translation]

SHRI M. BAGA REDDY (Medak): Mr. Chairman, Sir, due to the faulty policies adopted during the last few years, our Government on hand is having huge deficit in our budget and on the other it is experiencing difficulties in balance of payments. Our Finance Minister is compelled to levy fresh taxes to solve this problem. It is not good for any Government to burden the public with taxes but Government has no other alternative left.

Mr. Chairman, Sir, when our country got freedom there were not enough foodgrains for even the population of 35 crores but with the passing of the time development took place

in the field of agriculture and we were able to cross the target for 1968 which was fixed at 100 million tonnes and we are producing 180 million tonnes of foodgrains in our country. We have the capacity of producing 350 million tonnes of foodgrains. It means we can produce much more than our present level of production. But simultaneously, the population is also growing very rapidly and we have to feed our people. Hence, we will have to increase the production of foodgrains. If we increase our production of foodgrains, we can export agricultural products and in this way we can earn foreign exchange. If we increase our agricultural and Horticulture production and set up processing units, we can earn foreign exchange upto Rs. 20 thousand crores. Government has increased the prices of basic inputs like fertilisers and would get revenue of Rupees 4 thousand crores therefrom but there is an apprehension that this increase in prices of basic inputs may lead to decrease in agricultural production. This increase in the prices of fertilisers may not prove to be harmful than beneficial.

Mr. Chairman, Sir, recently I was in Andhra Pradesh and I had an opportunity to meet the farmers there. I came to know that they are thinking to launch an agitation to oppose the hike in the prices of fertilisers. I don't know about other states. Though, I have tried my best to tell the people there that our Finance Minister has promised that the farmers will be suitably compensated by increasing the procurement prices. Other units based on agricultural produce will be set up from which benefits will also accrue to them. But he said that—"Kaun jeeta hai tere julphe ke sar hone tak"—I would like to submit in this regard that it is being said here that agricultural processing units will be set up and such units have already been set up in the country, but I would like to submit that these units might have been set up in other parts of the country, no such unit has been set up in Andhra Pradesh and due to which, a problem arises in the horti-

culture season. There are several items, which are perishable and cannot be stored for much longer. Therefore, they had to be sold immediately. In the market, minimum prices of only two-three items have been fixed. There are a lot of items, about which, no minimum prices have yet been fixed. As a result, if any item comes in the market in large quantity, its prices go down to a great extent. For example, take tomato or potato. In the villages of Andhra Pradesh, tomato is sold for Rs. 2 per kilo, but in the cities, it is sold for Rs. 20 a kilo. The loss, which is incurred in between and the benefit which is going to the middlemen and the commission agents, can be reduced and consumer saved from the burden of sky-rocketing prices. It is true that our Government will earn revenue by withdrawing the subsidy on fertilizers. But there are other ways too through which we can stabilise our economy, bridge a gap of deficit Budget and earn foreign exchange. No attention is being paid to such measures.

The Indian Chambers of Commerce has brought out a magazine. Some suggestions have been made in it to improve the economic condition of the country. The issue of this magazine was issued on the 5th July and today it is 5th August. They have suggested that in order to improve the economic condition of the country, subsidy on fertilizers should be withdrawn. Do they work as guidelines for us or are we ready to work as per their dictates? It is true that a report was also submitted by the intellectuals, in which, the same thing was said. In this magazine, nothing has been said about the industries. There are big industrialists in the cities like Delhi, Bombay and Calcutta who own trusts equivalent to the property owned by people of an entire district. No mention has been made in this magazine about such people. It has been suggested in order to make the agriculture a target. I would like to suggest that besides taking suggestions from the so-called intellectuals, jurists and economists, suggestions should

also be taken from the politicians and the representatives of the farmers. A committee comprising these people should be formed and the Government's revenue should be increased through their suggestions. This is the only way to add assets to agriculture which the agriculturists can give. Farmer's margin of profit can be increased only by way of agriculture. The prices of agricultural produce should also be increased. With an increase in prices, the cultivation certainly increases but for want of certain facilities in the margin of profit does not increase. Even today, the situation in the country is that the worst and unremunerative job is agriculture. In several districts of Andhra Pradesh people cultivate Eucalyptus instead of doing farming. Due to this, there is decrease in revenue. The need of the hour is to provide them such incentives as processing, grading units and marketing facilities for their produce. If only subsidy is provided, there will be no increase in the margin of profit, instead, there will be less margin of profit. To store foodgrains is the biggest problem of the farmers. In the entire Andhra Pradesh, there is no cold-storage either in public sector or in private sector or in any other sector. There should be processing and preservation units. Unless, all these things are done, agriculture will continue to remain an unremunerative job.

It has been stated that the Government spends 80 per cent on rural development but only 20 per cent of that spending reaches to people. This expenditure should be reduced. Heavy loss is being incurred in the public sector.

I would like to cite an example of a public sector undertaking in Andhra Pradesh. There is Nizam Sugar Factory in Andhra Pradesh and adjacent to it is 16 thousand acres of agricultural land. In 4 to 6 thousand acres of land, farmers grow sugarcane. Every year, they are incurring a loss of Rupees one crore seven lakh. If the Government cultivates in 10 thousand acres of land and it suffers a loss of Rs. one crore 60 lakh, it can

[Sh. M. Baga Reddy]

be well imagined that the farmers all over the country might have been suffering loss in crores of rupees. Therefore, the expenditure by public sector undertakings can be reduced and the way of spending by them streamlined.

I think that instead of withdrawing the subsidy on fertilizers, it can be continued and other steps like increasing the production can be taken. Export also goes up with the increase in the agricultural production. As I have said earlier we can earn foreign exchange by exporting agricultural and horticultural products worth 20 thousand crores of rupees. For this the most important thing is that processing, preservation, marketing, trading and export facilities should be provided.

With these few words, I support the Budget presented by the hon. Finance Minister.

***SHRI K. H. MUNIYAPPA** (Kolar): Mr. Chairman, Sir, I whole-heartedly welcome the Budget, 1991-92 presented by the Hon'ble Finance Minister in this august House. About 80% of the population of our country are farmers and they are completely dependent upon agriculture. Hence it is very essential to give top priority to agriculture in the Budget. The centre should come forward to encourage the farmers in their endeavour. Each and every farmer is hoping that the subsidy on fertilizers and other essential commodities would continue. Many people from Kolar took part in the freedom struggle. Several persons from this district have sacrificed their lives to liberate our nation from the clutches of Britishers. The first Chief Minister of Karnataka State hailed from my Constituency. Late Shri K. V. Krishnappa was the State Minister for Agriculture in the Centre. It is he who was responsible for white revolution in Kolar district.

Kolar district is the most unfortunate district in the country. Neither a dam nor a river exist there. As far as industry is considered it is the most backward district in the whole of Karnataka. The percentage of harijan living in this district is also very high.

Farmers of the entire district depend upon rain God. There are no transport facilities. Tamarind, Mango are grown abundantly but there are no transportation facilities. The Centre has to take appropriate steps in this regard. Raw materials are available but there are no industries related to these raw materials. It is high time for the Govt. of India to set up industries in the district. Food processing units have to be set up. Cold storage facilities have to be provided to the farmers.

There are about 50 thousand unemployed educated youths and many of them are graduates. I, therefore, urge upon Hon'ble Minister to set up Agro-based industries in the entire district. Toys and agricultural equipments' industries have to be set up in Bangarpet and Mulabagal towns. By doing this the unemployment problem of the district would be solved to a great extent.

I am not happy about the working of Navodaya Schools. They are not at all encouraging Children belonging to Harijans, and other backward communities. Children coming from financially backward families cannot get admission in these Navodaya Schools. It appears that these Schools are meant for the affluent sections of the society. I request the Hon'ble Minister to set up Residential Schools and Hostels at Taluk and district level for the students belonging to Harijan and Girijan communities. About 18% of the Budget allocation is for the welfare of these down-trodden people. Major portion of this amount should be utilised for construction of houses to these depressed people. Community

*Translation of the speech originally delivered in Kannad.

irrigation should also get a good percentage of this amount. Similarly large amount should be utilised for construction of Residential Schools, and hostels at Taluk and district level Harijan students are facing lot of problems in persuing their high education. They should get all the facilities for their higher education.

It is in the year 1911 a railway line was laid in Kolar district. This old narrow gauge line has not been converted into metre gauge even after 44 years of independence. This conversion should be taken up immediately.

Potato is grown abundantly in my constituency. Vegetables and fruits are also grown in large quantity. Through you Sir, my humble submission to the Hon'ble Minister is to set up food processing units in Kolar district. Silk reeling and twisting industries have to be set up at Kolar, Shidlaghatta and Sreenivasapura. Food processing units have to be set up at Chintamani, Kolar, and Doddaballapura. Chikkaballapura, Malur, and Kolar should get the facility of cold storage.

The Gold Mines in Kolar Gold Field are being closed. More than 11 thousand are working in these gold mines and more than 2.5 persons are depending upon these mines for their livelihood. If these mines are closed 2.5 lakh persons would be on the streets. The Hon'ble Minister of Mines recently visited this place. I was there with him and I have explained him the various problems of gold mine workers. He too saw the pitiable condition of the workers in his own eyes. The centre should send an expert team to Kolar Gold Field to find out the reality. Some experts are of the opinion that a good percentage of gold is being extracted at present. These mines should not be closed at any cost. Until and unless the expert team inspects the mines and submit its report to the Govt. The retired

mines workers should not be asked to vacate their houses. The mine workers should not be transferred to other mines.

There may be taxes on industrial and luxurious goods. There should not burden of tax on Kerosene, gas and other very essential items of the common man.

I hope that the Hon'ble Minister would consider these points and try his best to help the farmers and other down trodden people to the maximum extent.

Sir, I thank you for giving me this chance to speak and with these words I conclude my speech.

SHRI RAM PUJAN PATEL (Phulpur): Mr. Chairman, Sir, I am thankful to you for giving me an opportunity to speak on the Budget. The Budget has been drafted very cleverly by the Finance Minister. He has done this work like a magician who tries to make the lie appear as truth. But at last the magician says that he has enacted all that drama to earn his livelihood. Similarly, our Finance Minister has drafted this Budget like that magician. He has said that this Budget would provide relief to the farmers and the poor of this country. But in fact this Budget will impose a great burden on the farmers, labourers and other people of the poor sections. Actually, it gives relief to the black marketeers and profiteers. Our Finance Minister talks of the welfare of the farmers. I request him to do it in actual practice. There should not be any difference between profession and practice. There is saying in rural areas that "Maar Gosainya Tori Asha". Budget should be drafted after due consideration but it has not been done in the present case.

In this regard, I would like to say that the period of the Budget must be changed. At present, Budget

[Sh. Ram Pujan Patel]

is passed for the period from 1st April to 31st March which does not conform to the climatic cycle of our country. Because there is rainy season for three months and during that season no construction work is done. Thus, Budget for this period goes waste. During summer season our officials do the work hurriedly in order to spend the balance amount by preparing fictitious bills. I suggest that the period of the Budget should be from 1st June to 31st July and Budget session of the Parliaments should be from 1st June up to the end of the rainy season. Moreover, I would like to say that this Budget has been prepared under the pressure of the IMF and capitalists. It is not favourable to this country. It is said that this Budget has been prepared according to the wishes of late Shri Rajiv Gandhi. During his regime this type of Budget was never presented. I was surprised to see this Budget. It gives incentives to the capitalists. The prices of the fertilizers have been increased and it will create a serious situation in the country. If the prices of these items are raised, the farmers will use less quantity of fertilizers with the result that we will have low production of foodgrains. If this situation arises, we will have to import foodgrains, which will have far reaching consequences.

Therefore, I would like to request the Finance Minister that keeping the interest of the country in mind, the increase in the prices of the fertilizers may kindly be withdrawn with immediate effect, otherwise we will have to face the music. We will be compelled to import wheat from America and other countries. I do not know whether you are in connivance with America. It will create a serious situation in the country. Therefore, I am requesting you in advance. Moreover, income tax limit has not been raised. Income tax limit of rupees twenty two thousands has been kept unchanged. The prices are sky rocketing, on the

other hand currency has been devalued. I would like to request you to raise this limit so that people could get some relief.

I would like to say one thing more. Existing rates of import duty are 150 per cent to 300 per cent. Now it has been reduced to a maximum of 150 per cent. It will give a fillip to black marketing and profiteering and result in smuggling of contraband goods into the country which will obstruct the sale of indigenous products. Consequently, the industrial policy will be a failure. Therefore, it needs to be reviewed so that black marketing could be checked. It will have an ill effect on our industries. If our industries become sick, we will have to suffer heavy losses. Our country will become weak. I would like to say that Mahatma Gandhi as well as other national parties had stressed the need to enforce prohibition. The national parties had said that they would not give tickets to the drunkards. Mahatma Gandhi had said that if we wanted progress of the country we would have to impose prohibition. But it has not found any place in the Budget.

I would like to say that the intellectuals of this country take liquor in big hotels and are thus ruining this country. On the other hand the poor people take liquor and are ruining themselves and their families. Therefore, there must be complete prohibition in the country as Mahatma Gandhi advocated. I would like to say that Government should implement the provision of prohibition throughout the country without caring for the loss of revenue on that account. The Tamil Nadu Government has imposed prohibition and it is a praiseworthy step. Mahatma Gandhi had laid stress on promotion of rural and cottage industries for the development of the country and for making the country strong. The Government allocates funds for the promotion of rural and cottage industries, but these do not reach the villages. Moreover, the top officers

swindle this amount as there is nobody to ensure proper utilisation. Therefore, the Government should pay attention in this regard.

I would like to draw your attention towards Uttar Pradesh. In Uttar Pradesh the word "Madhusala" has been written on liquor shops. It is wrong to write this word on liquor shops and it should not be written there. It creates confusion in the minds of the people.

Mr. Chairman, Sir, it has been tried in the Budget to convert corruption into decency. I would like to draw the attention of the Finance Minister towards two or three points.

Mr. Chairman, Sir, the Finance Minister has said that the gift tax is being dispensed with. The gift tax is dispensed with whether the money is earned through dubious means like theft, dishonesty, corruption etc. It is not good. It may kindly be reconsidered.

Similarly, the Government has decided to issue Bharat Vikas Bonds in which foreign exchange can be invested without telling the Government about its source. Attention needs to be paid to the consequences of such a step.

It has been decided to set up a National Housing Bank. Out of the money, deposited in this bank by 30th November, 1991, 40 per cent would be set aside and 60 per cent would be returned. (Interruptions). I think this money would have been earned through dubious means like dishonesty, corruption, theft and dacoities. It should not be encouraged. It is the duty of the Government to apprehend those people who possess such money and take stern action against them. In villages a person is sent to jail only for a meagre amount of rupees 100-50. But who earn millions and billions of rupees through dubious means are not touched and efforts are made to make that money white. It must be

checked. Money can be deposited in this bank by 30th November, 1991. It is an unfortunate situation.

Mr. Chairman, Sir, the shareholding of multi-nationals has been increased. It may lead to their complete hold on the business of the country like East India Company which later on took over the reigns of our country. Similar situation is likely to arise. Attention may kindly be paid towards it.

Before concluding I would like to submit one more point. Election reforms should be implemented. A person elected by spending 20-50 lakhs of rupees cannot do his work honestly because he would have collected this money through dubious means. I give some suggestions which should be implemented so that only honest, dynamic people of sound character are elected as the representatives of the people.

My first suggestion is that the period between the date of nomination and date of election must not be more than 15-20 days.

Similarly, a ban should be imposed on banners. Poor people have no clothes but during election campaign too much cloth is wasted on banners. Therefore, there must be ban on banners, so that this cloth can be utilised by the poor people.

Similarly, paper is wasted for making posters. Therefore, a ban on posters and loud speakers must be imposed. Loud speakers cause noise pollution and they make it difficult for the people to attend to their work. So, I am of the opinion that these should be allowed only for public meetings and in general, there should be a check on them so that they could not make noise.

On the polling day, nobody should be allowed to carry a banner of any party on any vehicle. It is very essential for fair elections.

[Sh. Ram Pujan Patel]

As far as possible, the elections should be held only on one day in the entire State to ensure fair elections.

Identity cards should be issued to the voters to check bogus voting.

I think that we should take these steps for the welfare of the poor farmers.

In the end, I would point out one thing and conclude my speech. If you want to bring about equality in the country, the uniform education is a must. Whatever conclusion may be drawn from it, but it is essential to adopt a policy of uniform education to strengthen the country.

I hope we would make every effort for the advancement of the country by overcoming whatever shortcomings are there in the Budget. The hon. Minister should keep in mind that the country can never progress with investment of foreign capital in the projects of the country. The way the East India Company made India slave in the name of trade, now it appears that the country is going to follow the same way.

With these words, thanking you again, I would like to submit that the way the Budget has been prepared is not proper and the Hon. Minister may kindly reconsider it and work for the interest of the poor.

[English]

SHRI MUHI RAM SAIKIA (Nowgong): Mr. Chairman, Sir, I thank you for giving me this opportunity to make my observations on the general Budget. All the efforts of our hon. Finance Minister have been directed towards the reduction of the fiscal deficit. He has taken some steps to increase the Government revenue and reduce the expenditure wherever possible. But at whose cost? Is it not at the cost of the common people? Is it not at

the cost of the poorer sections of the society? Due to the system of both direct and indirect taxation, only the common people are suffering more. This will cause hardships not to the higher income groups, but to the lower income groups and the common people.

Sir, the Finance Minister has increased the price of sugar. He has also increased the prices of petrol and petroleum products. This will lead to further increase in prices. There is no monitoring in the market and because of that the people are suffering. Our Finance Minister has presented the Budget with a deficit of Rs. 7,790 crores and he is making a boast that he has reduced the deficit. But, is there any assurance from the side of the Finance Minister that this deficit would remain within this limit? What we have seen in the past decade is, it has been increasing in a phenomenal way from year to year since 1980-81. That was the beginning and there is no end to it even today. It has been increasing in alarming proportions. As a result of this, there is more inflation and because of this, there is rise in prices.

Sir, he has withdrawn the subsidy for fertilisers which are used by ordinary peasants and marginal cultivators. Would they not be affected by the withdrawal of subsidy for fertilisers? Then, I would like to say that the deficit budget may be good for the country provided the additional resources mobilised and the additional money created and the loan taken are properly utilised to increase the wealth of the country. All we have seen is that such mobilised resources and the additional money created are not utilised to increase the wealth of the country. That is why we are facing this crisis today.

Then, the Finance Minister has placed a dismal picture of our economy of unprecedented nature. Therefore, he has taken some dras-

tic steps in order to reduce the budgetary deficit and place our country in a position of strength in the sphere of foreign trade. There is the problem of payment of interests against foreign loans; there is dearth of foreign currency in the market and there is the problem of payment of import oil bill. In order to meet those problems, perhaps the Finance Minister has devalued the currency not only once but twice in a single month. It has been done at the pressure of the external forces who have compelled our Finance Minister to take this step, namely devaluation of currency twice. He has taken these drastic steps to reduce the balance of payment and to reduce fiscal deficit.

By taking such steps, he has anticipated that there would be more inflow of foreign capital, inflow of capital goods from abroad and inflow of machineries, tools and accessories into the country which would increase the volume of production with high degree of efficiency and improvement in the standard of our products. But what we have seen all these years? There is a danger in it because it is not so easy for our product to find a market abroad as there are tariff restrictions being practised by certain developed countries. We have learnt from the past experience that Western or foreign investors prefer modern type of machines in place of labour intensive machines. In the last two decades, we have the burning problem of unemployment. Therefore, I think, application of modern machines in the industry would further increase the problem of unemployment and it would add fuel to the fire.

Again what will happen to lakhs and lakhs of persons who are self-employed in the small industry and cottage industry? There are lakhs and lakhs of youth, men and women working in such industry which provides employment and there is opportunity to earn ample revenue out of such employment. After inflow of foreign capital, foreign investment,

those self-employed people throughout the country will suffer. Would it not be difficult for the small people who are in the small industry and cottage industry to face competition from the products produced by the modernised machinery? Would they survive in such case? What would be the future of those people who are in the small industry, village industry and cottage industry? Would it not turn such industries into sick units and as a result thereof, lakhs and lakhs of people who are involved in such industries would be thrown out of employment.

What we have found is, since independence, the people of India have been cherishing the goal of self-reliance. This provision of inflow of foreign capital and investment has been made in the Budget to meet the balance of payment problem, to meet the fiscal deficit. Would it not compel the Government to shift that path of self-reliance to the path of dependence on others? What we have seen in the past? There is a proverb—Flag follows the trade. In India, East India Company came for trade. But it was followed by flag as there was too much dependence on the Britishers. So, there is a danger that our entire economy might slip into the hands of foreigners, foreign investors if we are more dependent on foreign investors. Therefore, the present Finance Minister should be very very careful and cautious in this matter.

Again in the Budget, there is no provision to remove the regional imbalances. Regional imbalance is the most important contributing factor for the prevailing chaos, disaster, terrorism and violence from one end of the country to the other end. I come from the most backward State of Assam. The people of Assam in both the Brahmaputra Valley and the Barak Valley have been suffering from devastating floods from those two mighty rivers causing immense

[Sh. Muhi Ram Saikia]

damage to the roads, bridges, forests, fisheries and rendering people homeless. This year the devastating floods of those two rivers rendered 30 lakhs of people homeless and they are taking shelter under the open sky and under the Sun from storms, wind and rains.

People have been demanding construction of some projects in the Brahmaputra and the Barak rivers. The Government of India recognised Brahmaputra as a national water way. They constituted a Brahmaputra Flood Control Board and they have sanctioned money only for the maintenance of the Board. The Board submitted two plans as known as Subansiri Project and Dhing Project but the Government of India took the plea of paucity of funds for implementing those two Projects. May I ask the Government of India how many Projects are there for the Jamuna river? In the case of the Projects on Jamuna river, the Government of India will not take the plea of paucity of funds. It always makes funds available to those Projects.

I appeal to the Government of India to control floods for the benefit of the people of Assam and not to let loose the fury of those rivers to cause immense suffering to the people of Assam.

Millions and millions of cubic meters of gas have been flared up in Assam. Gas is a national asset. Is it not a wastage of national resource? We have been insisting and demanding the establishment of a gas cracker unit in Assam Oil field. The Government of India approved it but no step has been taken for the establishment of that Project.

Moreover, as per the accord, the Government of India promised to establish a third oil refinery in Assam. But nothing has been done so far.

Therefore, I appeal to the Government of India not to let the peo-

ple of Assam sit on a volcano which may erupt at any moment.

I urge upon the Government of India to take steps for the all-round development of the backward State of Assam so that regional imbalance may be removed and the discontentment from the minds of the people of Assam will be removed.

17.00 hrs.

[Translation]

*SHRI C. K. KUPPUSWAMY (Coimbatore): Sir, I would like to say a few words in support of the Budget for the year 1991-92.

I whole-heartedly welcome the measures announced for wiping out black money. All efforts must be made to bring out the black money. In the same way, I urge upon the Govt. to constitute a special task force for apprehending hoarders and black marketers.

Everybody in this House has expressed his anguish over the cut in the subsidy on fertilizers. As a person belonging to the agricultural family, I also feel that this cut would prove a great burden on farmers. Our economy is basically agrarian and we cannot afford this huge cut in the subsidy provided to our fertilizers. I, therefore, request the Hon. Minister to restore the subsidy.

I also request the Hon. Minister to reconsider his decision of hiking by 20% the price of LPG cylinders. LPG is in common use of poor and middle class families. This hike may even lead to illegal felling of trees.

Sugar is commonly used in tea and coffee shops. Its price has been hiked. This would affect the poor-folk. Its price should also be reduced.

*Translation of the speech originally delivered in Tamil.

I am here in the august House since 1984. 13 Textile Mills are under closure and I had been raising it from time to time. The Govt. has not been responsive. 15,000 persons have been thrown out of employment. I request the Hon. Finance Minister to provide special assistance to the State Govt. for reopening the mills and thereby to help the poor families of 15,000 employees.

starting-
The North Coimbatore Railway overbridge for which allocation was made in 1985 Railway Budget is yet to be completed. Yearly allocation are either nil or poor and I request the Hon. Minister to provide necessary funds for early completion of the project.

Sir, Tirupur is a town in Coimbatore. That town is earning a huge order of foreign exchange of Rs. 680 crores through banian industry. Banian industry used to be cottage industry. Today it is a fully grown industry. The export trade is on the verge of earning Rs. 1,000 crores by 1993. But there is great laxity of civic amenities in the town. The Central Govt. must provide special funds for constructing roads, houses and for providing drinking water in Tirupur. We have promised in our Election Manifesto that within 100 days we would provide employment to 10 lakh employees. For a long time, recruitment in Railways, banks and telecommunication departments has been stopped. In these organisations, you must give priority to handicapped persons.

Why educated youth turn into naxalites? The reason is that they do not have employment. They are dejected and frustrated. Late lamented leaders Madam Gandhi and Rajiv Gandhi have promoted self-employment schemes. Under these schemes, unemployed persons used to get Rs. 75,000 from banks as loans for starting self-employment schemes. The V. P. Singh Govt. and the Chandrasekhhar Govt. have given a go by to these schemes. These schemes must

be resumed. Bank loans must be provided without too many conditions to educated unemployed.

Sir, I must also say something about the autonomous institutions. Many Engineering and Medical Colleges receive grants from Central and State Governments. They charge exorbitant capitation fees which deter poor students from joining these institutions. Only the rich can afford to study in these institutions.

Rapid industrialization requires quick investment. For raising their capital, industrialists have to turn to banks. Banks must, therefore, provide loans to all industrialists without unnecessary conditions. Intermediaries benefit in the process of arranging these loans. This system should be stopped and banks must directly assist the industrialists.

Lastly, I request that Tirupur has become a export town and many from foreign countries visit this town for trade. For their comfortable stay, I request the Hon. Minister to construct a Five Star Hotel in Tirupur.

17.05 hrs. [SHRI P. M. SAYEED
in the Chair]

For providing employment to women in the villages, one must promote the Khadi Industry. However, several malpractices have been reported in the functioning of the Khadi Board. The Central assistance to the Board is not percolating to the women in the villages. An inquiry Committee must be constituted to go into this.

I also request the Central Govt. to provide financial assistance to young ladies between the age of 18 to 25 who are poor for marriage expenses.

Sir, the 100 crore contribution to the Rajiv Gandhi Foundation has now been withdrawn. We have said we will not take this amount. We

[Sh. C. K. Kuppuswamy]

will not need Govt. money. There are crores and crores of Congress workers. Even if one rupee is paid by every Congress worker, we will be able to collect not 100 crores but 200 crores. We will not receive a single penny from the Govt. Long live great leader Rajiv Gandhi, who sacrificed his life for the advancement of the nation.

SHRI MOHAN LAL JHIKRAM (Mandla): Mr. Chairman, Sir, at the outset, I thank you very much for giving me an opportunity to speak on the Budget. I rise to support the Budget presented by the Hon. Finance Minister, this Budget has been presented at a crucial juncture when our economy is in a shambles, there is foreign exchange crisis and in order to repay the foreign debt the Govt. has devalued the rupee. In these circumstances, the hon. Finance Minister has presented the Budget that has been prepared quite wisely and meticulously. I would also like to express my views on this Budget.

First of all I would like to say that there is a provision for withdrawal of 40% subsidy on fertilizers, I do not think it a wise step in the interest of the farmers because the economy of India is based on agriculture. India is an agricultural country and our economy depends on farmers. If we weaken farmers, it would certainly affect our economy. So, the reduction in subsidy being given to the farmers is not in their interest. I, therefore, would like to submit that the subsidy on fertilizers, proposed to be withdrawn, may be restored so that we may have a sound economy. I hope the hon. Minister will announce the restoration of subsidy on fertilizers. Today, this proposal is being opposed everywhere be it a village or a city. People say that the 40% withdrawal of subsidy on fertilizers would have adverse effect on foodgrains. The price-rise has adversely affected the farmers, and the people are opposing it.

The Finance Minister has dedicated this Budget to the inspiring memory of late Shri Rajiv Gandhi. My submission is when he has dedicated this Budget to the memory of Shri Rajiv Gandhi, this Budget should have been based on his policies. This Budget does not reflect policies and declarations Shri Rajiv Gandhi had made. He had made a declaration that we would bring down the prices of all the commodities up to the price level of July 1990 within 100 days. My submission is that though it is not possible to bring down the prices of all the commodities yet the efforts can atleast be made to bring down the prices of essential commodities of daily use i.e. salt, kerosene oil, edible oils, cooking gas, sugar, foodgrains etc. to the level of July 1990. It may cause some loss of revenue on this account but it can be covered by increasing the prices of luxury items, like Motor Cars, Refrigerators, T.Vs. or other such things, and the Finance Minister can do it conveniently. But it cannot be justified to increase the prices of essential commodities to be used by the common man. It is not only my opinion but it is the opinion of every person in every village that we have had high hopes from this Govt. and that we would get some relief in the form of reduced prices of essential commodities in this Budget. There is no such thing in this Budget as per Rajivji's manifesto. This has created some sort of disappointment among the people which is quite natural. In this connection we may take the specific example of Bidi Tobacco. It is true that tobacco causes a lot of diseases but the majority of the people of 56 lakh villages in the country use it in one form or the other. Even today if villagers require tobacco worth ten paise, they go to market 20 km away from their home on foot and buy it. It can be imagined well that how important it is for them. In view of their requirements of it and dependence on it, my submission is that it would be better if no tax is imposed on tobacco. When no tax had been imposed on Bidi for the last 3-4 years, what necessitated them to do so this year. It should

have been tax free. I have put some of these specific points before you which relate to agricultural labourers of villages. I have conveyed their feelings to the House and urge upon the Finance Minister not to reduce the subsidy on fertilizers nor raise the prices of essential commodities in view of the feelings of the poor and farmers of the villages.

Mr. Chairman, Sir, there are number of things to be mentioned, but the time is short. So, in the end, I would like to give one or two suggestions that the increase in prices of petrol and partial increase in the prices of diesel should invariably be reduced to some extent, because this increase in the prices of petrol and diesel leads to increase in fare and freight charges which ultimately results in increase in prices of eatables etc. When shopkeepers purchase essential commodities at higher rates, they would naturally sell it at higher rates. Secondly, we import diesel worth Rs. 11-12 thousands crore per year, it should be reduced and we should depend on our indigenous production which is 60% of our total oil consumption. To achieve this end, it would be better if we close the sale of petrol and diesel for two days in a week for all the vehicles except essential services. It may solve the problem to some extent.

Our imports should be curtailed. Similarly, the expenditure incurred on surplus staff, maintenance and decoration in our Embassies/High Commissions should be reduced. There are some measures to curtail expenditure and raise income. With these words, I would like to submit again that constant attention should be paid to the welfare of the farmers and the poor and the tax imposed on the article being used by them reduced so that the poor may have a sigh of relief. This is the need of the hour. Thank you.

SHRI SYED MASUDAL HOS-SAIN (Murshidabad): Mr. Chairman, Sir, a lot of discussion has taken

place on the Budget. I would like to highlight one point only. What would be the effect of increase in prices of fertilizers on small farmers. Govt. has, however, declared that the farmers would get relief at the time of procurement, but how can the small farmers have this relief? What would the vegetable growers get, because no Govt. procures vegetables? Since there is 40% increase in the prices of fertilizers, the small farmers who are already hard pressed with the debt burden, would have either to sell their land or to lease it to the big farmers.

Sir, we talk about terrorist activities in Punjab. Tremendous work in agriculture has certainly been done in Punjab but the increase in cost of production, has compelled the small farmers to hypothecate or sell their land to big farmers. Small farmers all over the country would lose their small holdings to big farmers. As a result of the hike in fertilizer prices the existing unemployment problem would worsen further and the poor farmer will have to run from pillar to post to keep his body and soul together.

At the day end of his Budget speech, the hon. Minister of Finance mentioned that he too belonged to a poor family. It is indeed regrettable that a person having such a background, did not pay any attention towards the poor people. The provisions in this Budget would enable the big farmers to capture the lands of the poor farmers. I would like to say only this much that this is a conspiracy to snatch the lands belonging to the small farmers....(Interruptions) It is said that there are no big farmers in this country. I would like to remind you that about seven or eight days back, the Prime Minister had intervened during the course of a debate in this very House. There, he said that land reforms have been successfully implemented to a great extent and that the big farmers are disposing off their land. In this regard, I would like to say that land reforms does not

[Sh. Syed Masudal Hossain]

mean the sale of surplus land by the big farmers. Land reforms, in the real sense of the term means acquisition of surplus land above the ceiling and its distribution among the landless people. When the country's Prime Minister has such a conception about land reforms, it is but natural for you to have similar views on the issue. I request the hon. Minister of Finance to stall this conspiracy of snatching the land of small farmers by restoring the Fertilizer Subsidy and it is done before the Budget is passed.

[English]

SHRI P. C. THOMAS (Mavattupuzha): Sir, I support the Budget mainly for the reason that it increases the efficiency of all the sectors.

Now, what India needs the most is not money and is not any type of help from other countries or from other sides. But what India needs the most is to increase the efficiency of each individual; to increase the efficiency of each group; and as a whole, to increase the efficiency of all our sectors. That has exactly been aimed at in this Budget. So, I think that if efficiency is increased, we can reduce corruption; we can bring about better results in public sectors as well as in private sectors.

I would cite the example of Japan. Japan is a country where they have shooed up like anything in all sectors and they have shown the best results. That has been done by bringing out competition between groups—by healthy competition between marketable goods which are produced there.

This Budget is not for privatisation and it is not against public sector. What is there against public sector in this Budget? It is true that privatisation would go along with the encouragement of public sector. If that is done, better competition would ensue and better results are prone to come out. This Budget is giving effect to industrialisation, generation

of employment, reduction of inflation in the sense that this Budget has been able to aim at or to bring down the deficit from 8.4 per cent of GNP to 6.5 per cent of GNP. Then, it is to increase export and production of all the goods which have been produced in India. If we are able to improve our exports, especially in the case of goods for which imports are not necessary, I think, that will give a very good boost to our exports. I may cite one or two examples like shoes. Now shoes are produced in India or their parts are produced in India. If we can give a boost to the production and export of shoes, I think, this will be of great help to our earning of foreign exchange.

I would also bring to your attention and to the attention of the Government the need for bringing out more results in the export of items produced in the agriculture sector. For example, rubber is something which is being produced in India. I think, 90 per cent of rubber is produced in Kerala. So, I think, I have a duty to speak on this subject at this stage. Now rubber is something which is used for all goods. It is indispensable for industries also. If we give proper incentive to the production of rubber and things like that, I think, we can go to the extent of exporting natural rubber from India.

Now there is a wrong formula for keeping the stock of rubber in India. We have to bring in some changes in the manner in which the stock is kept. Now three months' stock is kept as buffer stock. Suppose we are able to bring down the period of buffer stock from three months to one month, I think, it will produce results in the way of bringing some available natural rubber for export.

I was only citing an example. Now there are other goods which are being exported. I think, in the export of spices, pepper is at number one position. It is earning more than Rs. 150 crore per year. If some kind of boost can be given to its cultivation, we can expect better results

from the export of this agricultural commodity.

I think, the criticism levelled against the budget was mainly politically motivated. Now there is a thinking that if private companies come or if privatisation comes to a certain extent, then that is against socialism. Now I would think that it is absolutely wrong because socialism does not say as such. For the type of socialism, which we are aiming at, we do not expect that privatisation should be taken off completely.

We should encourage private agencies also to come to compete in the open market with regard to the production of all items, including items which could be produced from the agricultural sector.

I am limiting my speech. I would like to stress on two or three needs of my place, Kerala. One of them is the need to allocate more funds for floods. Kerala is not a place where floods ensue every year. But this year it is reported that a loss worth Rs. 300 crore has been caused by the heavy monsoon which ensued for many months. About 6,000 houses have been washed away. About six lakh hectares of crops have been completely damaged. About 30,000 houses have been damaged completely. The difficulty which the State now facing is that they cannot come to the Centre and ask for a team to be sent there to assess the damage and get redressal as such. The report of the Ninth Finance Commission is supposed to be against that. But I think even in that report, there is a possibility for severe loss, which ensues to State or the place, which is totally unexpected. There is a line in the report of the Ninth Finance Commission also which enables, in special cases, the Central Government to allocate funds in this respect. So, I pray that the Government should pay some attention in this respect.

I would also draw the attention of the Government to the fertiliser pro-

blem which is faced by all the States as well as the farmers. I think, subsidies, as such are not very much commendable. But, as I said, we are trying to make our public sector undertakings more efficient. Now, unless we have really achieved this end, we may have to give subsidies to some items which are produced, such as fertilisers. Since we have been giving subsidies and if a total stop is made to this practice, then I think, the farming community will have to face great hardships. Therefore, I pray with the Finance Minister to kindly make some amendments to the fertiliser subsidy.

I may humbly bring to the attention of the Government regarding the need of having a better airport in Cochin. This is something which had been taken up by the Government of India and the Government of India had reported that there is not enough space at Cochin for the expansion of the airport. But other places are being looked after. It has been found that there are about 300 hectares of land available for this purpose from Edakkattu Vayal in Ernakulam district, which is not very far away from Cochin. There is also another place called Veettoor which is also a few kilometres from Cochin airport. So, I pray that these aspects may be taken note of by the Government.

There is another problem as far as Kerala is concerned. When we speak of environment, we always speak that trees are to be protected and forests should not be deforested. Kerala is a place where the Government have, in fact, encouraged the farmers to go into the forests and cultivate the lands and produce more food when there was gross starvation in Kerala at one point of time. So, at that time, many people had gone to the hilly areas and had turned these forests into places of real towns and agricultural property. Much of the foreign exchange which Kerala earns from agricultural produce like pepper comes from places which are not registered lands. Now, these non-registered lands may come

[Sh. P. C. Thomas]

within the definition of forests but they are not forests actually. They have nothing to do with forests. They are totally unconnected with actual forests. I would, therefore, request the Government to take proper steps to issue registration *pattas* to such lands and give the farmers the facility to get loans to bring about their produce without fear of their lands being taken away by the Government at one point of time.

I once again commend the Finance Minister and this Government for bringing out a Budget which is prone to bring about some changes when we are totally in a mess, so far as the economic situation is concerned. Somebody has to bell the cat. We are in a total mess. There is no doubt about it and there is absolutely no disagreement about it. We have to escape from this mess. And if that is to happen, then we have to think of some changes. I am sure that this Budget aims of those changes which are actually to bring about better results in our economic situation.

SHRI D. PANDIAN (Madras North): Mr. Chairman, I rise to speak on the Budget presented by our hon. Finance Minister for the year 1991-92. As many speakers have already referred to and covered many vital points, I will try to be brief and to the point.

While presenting the Budget, our Finance Minister referred to the tight corner in which our country is placed due to various factors. He attempted to give some solutions to overcome this difficulty under the given circumstances. As a solution, he immediately referred to the IMF and the World Bank aid. After listening to the speeches of many members from many parties, I think there is a broad consensus, with a few exceptions, that this time there is no other alternative except to seek the aid of the IMF or the World Bank. But it should be approached with caution because the conditionalities have not been made

public. Even this House has not been told about the conditionalities. So, the suspense remains which creates suspicion and fear. I would earnestly appeal to the Finance Minister to take this bold step of approaching the IMF and also the World Bank to overcome this difficulty. But he should also keep in mind that if we go too near to the IMF, it may burn us to death and if we keep off, we may be chilled to death. So, an optimum distance has to be maintained. We know the history of the IMF and the World Bank and we have to draw proper lessons from Jamaica and Brazil. Of course, India is a big country and it cannot be compared to Jamaica. Also, we are endowed with natural resources and eighty crores of people. Yet, we have to be very careful in accepting the conditionalities of the IMF and the World Bank. It should not be at the cost of our economic independence and our first accepted economic policies. So, keeping all these things in mind, the IMF can be approached. But it is not going to be a permanent cure. It is a stop gap arrangement. We are applying it as an alleviating measure. It cannot be the cure for the disease. The cure lies somewhere else. (Interruptions)

MR. CHAIRMAN: Just a minute, Mr. Pandian. That hon. member wants to say something.

[Translation]

SHRI SURYA NARAYAN YADAV (Sahasra) : Mr. Chairman, Sir, I am on a point of order. I completely agree with the hon. Member. There are 10-12 countries in this world, where the per capital income is about Five Lakh Rupees per annum, but in our country, the Per capital Income is only 400 Rupees. My friend has slightly observed that we have mortgaged this Budget in the lands of the United States of America. Such a condition is not inconceivable. Therefore, the hon. Minister of Finance should reply to the point.

[English]

SHRI D. PANDIAN: I am sorry, I cannot respond to the hon. member because I do not follow Hindi. I hope, he will excuse me.

I request the hon. Finance Minister to think of taking the producers in India into confidence. That alone will be the permanent cure. When I say 'producers', I mean the producers both in the industrial as well as agricultural sectors. There is need to raise the resources. As revealed in a section of the press this morning, fertilizer subsidy has been misused in the past. It is reported that the subsidy given to the fertilizer sector is going to the industry and not to the farmer. Hence, certain factories have manipulated it in such a way that without even producing any fertilizer, they have succeeded in cornering the subsidy. This should be stopped. If this is the way in which subsidy is being used, it should be put an end to. But Sir, the prices of the fertilizers should be kept at the pre-Budget level. Just in one week, the prices of fertilizers have gone up like anything. Not only that. Fertilizers have vanished from the market at a time when there is good rain in the South and when there is normal rain in the North as well. When our agriculturists started the cultivation work, they were unfortunately given the wrong signal and the message has come that the prices of fertilizers have gone up. This is not an incentive to the agriculturist. If we do not encourage him, we should, at least, not discourage him at this juncture. We should know that no country can consume more than what it produces. Our agricultural sector was expected to produce more and we are proud of our past records. From a country which was importing food-grains a few decades back, we have now become a country which produces 180 million tonnes annually. The Green Revolution could not have taken place without these policies. Of

course, the benefit should not be given to the manipulating manufacturers; it should go directly to peasant. It should benefit the peasant. We should devise some way to ensure this.

I read in some section of the Press that our Finance Minister is contemplating about giving some controlled supporting price to the marginal farmers. In a country like India—we have our own experience—this system will not work. It will only give a handle to the *Tehseeldars* and other petty officials to cheat the poor peasants. Once again in the name of small peasants, once again in the name of poor people the rich people will utilise it and it will not reach the poor people. The only alternative that we have today is to drop the cut in the subsidy coolly so that the peasants can be given the incentive. To say that it can be compensated by raising the procurement price does not hold good because you are going to get the procurement price only after the harvest. When he has not even sown the seed and put the manure, you are expecting a marketable surplus. So, there is no use of making a promise which cannot be realised. The marketable surplus will come only from the rich land lords and those who have their own vast acreage of land. So, when the poor peasant does not have the marketable surplus he is not able to enjoy the profit which you sought to give. Hence we should ensure that the fertilisers will be supplied to him at the prices of pre-Budget level. There should not be any dilution of that demand. The Finance Minister should not stand on prestige and say that the Opposition Members are threatening him and there is pressure from the Supporting Members. It is not a question of threat or pressure. It is a just demand cutting across all the parties and touching the lives of 60 crores of people. Hence it must be considered seriously. I hope our Finance Minister will consider it in all seriousness and come with an announcement that no change is made by withdrawing the fertiliser subsidy.

[Sh. D. Pandian]

As a student and as a citizen I have been reading in the Papers from 1952 onwards about the black money. Every Finance Minister used to start with the declaration of holy crusade against the black money and will end up with an unconditional pardon to all the black money hoarders. That has been our history. Now, there is a change. Our Finance Minister reconciling to the reality started with an unconditional pardon at the outset itself. There was no threat and no attempt to harness the black money. When he speaks of a tight corner, fiscal difficulty, foreign exchange deficit, a deficit budget, rise in prices, unemployment and so on and so forth and is not able to touch the ill-gotten wealth and at the same time thinks of imposing some taxes here or there then I think he is not attempting to cure the disease. There must be an honest attempt to mop up the black money. Giving a free licence to them means that we are weak-kneed and we are not able to put fear into their hearts. At a time when the nation is in peril they must be told that the ill-gotten wealth cannot be kept in this country. It is a timely demand and we hope that the Finance Minister will take some steps in this regard.

The Finance Minister to ease the tension of the budgetary proposals referred to the domestic peace and said hence he is sparing the taxation on utensils. It is a welcome proposal. But I would like to say that utensils are purchased once in a life time or in few years and not every month. The recurring expenditure is on LPG which is used at every home. And this should be promoted. If we want to stop de-forestation, denuding of the forests and if this fuel is to be promoted and encouraged, then we should think of harnessing that gas which is being flared into the air and bring it to the domestic use and not think of hiking LPG price at one stroke, by Rs. 12/- per cylinder. It is too much to be told to any wife and that there shall be peace at home. So, I think, our Finance Minister will be

requested to reconsider that issue also.

After the rise in petroleum prices, we cannot expect other prices to come down. If we cannot curb the prices at least let us not do anything that will help to escalate the price. Because already the people are groaning under heavy burden and the prices are already rising and it will affect the plan allocation also, in effect the Government's expectations also. The Finance Minister hopefully concluded by saying that the health of this economy will improve in the coming six months. He should hopefully stick to that and in the six months, he should encourage the producers and not to rub them on the wrong side and then after six months let him come before the House with a renewed proposal when the health is restored and when the nation is prepared to take any shock with some more strength.

At this time, I request that these three main demands, that is, withdrawal of subsidy, LPG and petrol may be reconsidered by the Finance Minister and he should come forward with an acceptable proposition.

[Translation]

SHRI PHOOL CHAND VERMA (Shajapur): Mr. Chairman, Sir, I am extremely grateful to you for providing me an opportunity to speak. I rise to oppose this Budget.

I would like to highlight this fact that this Budget is anti-poor and anti-farmer. It has completely crashed the economic condition of the middle-class and the weaker sections of the society and moreover, this is an inflationary Budget. Inflation would reach new heights. Today, the situation is that life has become hell for the common man. The hike in passenger fares and freight charges this year has hit the common man. This Budget has snatched away 'Beedi' from the mouth of our poor farmers and labourers, it has snatched away the morning tea from the mouth of their children. Not only this, Mr. Chairman, Sir, even the prices of sugar and cooking gas has also been increa-

sed. Despite all this increase in prices, the hon. Minister of Finance has shown a deficit of 7719 crore Rupees in the Budget. On the other hand, he has shown a Revenue deficit of 13854 crore rupees and a fiscal deficit of 37727 crore Rupees.

Mr. Chairman, Sir, I have failed to comprehend the objectives the hon. Finance Minister wants to achieve through this Budget. It is very clear that all the hon. Members in this House are unhappy over the withdrawal of subsidy on fertilizers and the 40 per cent like in fertilizer prices. All the Members who have spoken so far have demanded that the Government should rescind its decisions regarding withdrawal of subsidy on fertilizers and increase in fertilizer prices. I too would like to make a humble submission that this like in prices should be withdrawn. It seems to me that the Government has made it a prestige issue, but I would like to tell this Government if it doesn't withdraw its decision to increase fertilizer prices, then this Government will have to go, this Government won't remain in power. Therefore, the Government should give a serious thought to this issue.

Mr. Chairman, Sir, the hon. Minister of Finance has assured the farmers to make up their loss by increasing the support price, but I would like to say that the small and marginal farmers in our country are not able to produce so much that they can provide two square meals a day to their families. Then, how is it possible to compensate the loss of these poor farmers. Today, the poor farmers of our country lead a very miserable life and they are very much concerned over the recent proposals of this Government.

The difficulties being faced by the farmers can be understood by only those people, who live in their midst. Mr. Chairman, Sir, Agriculture is India's mainstay. Even now, 72 per cent of our population live in the rural areas. The farmers are the sons

of the soil and produce food for us. They provide food to this countrymen by toiling in the fields day and night, facing the ravages of weather, but still their condition is deplorable. Despite this, it is indeed regrettable that the hon. Finance Minister has chosen to increase the fertilizer prices by 40 per cent.

The hon. Minister of Finance says that there has been no increase in the prices of fertilizers since 1981. Mr. Chairman, Sir, through you, I would like to inform the House that when the late Shrimati Indira Gandhi was the Prime Minister, a bag of urea was available for Rs. 85 during 1981-82 and when the late Shri Rajiv Gandhi was at the helm of affairs, it was available for Rs. 117 and later on, after Shri V. P. Singh and Shri Chandra Shekhar assumed office, a bag of urea was priced of Rupees 125. Now, the hon. Finance Minister is saying that the price of urea has remained constant since 1981. This is in a way, misleading the House. Thus, the prices were increased earlier also, but the present increase has broken the backbone of the farmers. Today, urea is available for Rs. 175/- The 40 per cent increase in prices has made them as dejected lot.

I would like to mention one more thing here. The hike in fertilizer prices would not only break the backbone of our farmers, but it would also prove to be a setback to the Green Revolution and would have an adverse impact on agricultural production. Consequently, the whole country will have to pay for it.

Lastly, I would like to make a humble submission that the Government should rescind its decisions to withdraw the subsidy on fertilizers and to increase fertilizer prices by 40 per cent. The increase in the prices of sugar and gas too should be withdrawn. Strangely, the hon. Finance Minister has exempted liquor. If the hon. Minister wants to cover the deficit, he can do so by imposing additional tax on liquor. Although Shri

[Sh. Phool Chand Verma]

Atal Bihari Vajpayee has also spoken on this issue in his speech. I would like to emphasise that income upto Rs. 48,000 per annum, should be exempted from income tax as the present income tax limit affects a large number of people, especially middle-class people and Government employees.

With these words, I once again request the hon. Finance Minister to respect the sentiments of the House and the 72 per cent of the country's population residing in the rural areas, by withdrawing the increase in fertilizer prices and by restoring Fertilizer Subsidy. If it is not done, then the country would be forced to go for another mid-term poll and I feel that the Government should seriously ponder over it.

[English]

SHRI PRITHIVIRAJ D. CHAVAN (Karad): Mr. Chairman, I rise to support the Union Budget for 1991-92. The Finance Minister has done a commendable job. In the face of a grave economic crisis, when our economic independence is at stake he has taken bold steps to correct the fiscal aberrations.

The seriousness and urgency of the balance of payments problem leave us no choice or immediate option but to borrow from the IMF. The IMF loan is necessary if we have to avoid a default on our debt-service obligations. It is necessary to continue import of essential commodities like fertilizers and petroleum products, to keep the wheels of industry and transport moving and to continue the growth in agriculture. The IMF loan will give us a some breather to effect macro-economic adjustments; it will give us time to reduce revenue and budgetary deficits.

Sir, the issue of fertilizer prices has been agitating the whole country. The deep resentment voiced in the House cuts across party lines. I fully share the views expressed here. I have al-

ready expressed my concern in the party forum. There is an urgent need to roll back the prices. I urge this august House not to politicise this issue. We are all concerned. The Finance Minister has tried to reduce the fiscal deficit and we have to suggest some alternatives if he has to meet the 6.5 per cent limit on the fiscal deficit. I suggest that we take a serious look at the loan waiver scheme for which Rs. 1500 crores has been allotted. I suggest that it should be scrapped. It is a unhealthy practice and the amount thus saved should be used to lower the fertilizer price.

Sir, now I come to a very serious problem of financing of irrigation projects in the Krishna basin of South Maharashtra. The Krishna Water Disputes Tribunal has awarded 585 TMC of water to Maharashtra. We will have to use this water by the year 2000, when this Award will be reviewed. All the unutilised water will be re-distributed and we will lose it for ever, if we do not utilise this water by 2000 AD.

Considering that only 14 per cent of all the cultivable land is irrigated, in my State of Maharashtra, irrigation is our top priority. The on-going projects in Krishna basin alone need Rs. 1,850 crores and future projects will need another Rs. 600 crores at the current prices. The State Government simply does not have this kind of money. They have only been able to allocate Rs. 300 crores to Rs. 400 crores for the irrigation projects in the State of Maharashtra in the Seventh Plan, as against a requirement of something like Rs. 5,000 crores. There is no hope that the projects in the Krishna basin would be completed in time unless the Central Government concedes the long standing demand of the State of Maharashtra to allow it to raise money through Project Specific Bonds. The Maharashtra Government has already written to the Planning Commission to give it permission to raise bonds for Rs. 750 crores. The request has been pending for a long time.

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): If the Hon. Members have no objection, we can extend the sitting of the House by half an hour.

MR. CHAIRMAN: Is that the sense of the House?

AN HON. MEMBER: No; we will sit for one hour.

SHRI SRIKANTA JENA (Cut-tack): There are many speakers.

MR. CHAIRMAN: Should we extend by half an hour?

SHRI RANGARAJAN KUMARAMANGALAM: If they want one hour, I have no objection.

SHRI SRIKANTA JENA: One hour. That extra half an hour should be given to the Opposition Members.

SHRI ATAL BIHARI VAJPA-YEE: How many speakers do you have, Mr. Chairman?

MR. CHAIRMAN: There are many Members who want to speak. If the Members co-operate, then only will be able to complete the list.

SHRI ATAL BIHARI VAJPA-YEE: Then please extend by one hour. Let all those speakers get a choice. (Interruptions) But there may not be many listeners. Do not worry.

MR. CHIRMAN: The House will sit late till Seven O' Clock.

18.00 hrs.

SHRI PRITHVIRAJ D. CHAVAN: Sir, we are talking of privatisation. Let people of Maharashtra raise their own funds for projects which will directly help them. Sir, the Western

Maharashtra region is a hilly area and there is no possibility of industrialisation. Irrigation and agro-industries are our only hope. It is well known that every crore invested in irrigation projects generate employment of 1 lakh man-days. It is very essential that the request of Maharashtra to raise project specific bonds should be conceded.

Sir, I now come to the issue of an unprecedented hike in the interest rate on the working capital. This has shocked the entire industry. Some banks have increased the rate of interest from 17 per cent to 30 to 35 per cent, which is almost one hundred per cent increase overnight. Sir, this is particularly harsh on the SSI sector. It will simply destroy it. The small scale sector is the most vibrant and a dynamic segment of the economy. Nearly two million units employ over 13 million people, as against just 7 million people in the organised private sector. Its export performance is much better than the organised private sector ... (Interruptions)

[Translation]

SHRI RAM NIHOR RAI (Robertsganj): You are calling the members but there is no quorum in The House.

[English]

MR. CHAIRMAN: The bell is being rung—Now there is quorum. The hon. Member, Shri Prithviraj Chavan may continue.

SHRI PRITHVIRAJ D. CHAVAN: Sir, I was on the point of rise in the interest rate. I fear the Government is trying to dismantle the SSI sector. Even the Industrial Policy is silent about SSI sector and now the interest rates are raised.

Sir, out of the total bank lending, 40 per cent goes to the priority sector, of this 15 per cent goes to small scale sector and about 10 per cent is in the form of short term working

[Sh. Prithviraj D. Chavan]

capital loan. There is an urgent need to exclude the small scale industries from the hike in the interest rate, which is nothing short of usurpious.

Sir, we are afraid that because of the inefficiency of the banking sector, the small scale industries and the industrial sector are being made to pay for it.

I strongly urge, through you, Sir, the Finance Minister to reconsider the interest rate increase on the working capital for small scale sector.

Now, I come to a very important area. Both the President's Address and the Budget has singled out software export as a thrust area. The large pool of trained manpower will certainly contribute significantly to our export effort. I congratulate the Finance Minister for conceding the long-standing demand for giving income tax exemption under Section 80 HHC for profits derived through software exports.

The world is in the midst of the Information Revolution. The Information Technology industry in India has come of age. With a production of Rs. 2000 crores worth last year, it has become a major industry in its own right. It has grown over ten-fold in ten years. There is a need to give it a special place in India. There is a small anomaly. The REP entitlement for software export has been shown as 10 per cent. This must surely be an oversight. It must be 30 per cent. This should be rectified immediately.

The second point about hardware export is, the information technology industry throughout the world is highly import intensive. The Department of Electronics in consultation with the Information Technology industry associations has recommended a special electronic REP scheme. The industry has to be given this facility at the earliest.

Regarding various schemes to unearth black money, the honest citizen

of the country is very unhappy about such schemes. Every Finance Minister gives one more last chance. It has become a joke. I am sure the Finance Minister has his compulsions and has some expectations about the size of disclosures. But in order to judge the success or failure of the scheme we must know what the expectations are so that at the end of the scheme we know whether the scheme has succeeded or failed.

In conclusion, Sir, to get out of this serious situation some unpopular decisions are necessary. We have come to this state of affairs only because each successive government, particularly the two previous governments, have failed to meet the problem head-on, have postponed unpopular decisions, have chased populist schemes, which resulted in gross fiscal indiscipline.

I again compliment the Finance Minister. It was indeed a tight rope walk. He had to follow the Congress manifesto about price rise, please the IMF and effect structural macro-economic changes, cut the deficit and also keep in view the political reality of a hung Parliament. He has done a commendable job. I support the Budget.

[Translation]

*SHRI GOVINDA CHANDRA MUNDA (Keonjhar): Mr. Chairman Sir, Some Hon'ble Members from Treasury Bench are gossiping. Perhaps they are discussing something. I do not know if they are discussing something for the welfare of this country. Sir, budgets are presented every year. The five year plans are drafted under which funds are allocated for different States and Union Territories for implementing different schemes. The success of the schemes depend mostly on how best the administrations influence the executive authorities in implementing those schemes. I have seen four Finance Ministers in this House i.e. one between 1977 and 1979 the second and the third Finance Ministers bet-

*Translation of the speech originally delivered in Oriya.

ween 1989 and 1991 and the fourth Finance Minister now. Among those four Finance Ministers, I feel that the present Finance Minister, who has presented the Budget for the year 1991-92 is the most simple of all. But it is actually not a fact. He is a very shrewd and clever person. Perhaps he has taken the advice of the Prime Minister or his party leaders and accordingly he has presented the budget.

Sir, this budget will not be able to protect the interests of the poor people in this country. It will widen the gap between the rich and poor. The rich people will become richer and the poor people will become poorer. This will be the immediate impact of the budget presented by the Finance Minister. Sir, if I remember correctly, one former Prime Minister had raised the slogan of 'Garib Hato'. She declared on the Floor of the House that the poverty would be alleviated. Another former Prime Minister promised in this House that employment would be generated for the millions of unemployed people of this country. What happened to those promises? Poor people are getting poorer. Schemes are introduced, projects are executed and programmes are launched. Crores of rupees are earmarked under those schemes. Funds are allocated and spent. But the benefit could not reach to the people for whom the schemes are introduced. Money is spent in the name of the poor people, in the name of the development of the villages and in the name of the upliftment of the poor scheduled castes and scheduled tribes. But, has anybody come to find out if the money is properly utilised, the fund is actually spent and not misappropriated.

Now, the farmers are the main target of the Govt. Forget about the development of the farmers. This Govt. wants to withdraw the subsidies on fertilisers. This will have very adverse effect on the farm sector. You removed poor people, not poverty, you could not provide employment to the millions of youths who are sitting at home. You could not give justice to the Scheduled Castes and Schedul-

ed Tribes. Now you are hitting below the belt of the farmers. Who is going to be benefitted by this budget? You are only taking care of the white elephants who are those white elephants? They are the high grade public servants, the officers of the Central Govt. and Corporations. You want to take care of the public servants only. There also you are adopting partisan attitude. The Railway budget was presented in the House. The Minister took the credit that he has presented a very good budget. But there also the Minister was not impartial. He enhanced the pension of Retired Railway employees. But nobody thought of the poor State Govt. employees. We have got a number of poor States. The employees like the Drivers and Conductors of the State Transport Departments have a number of problems. The salary or the pension of those poor State Govt. employees have not been enhanced. Why such double standard? Our's is a democratic country. Everybody should be given equal opportunity in this country. Every citizen must get his due share in democracy. Pt. Jawahar Lal Nehru, the first Prime Minister of India had expressed concern for the increase in the flow of black money in the country. He told the administration to crush the black marketeers. He said that they should be hanged on the street. When Indira Gandhi was the Prime Minister she cautioned the traders who are indulging in black marketing. She said that she will put the black marketeers behind the bars if they will not stop black marketing. But it did not happen exactly. Prime Minister after Prime Minister went away from the political scenes of India. Promises were made by them which have not been fulfilled. Poverty remained, unemployment mounted, black marketing continued and prices increased sky high. Hoarders and profiteers have their field days. The Budget presented by the Finance Minister is a partial Budget. It will not help the poor people of this country. It is an anti-farmers budget. It is not at all a totalitarian Budget. It will not provide equal opportunity to every class of citizen in this country. As I stated

[Sh. Govinda Chandra Munda]

earlier there is nobody to controil the rise of prices. The prices of every essential commodity has been increasing. The prevalent price of rice in the market is between Rs. 8 and Rs. 20. Mustard Oil costs Rs. 38 per KG. and sugar Rs. 10.30 paise per KG. During the time of Janata Party Govt. between 1977-79, every item was available in the market at reasonable prices. The Janata Saree or Dhoti were available for the poor people in plenty. Now most of the commodities are not available in the market. Forget about quality, even the essential commodities are disappearing from the market. Then how can the poor people, the Harijans and Adivasis will survive? For whom have you presented this Budget? What is the use of drawing plan and programmes if poor and down trodden people do not derive any benefit out of them. Sir, I am really very sorry to say that this budget is going against the common man. The rising prices of the essential commodities are posing serious problems for them. They are not able to buy anything.

Sir, the Congress Party has always been saying that they are the saviours of poor people. They are the champions of poor and down trodden. But what they are preaching are not being practised by them. There is a great difference between what they say and what actually they do. This I am saying, because crores of rupees allocated for different centrally sponsored schemes are not being utilised under those schemes. The funds allocated for the poor people were diverted to some other work or being misappropriated by the middle men, contractors or the corrupt officials. The Adivasis are simple and innocent. They are still reeling under dire poverty. They are not able to earn their livelihood. They are not able to stand on their own feet. They could not become self-reliance. They are being exploited by the Govt. officials and the middle men. It is regrettable that the Govt. has not been able to provide adequate road communication facilities in the tribal areas. They do not have rail communication.

The tribals who are living in the far flung inaccessible areas do not have roads, rails, safe drinking water and medical facilities. They do not get the basic amenities which the people of the civilised and developed areas get. I have always been demanding for the construction of the Jakhpura-Banspani Railway line and the establishment of second steel plants in Orissa. Both these demands are genuine. These two projects will change the economic scenario of the entire Orissa. The unemployment problem which is mounting in the state will be tackled to a large extent if these projects are implemented. These projects should be implemented in the national interest, but it is really very unfortunate that nobody paid any attention to it. My people are agitating over this issue. The continuous negligence of some particular regions or State is causing serious discontentment among the people who are living there. That is why the questions of autonomy has arisen. I have an appeal to the Hon'ble Finance Minister. Please give us autonomy. We will identify our problems and implement them on priority if we get autonomous state. If every state is given autonomy they can utilise the fund independently and in a proper way. They can tilt and topple the Central Govt. if injustice is done to them. Therefore, I demand financial autonomy for every state.

Sir, I shall be failing in my duty if I do not say anything about my constituency. I come from Keonjhar district of Orissa. It is a poor and backward district. The people are facing problems in every sphere. I have already emphasised the urgent need of Jakhpura-Banspani line. Mine is a tribal district. Adequate road communication has not been provided in my district. There are a number of inaccessible forest areas and remote villages which are not linked by roads. Public distribution system is not at all working there. Majority of the population in that district are below the poverty line. Comfortable life is a dream for them. They do not get even two square meals a day. Salt is the most essential item for them which is

not always available in some areas. The salt per KG is Rs. 2. The poor people is not able to buy salt. See the fate of the people in Keonjhar which is abundant in mines. There is a great scope of setting up of a large number of industrial units, mineral and forest based industries. But the Govt. is not paying proper attention towards the establishment and expansion of Industrial units in Keonjhar. Any further negligence will cause very serious discontentment in the minds of the people of my district. So the urgent development of the area in all these sectors as I have emphasised in my speech is the need of the hour. Keeping in view the actual necessity of the people, I request the Hon'ble Finance Minister to consider those projects on priority and with these words I oppose the budget and conclude my speech.

[*English*]

SHRI GANGADHARA SANI-PALLI (Hindupur): Sir, I rise to support the Budget presented by the hon. Finance Minister. The Budget is a need-based and it will have its impacts will be felt in solving the economic crisis of the country in long run. I would like to bring to the notice of the hon. Finance Minister the following few points.

The proposed withdrawal of subsidy on the fertilisers should be restored with a view to protect the small and marginal farmers. I would further like to mention that there is a much-felt need to constitute Boards with expertise and with autonomous character to assess and monitor the erratic natural calamities like floods, droughts etc. I request that proper allocation of funds should also be made to these Boards.

Sir, Andhra Pradesh in general and Anantapur district of Rayalaseema area in particular is the worst drought-affected area, with an annual rainfall of 544 mm., which is the lowest in Andhra Pradesh and second lowest in the country, after Jaisalmer district of Rajasthan. Eminent scholars and ex-

perts from World Bank warned that Anantapur district will become a desert if proper steps are not taken in time. I would, therefore, request the hon. Finance Minister to constitute special drought-prone Board with autonomous character and with provision of adequate funds in order to take up the schemes such as de-siltation of existing tanks, construction of new railway lines including conversion of meter gauge into broad gauge, modernisation of railway stations, construction of percolation tanks, check dams, and soil conservation programmes to counter soil erosion, social forestry along with the minor and medium irrigation schemes should also be given importance.

The major irrigation projects which are pending in the Centre for a very long time should be cleared immediately. National highway linkage also should be taken up in this backward area.

I once again humbly request the hon. Finance Minister and emphasise the need and urgency of constitution of the drought-prone board in order to take up the integrated development and to save the district from becoming a desert. With these few words I thank you for giving me this opportunity.

[*Translation*]

SHRI ANKUSHRAO RAOSAHEB TOPE (Jalana): Mr. Chairman Sir, I thank you for giving me an opportunity to speak. Our country is passing through a severe economic crisis. I do not want to go into the details as to who is responsible or instrumental for bringing about such a situation. The hon. Finance Minister has presented the Budget...(*Interruptions*) I can say at least this much that the Congress Party cannot be blamed for this crisis. Those who were in power till recently are to be blamed for this. The Budget which has been presented by the hon. Finance Minister to deal with this situation.....(*Interruptions*)

SHRI TEJ NARAYAN SINGH (Buxar): Were the achievements of 41 years undone just only in 11 months. (*Interruptions*)

SHRI ANKUSHRAO RAOSAHEB TOPE: The hon. Finance Minister has tried to present the best possible Budget under the circumstances. I congratulate him for it.

The Finance Minister deserves to be congratulated for and earmarking 50 per cent of the Budget allocations for the farmers which include reforms in the rural economy. Keeping in view that India is an agricultural country. Besides, the Budget has tried to accommodate the common masses and the poor and make available daily necessities to them at cheap rates in spite of rising prices. The Finance Minister has not levied any tax on Bicycle, kerosene oil, edible oil, match sticks, two wheelers, pesticides, Diesel. He deserves to be congratulated for that also.

Besides, Tiffin boxes and Aluminium, window panes and doors have been exempted from excise duty. I thank him for that. Taxes were imposed on some items as it was essential to mobilise resources. There is no need to regret about it. It was essential to impose taxes on Petrol, Cars, Refrigerators, T.V., Air-conditioners, Audio and Video Cassetts and Pan Masala etc. It was indeed good. I congratulate and thank the hon. Finance Minister and would submit to him that there is no reason to regret.

Mr. Chairman, Sir, whereas on the one hand the hon. Finance Minister has done good things in the Budget, he has also inadvertently committed some mistakes which are adversely affecting the people. I would like to refer particularly to the prices of fertilizers which have been increased. I think there has been some lapses somewhere and that too by mistake because the Finance Minister has taken pains to ensure that the prices of pesticides and Diesel are not in-

creased. I hope the hon. Finance Minister would rectify this mistake as it would badly affect farmers who constitute 80 per cent of our population.

Secondly, about beedi I would like to say that the imposition of tax on beedi was not the right thing as common men smoke it. Just now an hon. Member from the other side aptly pointed out that taxes were not imposed on whisky but on items like beedi which is used by common masses. I would urge the hon. Minister to pay his attention in this regard and not to impose the tax on beedi.

Mr. Chairman, Sir, I would like to emphasize a point here in the interest of the farmers of the country. The subsidy on fertilizers which has been withdrawn is not a right step. It is because of our farmers that we are self sufficient in foodgrains today. Earlier, we used to import foodgrains but today we are exporting it. This has become possible only because of the hardwork of the farmers and the facilities granted to them. Had we not granted them these facilities we could not have been in a position to export foodgrains. I would urge that the 40 per cent fertiliser subsidy which has been withdrawn should be restored immediately. According to some sources the farmers may get 10 or 20 per cent subsidy on fertiliser. I would like that forty per cent subsidy should be given.

Mr. Chairman, Sir, somebody mentioned here that small farmers would be ruined and their land would be grabbed by big farmers. I know about Maharashtra. There are no small or big farmers. It is because the land ceiling Act has been strictly been implemented there. There are two categories. One is of those having 18 Acres of irrigated land and the other is of those having 54 Acres of dry land. So the withdrawal of subsidy on fertilisers would equally affect all the farmers in the State and there is no question of small or big farmers. The farmers may decide to abandon farming. I have been told that the fertiliser subsidy would be restored to 5

to 20 per cent for those farmers only who have 5 to 10 acres of land holdings. But that should not be done. If it is done the people would be forced to further divide their land holdings. Therefore, I would request the hon. Finance Minister to reduce the prices of fertilisers without discriminating between small and big farmers. If discrimination would be done, the farmers would be forced to divide their land into small holdings.

Mr. Chairman, Sir, the relief in the form of procurement price would in no way solve the problem. Therefore, without repeating this appeal I would like to submit that the 40 per cent subsidy on fertilisers should be restored and pre budget status be maintained.

Mr. Chairman, Sir, I would like to submit a point about industries also. Except 18 industries including sugar industry, the rest have been exempted from taxes. About sugar industry I would like to mention that in Maharashtra many sugar mills are in the co-operative sector. The way sugar industry is progressing there is a thing to be proud of the total production of sugar has been 120 lakh tonnes. Maharashtra alone produced 42 lakh tonnes of sugar and India occupies top position in the world so far as sugar production is concerned. Maharashtra has produced 35 per cent of the total production of sugar and the creditable thing is that 100 per cent of sugar mills are in the co-operative sector. Not even a single sugar mill is private. I would therefore request the hon. Minister that priority should be given to co-operative factories, so far as adopting policy on industrial licences is concerned. 38 factories in Maharashtra having a production capacity of 2500 tonnes have been given licences. Their cost has been increased to Rs. 34 crores and it will go up further after the Budget.

The IFCI and IDBI and other financial institutions are not ready to give them loans. Keeping this in view it would be better if factories with

1500 tonne capacity are set up because at the initial stage 2500 tonne units are not feasible. Meanwhile during the previous Government's tenure the Industries department has sought direct applications for issue of licences. These applications were first of all screened by the Food Department and then the Industrial Department used to issue licences. I would like to submit that the earlier policy was the best and it should be followed even now.

The last point is about molasses. The sugar mill used to get Rs. 120 whereas the Government used to get Rs. 120 as tax. Now the tax has been raised to Rs. 150 whereas the sugar mills get only Rs. 120 even today. There is an ambiguity in it and therefore the share of mills should also be raised to Rs. 150.

Once again I support the Budget and thank you for giving me an opportunity to speak.

[English]

SHRI SHOBANADREESHWARA RAO VADDE (Vijayawada) : Mr. Chairman, Sir, I thank you for giving me this opportunity and I will take only four or five minutes. I take this opportunity to stress only one issue which is causing heartburning to all the peasants in this country without any exception. I will not repeat in detail about this withdrawal of the subsidy and 40 per cent hike in the prices of fertilisers. The other day, the Minister of Agriculture, Shri Balram Jhakar was saying that this increase in prices of fertilisers would be compensated by way of higher procurement prices. What I want to bring to the notice of this Government is, among 90 million land-holdings in this country, 75 per cent are possessed by small and marginal farmers and they have no surplus to sell in the market. So, this is clearly an anti-peasant step that has been taken by this Government. I appeal to the Government not to take it as a false prestige and request the Finance Minister to reconsider it, because in the President's Address, in the Budget and in the Indus-

[Sh. Shobanadreeshwara Rao Vadde]

trial Policy, this Government has expressed its hope that much more export can be achieved through export of agricultural products to bridge our balance of payment difference and trade deficit. But your step is not going to help in your efforts. The cost of production is going to increase and because of that, the overall production of the agricultural commodities will come down. For example, in respect of paddy while in China, they are producing 4.5 m.t. per hectare, we are producing at present, 1.5 m.t. per hectare.

Similarly, the price of fertilizer in India, compared to neighbouring countries like Pakistan and Bangladesh is higher. I would like to bring to your notice that in 1989, the Di-Ammonium Phosphate (DAP) was Rs. 3600 per tonne in our country whereas in Pakistan, it was Rs. 3211 and in Bangladesh, it was only Rs. 2700. In respect of SSP, in 1989 it was Rs. 950 in our country whereas in Pakistan it was Rs. 791 per tonne. Even with the existing subsidy available to the fertilizers, the prices in our country are quite high as compared to neighbouring countries. With the cut in subsidy and 40 per cent increase, the cost of fertilizer is going higher and the cost of production is going to increase and our agricultural products will not be in a position to compete in the world market. From that angle, how are you reviewing the entire situation and scenario?

Today I have mentioned about it during the Zero Hour and so I will not repeat it again. But I want to bring to the notice of the Government that the entire farmers are worried and agitated and it is causing a lot of concern to all the Members, on both sides of the House. Almost all the hon. Members who have spoken in the General Discussion on the Budget have expressed their concern about this. In Andhra Pradesh, in the entire State, there is a *bandh* today and *rasto roko* call which was given by different farmers association.

My submission to the Government is, you kindly examine the G.V.K. Rao committee Report which has examined this aspect. The report was submitted in 1987. It says that whenever there is increase in consumption of fertilizers by about 30 per cent in three successive years, the price of fertilizers may be increased by five to seven per cent. Now you have increased the price of fertilizer by forty per cent. How can the farmers bear the burden? As a citizen of India, he may be prepared to bear to some extent like any other section of the society, but he should not be singled out for this purpose. The limit of monopoly houses has been raised from Rs. 100 crores to Rs. 1,000 crores. You have removed the restrictions imposed by the MRTP Act. You have opened the gates for them to expand like anything but you are going to penalise the farmers only.

I appeal to the Government in larger interests of the nation—not that I happen to be a farmer, I am not pleading merely for farmers but in the overall national interest to certainly review their decision and restore the subsidy that was being given on the fertilizers prior to introduction of this Budget.

I want to bring to the notice of the Government that even as on today—leave alone Japan and South Korea—even compared with Asian countries, compared with our neighbours, our per hectare consumption of fertilizers is lowest. While we consume only 55 kgs. of plant nutrients per hectare, Pakistan is consuming 80 kgs. and China is consuming 190 kgs. per hectare. You should understand the gravity of the situation.

One news-item has appeared in the Press that the Government is considering an idea to reduce fertilizer price to some extent in respect of small farmers. I may tell the Government that after introduction of the Land Ceiling legislation, where is the question of small farmers and big farmers? At the most, some farmers are middle

farmers. My submission to the Government is not to discriminate among the farmers.

It is practically not possible to give supplies of fertilisers at some cost to some farmers and at some other rate to other farmers. That aspect was fully and thoroughly examined by G. V. K. Rao Committee. That Committee advised that it is not practically feasible. So, you give fertiliser at the same rate to all the farmers.

I would like to bring this to the notice of the Government—You also may be aware of it—that even in your area when a father of a girl wants to perform the marriage of his daughter, he is preferring even a peon in an office rather than the son of a farmer unfortunately, because the farmer is not sure whether he will get income this year or not. It all depends on rainfall and many a time it so happens that though the entire crop of the farmer is washed away due to some natural calamities, you are not going to help him. It is a wonder.

It appeared in the press today that 65 per cent of subsidy is going to the manufacturers and only 35 per cent is going to the farmers. 65 per cent of the subsidy to the manufacturers is being borne because of the inefficient running of the fertiliser units. The retention price-cum-subsidy scheme for nitrogenous fertilisers has been taken up in tune with the decision of the high-power committee headed by Shri S. S. Marathe. Under the scheme, the retention price for each individual processing unit is fixed in such a way that the unit is able to earn a return of 12 per cent post-tax on net worth based on the 'normative capacity' utilisation and combination of norms and actuals for various cost inputs.

While the Government has taken so much care for the well-being of these factory people, and it has showered so much affection for these people who have escalated the cost of those

units and who have got so much profit into their pockets, why do you think of penalising the farmers?

I appeal to the Government to kindly reconsider and kindly to restore the price level to the pre-Budget introduction prices.

SHRI S. MALLIKARJUNAIAH (Tumkur): I am happy I am given a chance to speak. I myself being an agriculturist, I know the difficulties of an agriculturist. In Karnataka, the Land Reforms Act has been implemented totally. So, the question of big farmer and small farmer does not arise at all.

The increase in fertiliser prices has a tremendous and direct effect on the production of foodgrains. If you are inclined to import foodgrains from foreign countries virtually none of us has got any objection. But if you want that the Government of India should be self-sufficient in foodgrains, you should give concessions to the agriculturist. Now the cost of production is also very high. You have introduced minimum wages and restricted the timings of agricultural labour. But, how much work one can expect from a agricultural labour? How many hours the farmer works on the land? Only an agriculturist knows the difficulties. Therefore, to make the agriculturist self-sufficient and to enable him to work in the field. Full subsidy should be given. The rates of fertilisers should be reduced to the earlier level, if you are very keen in self-sufficient in foodgrains.

You show lot of concessions for industrialists, but what better facilities are you giving to the agriculturist? Are you sure of providing him water? For water, he has to depend on monsoon. Are you sure that his crop is not attacked by pests? It is also not definite. Virtually, the agriculturists are also engaged in the game of gambling. Therefore, there is no use beating these agriculturists. They are like the hen giving you a golden

[Sh. S. Mallikarjunaiah]

egg and because of the golden egg, don't kill the hen itself. Please allow it to lay eggs everyday.

The agriculturists in our country are virtually damn fed-up with agriculture. They are prepared to send their children to the factory work and they allow their children to run *pan* and *beeda* shops rather than keeping them in agriculture. If at all agriculture is to be a remunerative one, if it is feasible for the agriculturists to carry on well, definitely they would not allow their sons to go on doing some small jobs let alone sending them for engineering course, medical course or good jobs. Even, for the small jobs, they are prepared to send their sons for earning daily wages in some of the factories. Therefore, it goes to show that economically the position of the agriculturists is tremendously very bad.

Secondly, in our place in Tumkur District, in my constituency, coconut is attacked by the pest. Virtually all gardens are being ruined. Let me know what the Central Coconut Research Institute is doing and what the State Research Institute is doing and how they are coming to the rescue of the agriculturists. The fact is that the agriculturists are left for themselves. If they have got the capacity, they can survive or they will have to perish.

So far as rates are concerned, they are varying so fast. A quintal of Copra is sold at Rs. 1600 to Rs. 2000. Sometimes, in the market it will be sold at Rs. 2000 and immediately after one week, it goes down by Rs. 200-300 per quintal. Therefore, my submission is that a Copra Board shall have to be constituted on the lines of the Coffee Board.

My next point is that the income rate fixed for income-tax payees, concession shall have to be increased up to Rs. 35,000. The small wage-earners feel it very difficult to pay the tax.

Lastly, our friends were telling about *beedi*. *Beedi*-smoking cannot be prohibited. It is a cheap form of luxury for a worker. If you put some tax on *beedi* and try to earn some money, he asks: As Legislators, are you cutting down your day-to-day expenses? Are the officers cutting down their expenses? Has the facility of flying from various places to Delhi been controlled? Has the consumption of petrol by the vehicles been controlled? If you cut down the overhead charges in various Departments, then I think you can definitely help the agriculturists. Please look at the Managing Directors' offices in various places. They look like palaces. Many times I told our agriculturists that if they go to any place of any officer, they may get into the chamber and see how luxuriously his chamber is being decorated. Who pays the money for that? It is these poor fellows who pay for that. These poor fellows who are living in the villages have no school facilities and even if there are schools, the teacher is not regularly coming, hospital is not there, road facility is not there and there are so many such difficulties. They cannot go to the regular market at all seasons to come. During rainy days they cannot go. When this is the state of affairs, what moral right have you got in taxing them. When you are keeping our own people in such pathetic conditions, are we entitled to live on their blood? Therefore, my earnest request is: kindly reduce the rate of fertilizers. I request you kindly to revive the subsidy that you are giving and try to help the agriculturists. Allow them to live. We are living at the cost of the agriculturists. How are we leading our life as legislators, as Ministers, as Government officers? When we compare their state of affairs and their livelihood with ours, certainly we are doing great injustice to them. Therefore, my humble request is: Let the Government not stand on formalities. I request you to let the agriculturists grow well. Let them produce more, let the commodities come to the market so that the consumers can purchase the commodities at a lesser rate. If you were to divide

the big farmer and the small farmers, the small farmers would grow to the extent their family need. And where do you get produce in the market? Suppose, there are some big agriculturists. They go in for commercial crops as growing foodgrains is not workable. Therefore, it hits very hard the agriculturists. For Heaven's sake, do not beat the agriculturists. Allow them to live happily. Even though we are not able to provide them the basic needs of life, at least, let them have a peaceful living.

I am sure, most of the people here are agriculturists. Everybody, with open heart, has insisted on the extension of concessions to the maximum extent. I hope, the Government will definitely look into this matter. Have you seen the price of tomato or brinjal or any other vegetable in the market? If you bring these vegetables to the market in the normal season, even the cost of transport will not be met out. This is the state of affairs. Therefore, my humble request is that the agriculturists should be encouraged.

SHRI SRIBALLAV PANIGRAHI (Deogarh): Mr. Chairman, Sir, I rise to support the Budget for 1991-92. Frankly speaking, nobody expected a soft Budget. No reasonable man in India and even outside India had expected a soft Budget. It was the common knowledge that this time the Budget would be a harsh one. Everyone knows about the economic background. It is a difficult situation. The country is passing through a severe economic crisis. And that way, there was no room for populism. This time, there was absolutely no scope for the Finance Minister to come before the Parliament with a popular Budget. The country is going through a period of severe economic crisis involving growing revenue deficit, perilous deficit in the balance of payments position, a mounting debt burden and a double-digit inflation. So, this new Budget has incorporated plans for restructuring the economy and ensuring strict fiscal and monetary discipline.

There was no way out for the Finance Minister to find out ways and means of minimising the Government spending and increasing the Government revenue. In this background, I must say that the Finance Minister has done a commendable job in a very very difficult situation by presenting a Budget like this.

We know he has brought down the estimated budgetary deficit for the Centre for the year 1991-92 to Rs. 7,719 crores as compared to the Revised Estimate for 1991 of Rs. 10,772 crores. The fiscal deficit which measures the difference between the revenue receipt and the total expenditure has gone down to 6.6 per cent of the GDP as compared to 8.4 per cent last year. The fiscal deficit is sought to be controlled at Rs. 37,727 crores in this Budget as against the final deficit of Rs. 43,331 crores and budgetary provision of Rs. 36,790 crores in 1990-91.

According to the Finance Minister, this figure would have touched Rs. 52,000 crores unless some remedial measures were taken. This would have gone so high this fantastic figure of all the alarming figure of Rs. 52,000 crores. Now, I come to some other aspect of the Budget. The question is how to manage our economy in this situation. Naturally, the Government has to go for International Monetary Fund loans etc., for which there is a lot of criticism from the other side. I wonder, when there is a sea change all over the world and rapid changes are taking place. Inasmuch as, you know, the other day, Mr. Bush, the U.S. President, on U.S.S.R. made an appeal to all the Republics of the U.S.S.R., to strengthen the hands of Mr. Gorbachev. Let us see the difference. Mr. Gorbachev is now knocking at the door of the IMF. World Bank for Membership, not only for loan but also for Membership. Instead, he had been assured only of an associated Membership to start with. Mr. Gorbachev had gone for 100 per cent foreign investment in U.S.S.R. But our friends, sitting on the other side

[Sh. Sriballav Panigrahi]

belonging to Left Parties are criticising the present Government for going for an IMF loan. What sin has this Government committed?

AN HON. MEMBER: They are in opposition and that is why they are criticising.

SHRI SRIBALLAV PANIGRAHI: It is unfortunate that since they are in Opposition and just for the sake of Opposition they are coming out with such criticism.

Sir, about the Budget deficit, I would like to say one thing. A lot has got to be done. There is absolutely no room for any self-complacency. There is a lot of risk involved in getting the IMF loan. It has got to be very very productive—productive in our expenditure. All sorts of wasteful expenditure has to be curtailed mercilessly. I agree with what the earlier speaker was referring to from the other side. An atmosphere of economic emergency has got to be created in the country and I emphatically state this. Where is that atmosphere now?

When Shri Lal Bahadur Shastri was the Prime Minister, there was an aggression from the other side of the border—from Pakistan—and the situation was such that Shri Lal Bahadur Shastri himself went on a weekly fast. He was skipping the Monday evening meal I mean the dinner. It had created a tremendous impact among the people and many people followed him. They had also skipped their dinner, one day. This sort of a message goes a long way to create an atmosphere of that sort of emergency. Those who are behaving like Kings now in the Public Sector i.e. the Managers etc, and the IAS officers sitting in air-conditioned chambers, leading luxurious life, spending as if it is not their money, what sort of an impression will be created? Therefore, in right earnest I request that an assessment be made as to how many conveyance vehicles are really needed and the rest

of the vehicles should be kept in a pool and they should be used in a meaningful manner.

We have to ensure participation of the labour in the management. We have to fix up the accountability of the officers and the Public Sector should be made to attain a commanding height in our economy. In the changed situation, we cannot afford and we cannot allow Public Sector importance to be minimised.

Let us make a fair attempt, an attempt appraised to see that all problems that are there in the functioning of the Public Sector are plugged and they function properly and thus its healthy functioning restored.

I will not take much of your time but certainly, I would like to mention about the subsidy on fertilizers.

About the fertiliser subsidy, I would say that agriculture is the mainstay of our economy. The backbone of our economy or the backbone of our country is the farmer. We should not do anything that will adversely affect the interest of farmers. In fact barring a very few I would say that the farmers community is in a hopeless condition. I agree that there is justification economically for the Finance Minister to withdraw subsidy because according to him the country cannot or the exchequer cannot afford an expenditure to the tune of Rs. 6,000 crores by way of subsidy, judging the seriousness of the situation. But judging the pitiable and miserable condition of the farmers, it is high time that we withdrew whatever has been done in the Budget and we allow this sort of subsidy to be enjoyed by the farmers.

Since 1981 there has been no revision of the fertiliser price; that is true. But in one stretch, at one go if you withdraw the subsidy so as to make the price go up by 40% in a difficult year like this when the behaviour of monsoon is very very erratic, it will

adversely affect the interest of farmers and also the agriculture itself of the nation in general.

Further, there is a proposal to compensate the loss the farmers will suffer on this count by raising the procurement prices. That is what we understand. But both these things cannot be equated. Whatever increase is there all around, that calls for an upward revision of the procurement price. As rightly observed or indicated by many of our learned friends who spoke earlier to me, that 75% of the farmers do not have marketable surplus. But they also depend on the fertiliser; they use fertiliser to grow their produce. Naturally this way there is discrimination only in favour of the richer sections, I agree. Therefore my plea is that they should not do anything that will adversely affect agriculturists.

There is no respectability in the farmers' community now. What sort of financial benefit or what sort of farming we want the farmers of this country to have? Let us compare them with the industrial workers or the Class IV employees in respect of their income and economic condition. A Class IV employee of this country is now getting about Rs. 1500 per month. Rs. 18,000 will be his net income from salary annually. With what sort of land, with what amount of land an agriculturist in this country can have a net income from agriculture to the extent of Rs. 18,000 per year? Our Finance Minister is an expert on economics; let him work out this figure. Should we not place our agriculturists at least at the level of Class IV employees of this country from the income point of view. Can we do that with this sort of a pricing policy?

Everybody knows that since the British days the Indian Budget is a gamble on monsoon. With a good monsoon only we can expect good crop otherwise not. Congress manifesto amply speaks about these aspects—about irrigation facilities to be

improved, creation of job opportunities, PDS system to be streamlined, etc.

19.00 hrs.

The growing regional imbalance is another factor which is either threatening or will threaten our national integrity. Therefore equitable on balanced regional development should be ensured; there should be District Planning.

19.00 hrs.

This is the annual Budget of the Union. I would say that there should be a thinking at the Government of India level for planning. There should be planning at the District level so that proper regional development takes place.

May I finish my speech by saying only one thing about energy sector? There is a Plan holiday now and the Eighth Five Year Plan is yet to be formulated. As you know, power or energy holds the key to progress and prosperity. So, priority should be given for this, while formulating the Eighth Plan. Some power complex or energy complex should be set up in Orissa. To start with, there should be one coal company with headquarters at Sambalpur. A proposal for this is already there.

I support this Budget with the request to the Finance Minister to consider the observations and points which I made about fertilizer subsidy.

With the ten per cent rise in freight and hike in petroleum prices, the Finance Minister has done his best to see that it does not become inflationary in nature, by exempting some essential goods from any type of increase in tax.

At the same time, when we view this Budget from these angles, some corrective measures need to be taken by the Finance Minister. Otherwise, it is a very good Budget looking at the present situation. The hon. Finance Minister has also taken care to see that our growth rate was not affected.

MR. CHAIRMAN: Hon. Members, we have extended the time for this discussion by one hour earlier. That time is also over now. Now, I have a list of speakers in which there are nearly six Members from Congress party and three Members from the Opposition to speak.

SOME HON. MEMBERS: Tomorrow.

DR. LAXMI NARAYAN PANDEYA (Mandsaur): Kindly extend the time of this discussion by half-an-hour.

SOME HON. MEMBERS: No.

MR. CHAIRMAN: Let me tell you one thing. We have extended the time for this discussion by one hour earlier. In the beginning itself, I requested that every Member should cooperate with the Chair so that we will be in a position to finish this discussion as otherwise we cannot. I am also one among you and you will have to cooperate with me. If the sense of the House is to sit for another half-an-hour, we will

finish the debate today itself so that tomorrow the hon. Finance Minister will give his reply. Moreover, tomorrow, I think, there would not be any time for further discussion on this. If the House decides to sit for half-an-hour more today, we can do so and finish it, subject to the cooperation of all the hon. Members. Each Member can take five minutes.

(Interruptions)

SHRI SYED MASUDAL HOSAIN: Sir, there is no quorum in the House. How can you extend the time of the House when there is no quorum?

MR. CHAIRMAN: The quorum bell is being rung. Since there is no quorum, the House stands adjourned to meet again tomorrow at 11 AM.

19.11 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, August 6, 1991/Sravana 15, 1913 (Saka).