

VII. A copy (in English and Hindi) of the Ministry of Finance (Department of Revenue) Notification G.S.R. No. 432(E), dated the 30th July, 1997, seeking to impose final anti-dumping duties on acrylonitrile butadiene rubber (NBR) when originating in or exported from Germany or Republic of Korea and imported into India, under sub-section (7) of section 9-A of the Customs Tariff Act, 1975, alongwith an explanatory memorandum thereon. [Placed in Library. See No. LT-428/98]

VIII. A copy (in English and Hindi) of the Life Insurance Corporation Notification No. 81(1)/INS-II/97, dated the 9th May, 1998, publishing the Life Insurance Corporation (Amendment) Regulations, 1998 under sub-section (3) of section 49 of the Life Insurance Corporation Act, 1956. [Placed in Library. See No. LT-431/98]

#### REPORT OF THE COMMITTEE ON PAPERS LAID ON THE TABLE

SHRI G. SWAMINATHAN (Tamilnadu): Sir, I present the 64th report (in English and Hindi) of the Committee on Papers Laid on the Table regarding Semi Conductor Complex Limited and Nathpa Jhakri Power Corporation.

Sir, again I stand before you to request you to give me permission to raise a matter of grave importance. There is an escalation of terrorist activities in Tamil Nadu....(Interruptions)... Every day...(Interruptions)...

MR. CHAIRMAN: No, no, that part is not allowed. ... (Interruptions)... Please don't come here. ... (Interruptions) ... Nothing will go on record.

#### LEAVE OF ABSENCE

MR. CHAIRMAN: I have to inform Members that a letter has been received from Chaudhary Harmohan Singh Yadav stating that he suddenly fell ill and got admitted to Ram Manohar Lohia Hospital, New Delhi for treatment. Hence, he has not been able to attend the sittings of the House since 28th May, 1998. He has, therefore, requested for grant of Leave of Absence from 28th May, 1998 till the end of the current session.

Does he have permission of the House for remaining absent from the sittings of the House from 28th May, 1998 till the end of the current session?

(No hon. Member dissented)

MR. CHAIRMAN: Permission to remain absent is granted.

MR. CHAIRMAN: Now, we will take up the Budget (General), 1998-99. We have taken 16 minutes more than the allotted time for discussion on the Budget. Now, I request the Finance Minister to reply....(Interruptions)... Nothing will go on record.

डा० महेश चन्द शर्मा: सभापति महोदय, यह बड़ी गंभीर बात है कि सदन की चार घड़ियों में एक घड़ी गलत टाइम दे रही है। सदन के आर्डर में होने के लिए आवश्यक है कि घड़ी भी ठीक होनी चाहिए। क्या बहुमत से तय हुआ है कि तीन घड़ी में 12 बजे हैं और एक में साढ़े बारह बज रहे हैं।

श्री सभापति: बहुमत ठीक है, घड़ी चेंज हो रही है।

#### THE BUDGET (GENERAL), 1998-99 Contd.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Sir, I stand before you here today to put the Government's point of view, by way of reply to the debate, which has taken place here in this House, spread over the last three days. Mr. Chairman Sir, thirty-eight distinguished Members have participated in this discussion, which I am sure, must be a record of sorts. I sat

through most of the discussion myself. I have listened intently to the points which have been made by the hon. Members, except a part of last evening, where the call of duty took me to the other House. It will be my endeavour, Sir, to cover as many of the points, as have been raised by the hon. Members, in the course of the reply which I propose to give. I am particularly grateful to the Leader of the Opposition, who set a very high standard of discussion. This House, of course, is known for high standards of discussion on serious issues. But I think, this year, we got off to a remarkably good start with the first intervention itself, which was made by hon. the Leader of the Opposition. The other interventions, as I said, Sir, have also been of a very high quality. They have raised various very important points which must be explained necessarily by the Government if they want to be understood by this House and by the people at large. I would only say, Sir, that most of us, sitting in this House, have been in the Government at some time or the other. Today I can say that perhaps nobody is untouched by office except a few friends, who have not directly participated in Government, but who have supported Governments from outside, and thereby, they must assume responsibility for the acts of omissions and commissions of the previous Governments. So, we have reached a stage in our political evolution, where having participated in Government, we are all weighed down by the responsibilities of office and by the possibility of return to that office, and therefore, nobody today, in any political forum, can afford perhaps to make points and raise issues which they will find difficult to implement when they occupy the chairs of power, and neither can we afford, Sir, to forget the years when we were in office, because it is not a clean slate which I got to write upon. There has been a long history of the economic evolution, economic progress of this country. It is in that context that I am particularly grateful to the hon. Members that they appreciated the dif-

ficulties under which this Budget had to be prepared. I was extremely gratified to note that an understanding was there, understanding of the difficult situation which this country faced. I am not trying to apportion any blame, but certainly, I cannot be held responsible for the situation which existed when this Government took office. That situation had to be tackled.

Now, much has been said about the Budget, being pedestrian, the Budget being without vision, the Budget being without direction, the Budget being without any focus; that the Budget has been a rubbish! Now, sir, we have looked at some cold facts to find out whether all that we are saying in the context of the present-day situation is correct or incorrect. Now I am grateful to Dr. Manmohan Singh, Sir. He said, he did not quarrel with the objectives that I put forth in this Budget-Speech. There are ten objectives which I set before me, and then I went on to deal with these ten objectives, in my own way, in this Budget. And hon. the Leader of the Opposition said that he had no quarrel with the objectives. He had quarrel with other issues. He has his point of view to which I will come later.

But the other hon. Member said, "The Budget was anti-poor. The Budget will do nothing for the common man, the Budget will do nothing for agriculture, the Budget will do nothing for rural development, the Budget will impinge adversely on small scale industries!" Now I remember, Sir, that when I was a student, Bill Clinton was a famous tennis player. He had a prescription, when he became a coach, for his young students, and he said, "if you want to impress your opponent, then, if he tries to come to the net, you must pass him at the net; you pass him with one or two shots, then he will get demoralised and then he will go back to the base-line, and that is how you are going to defeat him!" I do not know whether some of the hon. Members here had read the advice of Bill Clinton, but

they tried to do exactly that; I mean, the strength which, I think, is there in the Budget, that is exactly what was sought to be attacked as the weakness of the Budget. I will come to it, Sir, a little later.

**SHRI ASHOK MITRA** (West Bengal): You are vulnerable both at the base and at the net!

**SHRI YASHWANT SINHA**: We will see. We will see, Mr. Ashok Mitra.

Now, Sir, let us take what the philosophy of this Budget is. Now the philosophy is not something that we drafted in the last ten weeks. The philosophy is some thing which has been laid out quite clearly in the national agenda of governance. And it is a national agenda of governance which binds us in the field of economic policy, as it does in the other fields, and the national agenda of governance has a direct focus. It is not that it is without focus. What is it that we have emphasised? We have emphasised calibrating globalisation, external liberalisation. We have said, "There must be emphasis on issues which matter to the Indian people. Agriculture rural development, small scale industries, housing, infrastructure these are issues which matter to the Indian people and they must receive attention." so, it is not that I have tried to attempt something in a vacuum, bound by the national agenda, as this Government is. I had to prepare the Budget in the light of the prescriptions in the national agenda. That is what I have sought to do. I don't therefore, accept that the Budget lacks focus, that the Budget lacks direction, that the Budget doesn't have a philosophy. The Leader of the Opposition has not made any charges. I must say so in fairness to him. He has agreed with the ten objectives. The ten objectives have been laid down in the light of these broad objectives. Now what else did I find when I assumed office? I found that the economy is not exactly in the pink of health. This is something which I had

said on the first day in the office. I said, "it is not in the pink of health". Again, without blaming him, I am saying that because of various reasons there was a downturn, there was a slow-down and this slow-down has to be tackled. Therefore, this also became a primary concern in the exercise of Budget-making. That is an issue which I have kept in mind. Now what are the assumptions in the Budget? Much has been said about the Budget assumptions, that they are not being clear. I have assumed a rate of growth in the economy of 6.5% to 7%. Now is this a pie in the sky? Is this something which is unrealisable? Is this something which is unrealistic? These are the issues. These are the issues which have been raised. Now what is it that I have imagined? We all know that agricultural production declined by 2% last year. In this year hopefully I am expecting the agricultural production to rise by something like 3% to 4% over the base of last year. We have a new index of industrial production which is the 1993-94 base. The number of products has been increased. This information has been recently published in the newspapers and, according to the revised index, the industrial production of 1997-98 increased by 6.6%. What is it that we are presuming? We are presuming that, according to this revised index, not on the basis of the earlier index, the industrial production will increase by something like 8% to 10%. With the kind of growth which has been recorded in the services sector, I feel that it is not unrealistic to assume a rate of growth of 6.5% to 7%. Inflation has been mentioned here. All kinds of figures have been mentioned. Inflation, for various reasons, to which I will come later, is around 6.5% today. We have assumed 7% inflation. It is on this basis that the GDP growth in nominal terms has been worked out. Now, will these assumptions come true? Or, will they fall by the way side? It is a very legitimate question. Now, when you are preparing the Budget—everyone who dealt with the Budget here and I find quite a few of us here who had at one point of time or the

other had dealt with Budget-making—you have to make your projections. You cannot say this will not happen like this, that the monsoon will say, that there will be a massive earthquake, that there will be floods all over the country, that the sanctions will engulf India. You cannot prepare the Budget as a prophet of doom. You have to be an optimist when you are preparing the Budget. The only point which has to be seen is whether the optimism is based on realistic assumptions or unrealistic assumptions. That is the point which has been raised by various hon. Members. I will now come to that, Sir. Sir, I will first take up the expenditure part. I have been accused that I have depressed the expenditure. I have not depressed the expenditure. If you look at the expenditure as a percentage of GDP, it was 16.63 per cent last year. It increased from 15.74 per cent in the previous year, 1996-97 to 16.63 per cent for the obvious reasons that the Government of the day had to take on the burden of the Fifth Pay Commission. So it went up to 16.63 per cent. This year also we have to take on the burden of the Fifth Pay Commission. Therefore, it is a 16.61 per cent. Now 16.63 per cent is the Revised Estimate. I know Shri Pranab Mukherjee made a point here that I should not compare BEs with REs. I have looked into it. There are not set norms for comparison. Each Finance Minister has chosen his own way of comparing it. At least, I should be given credit for the consistency that I have not picked up the BE figure where it suited me and the RE figure where it suited me. I have been consistent in comparing RE with BE because RE and the actuals of the previous year are the only known benchmarks against which a comparison can be made and the next year this comparison will not be on the basis of BE. It will be again on the basis of RE.

DR. BIPLAB DASGUPTA (West Bengal): Does it mean that he would ignore whatever Budget Estimates he is making now? That means REs would be different from BEs.

SHRI YASWANT SINHA: Sir, every year there are changes in RE as compared to BE. That is a very common knowledge. I cannot stand before the House and say with full sense of responsibility that none of my figures would change. Figures would change. Now the point I am making is that whether these changes will be so drastic that all the assumptions in the Budget will fall by the wayside. That is the point I am trying to make. Therefore, I am quoting these figures of expenditure.

SHRI YOGINDER K. ALAGH (Gujarat): Sir, I am not sure whether the Finance Minister has been fully briefed on this issue. He has in some places compared BEs with BEs. For example, so far as the power sector is concerned, it has not been said that the Budget Estimate this year is less than the Revised Estimate of last year. So far as budgetary support is concerned, he has made comparisons between the Budget Estimate of last year and the Budget Estimate of this year. Sir, as a person with some understanding of statistics, I would say that this is not fair.

PROF. VIJAY KUMAR MALHOTRA (Delhi): Sir, the discussion is already over. They cannot interrupt every time. (*Interruptions*). Sir, they can put questions after his speech. (*Interruptions*). They cannot interrupt every time. This is not the way. (*Interruptions*).

SHRI S.R. BOMMAI (Karnataka): Sir,....(*Interruptions*).

MR. CHAIRMAN: Mr. Bommai, please sit down. (*Interruptions*).

PROF. VIJAY KUMAR MALHOTRA: Sir, they can put questions after his speech. (*Interruptions*).

MR. CHAIRMAN: Please sit down. (*Interruptions*).

PROF. VIJAY KUMAR MALHOTRA: Sir, this is not the way. It has never been done. They can put questions after his speech. (*Interruptions*).

MR. CHAIRMAN: Mr. Malhotra, may I say one thing? What you are saying is correct. But if...

PROF. VIJAY KUMAR MALHOTRA: Sir, this is the third time they have interrupted.

MR. CHAIRMAN: If the Minister yields, what can I do? The Finance Minister yielded and he put a question. If he does not yield, I will not allow them.

SHRI YASHWANT SINHA: Sir, I cannot show the discourtesy of not yielding to the hon. Members of this House. will only make one point. Sir, I did not interrupt anyone when they were speaking. If I am interrupted time and again, the chain of thought is somehow lost. The hon. Members can make note of the points. We are here. No body is running away. We can always exchange ideas and notes.

I was making a point about expenditure-GDP ratio. There is nothing to suggest that there has been depression or an artificial squeezing. If I had wanted to do that, then, maybe, I would have gone back to the more flattering figures which were there when Dr. Manmohan Singh was Finance Minister. But I have not done that. I have been realistic in the assumption of my expenditure figures. This year, this 16.61 per cent expenditure to GDP, takes into account the increase that we have made in the plan expenditure as well. Now, the Plan expenditure, Sir, has gone up by 18.8 per cent over the last year. When I was looking at the figures from 1992-93 till date, I found that excepting one year, which is 1993-94, when the Plan expenditure increased by 19.1 per cent, this is the second highest increase in Plan expenditure. I also had an option. The result last year was not very impressive. I could have said, "All right, let us have a three per cent or four per cent increase"—as indeed has happened in some years—and said, "You know, we are keeping our control on expenditure." But I will make one point clear. This Government does not believe

in keeping a control on expenditure by squeezing sectors which should not be squeezed. This is a very important point. There are sectors which have no lobbies. We have talked about this lobby and that lobby. But there are sectors which have no lobbies. Nobody will raise even a whisper about that. So, is that the reason why they should be ignored in a popular democracy? It is because this Government does not believe in that even at the risk of keeping our fiscal deficit at 5.6 per cent, we have gone ahead and increased the Plan expenditure by this margin of 18.8 per cent. Now, the Plan as percentage of GDP in the B.E. is 4.46 as compared to 4.29 last year. Then, I will come to the revenue side. On the revenue side, what was the tax as percentage of GDP? I find that there was a year, 1989-90, when it was as high as 11.09 per cent. Then I see that there is a general decline in the tax-GDP ratio. It went on declining and last year it touched 9.36 per cent.

In 1993-94, I find that it had touched 9.19 per cent. What is the B.E.s tax-GDP ratio? It is only 9.76 per cent. In the light of the fact that it has been nearer 10 per cent even in the decline, in most cases, is 9.76 per cent, on a declined base of last year, unrealistic I will go tax by tax. In the Eighth Plan, the average growth-tax ratio increase was 9.82 per cent. The average of the two years, 1997-98 and 1998-99, last year's R.E. and this year's B.E., is 9.56 per cent. Now, 9.82 per cent is the average of the Eighth Plan. In the light of this, is this average of two years, 9.56 per cent, unrealistic?

Similarly, Sir, even if we compare it against the annual growth rates, the only tax on which I could be challenged that this is not realistic is excise duty. You know, Sir, that we have done, in this Budget, some additional resource mobilisation on the excise side.

Therefore, this increase that I have mentioned is justified. There is nothing, Sir, on the tax which could give the impression that the tax receipts that I

have factored is unrealistic. On the other hand, I would go a step forward and I would say that I have taken a number of steps in this Budget. You have been criticizing the Budget. Perhaps you have not paid any attention to those issues. But I have taken a number of steps and I do not want to repeat them because I read them out in my Budget speech. I have taken a number of steps for better compliance and a point was made here that with such a large middle class, should only 12 to 13 million people be paying taxes in the country? Obviously not. Can't this number be doubled? It can. Therefore, Sir, the other provisions that I have laid down in regard to PAN and GIR, those things will make it extremely difficult for any one to evade tax in this country any more. But I have not taken any credit for all that and said that because the compliance rate will go up, my income tax receipts will go up. I have been conservative. Corporate taxes have generally been rising. Even last year which was a bad year, corporate tax raised by about 15 per cent. Now we expect a better compliance.

We are taking a steps even in the corporate tax sector for better compliance and I have talked about additional resource mobilisation on excise and custom fund. Sir, therefore, I am absolutely confident that the figures which have been mentioned in the Budget on the revenue side are not at all unrealistic. I would also like to say that if the forecast, *bhavisyavani* says that the economy will not grow or it will grow at the same rate at which it grew last year, if that happens, then I have no hesitation in admitting that some of these tax projections will suffer. But that is not what I am talking. I would like to say, Sir, taking this House into confidence, that the indications, even the pre-Budget indications hold hope. In April and May, the direct tax receipts have gone up by 25 per cent over last year. Some of our estimates of industrial production show, specially in the infrastructure sector that

growth is picking up in the month of April. Exports are not doing fantastically well. But compared to minus ten per cent in April, plus two per cent this year gives us hope. While the trade deficit might be a cause of worry, the fact that non-oil imports have gone up by something like 26 per cent also gives us hope because imports means that industrial activity will pick up. Therefore, I am confident of two things. one, that the projections that I have made of growth in this year, the economic growth, will prove to be correct. Secondly, Sir, on the receipts side, the projections that I have made will stand me in good stead. I was looking at the figures for PSU disinvestment. What is the figure that I have taken; It is Rs. 5000 crores. It was Rs. 7000 crores in the same year but the performance has been very uneven. Last year, as against the revised estimate of Rs. 7000 crores, we collected Rs. 906 crores only. But I would like to say, Sir in all humility that this is the first time in the Budget speech we have mentioned the names of the undertakings which we propose to disinvest. Why we have done it is because I was backed by a Government decision. The Cabinet of this country had already taken a view in regard to those 400 Units. This was pre-Budget. The Budget is not all moonshine. It is not that I am taking a pot shot in the dark. I am backed by that and the other steps that we are taking for which our friends from the Left are angry with me because I have not factored them in. I have not taken into account the disinvestment of the Indian Airlines. I have not taken the disinvestment in regard to which the recommendations of the Disinvestment Commission are already with the Government. So, Rs. 5,000 crores is at best a very conservative figure and I hope that, as the year goes by, we will improve upon that.

Last year, Sir, we know, as I was saying, for various reasons things did not work out well for my predecessor and there were problems. But there are other instances where things have not worked

out. The hon. Leader of opposition is sitting here. He was the Finance Minister. What happened in 1993-94? The fiscal deficit, which was projected at 4.6% shot up to 7.4% at the end of the year. It happens. Last year it was projected at 4.5%. It shot up to 6.1%. We do not know yet what the actual figure will be. When some extraordinary thing takes place in the course of the year, which the Finance Minister can in no way take into account, then some of the projections can go wrong and some of those projections have gone wrong in the past. I will not be the first Finance Minister, not that I am admitting that my projections will go wrong. But that is not a charge which can be levelled at me at this point of time. It can only be levelled at me at the end of the year, that my projections went haywire because they were unrealistic. And then, we will sit down and discuss them. We will all be around to discuss those issues.

Sir, it has been pointed out that the Budget is inflationary. It is true that the rate of inflation has gone up. The wholesale price index has gone up and I have been carefully monitoring the price index. What has happened? Why has this gone up? It has gone up largely because of what happened on the weather front this winter and at the end of this winter. We are all aware of that. As a result of that, what has happened? The prices of primary articles like foods and vegetables have shot up. Potato prices, Sir, have gone up by 315%. Now, should we crib about that? I will be the last person to crib because there was a year, the last year, when potato prices had crashed, when we know that our farmers had to face untold hardship, when the potato crop rotted in the fields. Now, if they are getting a good price, I am not going to crib. I am not complaining. Fruits and vegetable prices have gone up. The other prices which have gone up are the edible oil prices. Why edible oil? When Dr. Manmohan Singh was the Finance Minister, very beautifully he constructed a system

wherein he put edible oils on the OGL—that, whenever prices shot up here, the importers can import and bring the prices down. Now, we import from East Asia. We know that. And this year because of the El Nino Effect on East Asia, the prices there have also remained high. Therefore, imports are not able to depress prices here. That is another contributory factor. But the point which I would like to make is that in the inflation trend today, there is nothing which can give me cause for concern that this is going to continue. If there is a secular rate of inflation, I would worry. But these are all seasonal factors which will be taken care of. Now, we also know we have factored in an M-3 growth of 15 to 15.5%. It is not excessive. Nobody can say that it is excessive. We have had a growth of over 17% last year. We know that if M-3 has impact on prices, it impacts on prices with a lag. So, this year there may be some volatility because of the growth of M-3 last year. That is why despite many people advising me to the contrary, I decided that we must keep the fiscal deficit as much under check as possible. Despite the fact that Plan expenditure has been raised, specially infrastructure expenditure has been raised we have been able to keep fiscal deficit at 5.6 per cent. Therefore, I don't think at this point of time there is anything which will lead to the kind of forebodings which have been voiced in this House, and inflation will be kept under check. We will constantly monitor inflation and I can assure the House that there is no way in which inflation will be allowed to rob the poor, create hardship for them because we are as much concerned for them as anyone else is.

Now, Sir, one point — apart from all these which have been made to say that the Budget is unrealistic — is the issue of sanctions. Member after member has said that we have not taken into account the impact of sanctions. Some people have been more realistic in their criticism; some people have been somewhat far away from the reality. Now, we must

understand, 'Sir, what exactly has happened post-May 11th, post-May 13th. The only country which has in a legal sense imposed sanctions on us is the United States of America because under their 1994 Act, the famous Glenn Amendment, they have no alternative, no option except to impose sanctions. So, they have imposed sanctions. I think it was Mr. Pranab Mukherjee who was talking about *dual-use* technology. The *dual-use* technology has always been under restriction — the Exim Bank, OPEC. What do the sanctions say? The sanctions say, "The US banks shall not lend to the Government of India." But Sir, the Government of India is not in the market for borrowing. We all know that we are not borrowing in the market. We are not dealing with private banks. All the borrowings that we make are either from Government sources bilaterally or from multilateral institutions. Now, in all these weeks which have passed, the United States of America, Sir, has not yet defined the scope of sanctions. They are still, we are told, working on it. They have not defined the scope of sanctions and there are many things which remain nebulous, vague, unclear. Then, what else has happened? What else has happened is that there are some countries which used to extend bilateral assistance — Overseas Development Assistance, as it is called — some of them have said, "We are freezing or deferring new projects." — including the World Bank. The World Bank has not said, we are rejecting your proposals. The World Bank under whatever influence has said, "We are deferring the consideration of these proposals." Now, we all know the huge pipeline of approved projects which is there. In fact, questions have been raised in both Houses of Parliament about utilisation of external aid and we have always found that we are far below the utilisation levels. So, there is a long pipeline and any project which is held up today and which is finally rejected, if that project is in the Budget, then the impact will be felt only in period of 12 to 18

months when it comes through the pipeline and then stops. In this year when all the on-going projects have not been effected, what is it that I could do in the Budget? I had two options: one, I could postpone presentation of the Budget on the first of June. I would have told the Parliament that I am not presenting the Budget until the whole range of sanctions are clarified and then I will come and present. This was one option. The other option was to dream about sanctions and let my imagination fly that this will be the impact of sanctions and then factor that in the Budget. Where would I be if I had done either of the two?

Mr. Pranab Mukherjee had a very important point. He said that they may not have an impact on the Budget yet they will have a general impact. I agree with him. There will be a general impact. But there are a lot of things which are having a general impact. These are things over which we have no control. When the East-Asian melt-down took place, then a lot of things happened in this country over which we had very little control and we were trying to manage that situation, whichever Government was in power at that point of time. What happened? We were discussing the value of the rupee in this House the other day. There are fresh developments in our neighbourhood, in Asia. When we talk of globalisation, when we talk of integration with the world we cannot say that it will be a one-way street that integration will take place only when it is useful, beneficial for us and integration will not take place when it is adverse. Can we say that? Is that the kind of globalisation that the world will accept? If we have globalised, we have to pay the price for that globalisation. And then these things will have an impact. Whenever Japanese Yen crashes and Hangsen crashes in Hong-Kong, it is bound to have some impact on the Bombay sensx. It is bound to have some impact on the rupee. This is the price we must pay for globalisation and that is why we said that we must calibrate globalisation. We must first build up our



strength so that we can face the world so that we will not be taken for a ride, so that we will not be black-mailed, so that we will not be adversely affected by storms which will rise outside this country over which we would have no control. This is something that we have to take in to account.

Therefore, as far as sanctions are concerned, I would like to assure the House that there is nothing more I could have said except what I have said in my Budget Speech that I do not think that they will affect our economic development in the long-run. Sir, I would also say that if some countries were to impose harsh sanctions on us—of which there is no evidence at present—this nation as a whole will stand united as one person. Then, there will be no Opposition, there will be no Treasury Benches. We will all be together in facing that and that is the strength which fortunately this country has and, therefore, it gives me confidence that then and if they come out with whatever they plan to come out with, I will take the Parliament into confidence and we will jointly work out the strategy to meet the challenge of the emerging situation.

Now I come to implementation of policies. Policies are all right. It is important. If we fail in implementation there is no point in making good policies and in order to streamline implementation, what is it that I have said in the Budget? I have said that there is a plethora of schemes of employment today. Go and ask any officer in the field. He will not even be able to tell you how many employment schemes there are. Now, we have said that we are going to streamline them into just two schemes: self-employment and wage-employment. Only two kinds of schemes so that everybody understands that—there is wage-employment and there is self-employment.

Then I have said about Watershed Development Programme. Kamlaji was talking about recharging ground-water

resources and I told her to read one paragraph ahead of it and she would find what I have talked about Watershed Development, how this is going to help. I do not have to go into the details, Sir, but I would say that until and unless agriculture, which is dependent upon rain, the rainfed areas, are taken care of, we will not have a second green revolution in the country. There is no point; there is no way we can do it. And that is why this Government is putting so much emphasis on water-shed. I would not say that we have made all the arrangements for a vast country like India in this year's Budget. But, we have made a beginning. I am grateful to Prof. Alagh that he has recognised the importance of it and he has found this particular aspect of the Budget agreeable. This is what we plan to do. Water-shed is distributed over three or four Departments. We will combine it and make it one powerful scheme of water-shed development in the country. Then what is it that we are saying? We are saying now 'Plan' and 'non-Plan' — a very important step of far-reaching importance — and we take 'Plan' as good and 'non-Plan' as bad; 'capital' as good, 'revenue' as bad. This is all artificial. I will plead with all of those—Dr. Manmohan Singh, Mr. Pranab Mukherjee, Mr. Ashok Mitra and Prof. Alagh — who have dealt with this subject that this is an artificial distinction on the basis of which we have been carrying on each year's Budget. So, what do I propose to do? I propose to appoint a task force which will go into this question. We must have two kinds of expenditure, one is 'Development' and the other is 'non-Development' and we must be able to say clearly that this is 'Development'. They are crying hoarse about subsidies — not here but elsewhere. But, if we are giving subsidy on fertilisers, is that not a development measure? Will anybody disagree with me on this issue here. That is something which is helping the farmers to produce better. So, Sir, this is 'Development' and 'non-Development'. Then

again we have a system in which we have a plethora of Central and Centrally-sponsored schemes. Again, ask any Development Officer in the field, he will not be able to name out them. He will have to go through his files and papers to tell you as to which are the various schemes. Now, what is it that we have said? We will assign this responsibility to the same task force, to have them put together. Why should we sitting here in Delhi decide as to which village will have Indira Awas, whether they will make roads, how they will arrange drinking water, etc? Is this the responsibility of the Central Government? Or is this the responsibility even of the State Government? When we have gone ahead with our Panchayati Raj institutions, should we not leave it to them to decide their own fate? We can say, "This is the slew of schemes? you go ahead." Let them decide whether they want drinking water first or whether they need a road first or whether they need a school-building first. Let us decentralise and give this power to them. And it is with this intention that we have made this beginning in the Budget that we will look at all the Central and Centrally-sponsored schemes and we are going to streamline them so that implementation improves. Again, Sir, the concept of the Monitoring Officer for foreign investments. When I was going to Washington to attend the Fund-9 meeting in April, I was told that I must meet them because they are very scared as to what would this Government do to foreign investment. I went and met them and their doubts were smelted. But, I must tell the House, through you, Sir, that there was nothing that I said either in Washington or in New York or in London which was beyond the brief of the National Agenda of Governance. We invited them over in a number of areas which are of interest to us. I have said in my Budget Speech that foreign investment has a role to play. Nobody is denying that. It is with that intention that we are trying to streamline the procedure and I have decided to assign the responsi-

bility of project clearance to the Monitoring Officer of the administrative Ministry. He will not merely monitor the clearance of a project only at the Central level, but he will also liaise with the State Governments to make sure that there is no hassle in this regard. So, this is what we have done. Now it has been pointed out here that the Budget is anti-farmer. I do not even think of responding to this charge because I have done so much for the farmers in this Budget. I think it will perhaps be inappropriate if I took this criticism seriously. Sir, I must respond to it and say as to what are the various measures that we are going to take to promote farmers. I will draw the attention of the House only to one aspect, that is, for the first time we have thought of a system of Kisan Credit Card. The whole purpose is to enable the farmer to be able to draw not only money but also to take advantage of the banking system. Large sections of our farming community today are not part of banking system. Through this card, we will draw them into the banking sector so that they can take full advantage of this.

Now, another point which has been made is, it is anticommon people. I did not come either from London or New York. I also live in this country. I also interact with the people. I also have the concern of the common man close to my heart. Therefore, in the Budget, we have taken a number of steps through which we are going to help the common man. Mrs. Shabana Azmi was talking about slum-dwelling units. If you look at the programmes, both in the rural and urban areas, that we have at the expenditure as well as on taxation front, one of the most significant advances made in this Budget is on the housing front because we want a spurt of activity on the housing front including provision for slum-dwellers. I have given a number of concessions so that this comes up in a big way. They are not given just like that but they are given to meet an important social need of our people. Sir, housing is also a sector which

will generate economic activity. It is with these twin objectives in mind, we have made all these arrangements to keep up our promise of giving two million houses during this year.

I would like to say to my friends, especially to the Left Parties what I have said with regard to P.S.U.s. You have said that it is anti-worker. Let me assure you that I represent the constituency...

**SHRI JIBON ROY (West Bengal):** It is anti-national.

**SHRI YASHWANT SINHA:** You also said, 'Anti-national.' You can choose whatever words you like. I am not going to join a debate with you on that because we can all be harsh with each other. That is not my intention. It is not my intention to be harsh towards anybody but what I am saying is,—I am making this point in all sincerity and in all humility but also with all emphasis at my command—is there any point in carrying on with undertakings which have repeatedly been held as unviable or unrevivable? The worker wants to work. He does not want to sit down at home and collect his wages once in a month or once in three months or whenever he gets his wages. He wants to work with his hands. He wants to use his skill and there can be nothing more deadening, there is nothing more stifling than keeping them at home and giving them their wages. This is exactly what we have done in respect of a number of undertakings. Therefore, I think, we are not doing any harm to any one...*(interruptions)*... By saying this, we are giving you...*(interruptions)*...

**SHRI JIBON ROY:** Sir, the point is ...*(interruptions)*...

**SHRI YASHWANT SINHA:** You can raise your point after I finish my speech. I am giving you a very good package. Take it and start a new life. I have said in my Budget speech that for all those who have put in thirty years of service in any undertaking, I am prepared to give them five years wages. Let them go, we will give them. Sir, most of the people,

after completing 30 or 35 years of service, will retire from their service. They can have a good life after retirement. For all those, we have come out with a scheme which will enable them to make a new beginning, a fresh beginning. It is not anti-worker. I come from an area where most of my voters are workers who work in coal-mines. I cannot be anti-worker or anti-national—Jibonbabu can say whatever he likes. But that is a charge. I reject it with the contempt which it deserves. If we were anti-worker—this Government is in office for less than three months—how can you expect the steps we have taken at some cost to ourselves to revive a watch unit of H.M.T. at Srinagar? We have taken steps, a mention has been made here, in this House by our T.D.P. friends, at a large cost to the Government of India to revive and streamline the Rashtriya Ispat Nigam, the Visakhapatnam Steel Plant. Rs. 791 crores are being converted into a non-cumulative preference capital. This is the kind of feeling that we have. We have restructured main-frame computer unit of the Electronics Corporation of India, which had gone into problems. I would like to assure the House that if any unit can be revived, this Government will go out of its way to revive that unit...*(Interruptions)*...

**MR. CHAIRMAN:** Just a minute. Now it is already 1 o' clock. Should we continue it and have lunch at 1.30 p.m.?

**SOME HON. MEMBERS:** Yes, Sir, we can continue.

**SHRI YASHWANT SINHA:** So, Sir, there is nothing which can remotely be described as anti-worker. I personally feel that there is a very major pro-worker scheme which we have envisaged in this Budget. And I am quite prepared to join a debate with anyone on this issue. I am prepared to go to Calcutta, I am prepared to go to Durgapur, I am prepared to go to Ernakulam, or wherever you want, I will go. I will also meet workers. I will also explain the point of view of the

Government. We would like to take them into confidence. And we would like to go ahead with this.

Then, we have made some points on the PSU reforms, for which we have been criticised. The criticism did not come from this side, the people who were in power until 1995-96. The criticism mainly came from here, that we should not disinvest up to 26 per cent. *(Interruptions)*... I know it. I listened intently to what Prof. Ashok Mitra said and I am sorry to note that his script did not change from when he must have first discussed the Budget in this House till this Budget on which he intervened. The script remains exactly the same *...(Interruptions)*...

SHRI JIBON ROY: Sir, there is a great change. They have never said *...(Interruptions)*...

MR. CHAIRMAN: Please sit down. He has not yielded *...(Interruptions)*... Let him finish first, then you can ask questions.

SHRI YASHWANT SINHA: As I said, during the discussion in this House, poison darts were thrown at me. But, I did not protest because this is a part of Parliamentary democracy. But, why did you people get so angry on just one little cut and one little thrust *...(Interruptions)*...

MR CHAIRMAN: Please sit down *...(Interruptions)*... Please sit down *...(Interruptions)*... He has a right to speak. You should listen to him. When you speak, he should listen to you.

SHRI YASHWANT SINHA: I would only recommend that my learned colleagues on the left should go and study the Companies Act. It clearly lays down the rights of anyone who owns 26 per cent shares in a company. Anyone who is familiar with the Companies Act would say that 26 per cent shares give you a kind of role which — I would again say with all sense of responsibility — this

Government wants to have. But, we have also said that we will do it only in non-strategic industries. We are prepared to have any philosophical debate on this issue because we hold a view which has been held for a long time. It is not something that we are adopting today. And when we have a chance to be in the Government, we will certainly follow our policies and, I am sorry to say, not your policies.

Then, it has been further said that the Budget does not deal with exports. We are concerned at the decline of exports last year, decline in the rate of growth. But, there are signs that it might revive and pick up, as you go along. But, Sir, I would request the hon. Member to please remember one fact, and, that is, that every year the Budget precedes the export-import policy, but this year the export-import policy, for various reasons, has preceded the Budget. My colleague, the Commerce Minister, has come out with an export-import policy which has taken care of a large number of issues which confront exporters.

I would say that is not the end of the world. It is not the end of our responsibility, as far as exports are concerned. Exports continue to be very precious and we realise the importance of exports. Therefore, Sir, we will continue to do whatever is needed in order to make sure that export growth taken places according to the targets that we have laid down. I will merely draw the attention of the House to one very importance point in the Export-Import Policy where we have reduced to one crore the threshold under the EPCGA (Export Promotion Capital Goods Scheme). From 20 crores we have brought it down to one crore. Anybody can import one crore worth of duty-free capital goods to set-up his export promotion unit. And what else have we done? We have reduced this threshold to ten lakhs for computers. Why? Anybody sitting in Ghaziabad, Bareilly or Nellore, anywhere in the country can operate on that and can produce software for export.

That is the reason why we have reduced it.

I know that in the discussion the point of employment came up. I would like to tell you why it is that we have given importance to information technology. Why is it that the Prime Minister is giving so much importance to it? Why is it that he says, we must be super-powers in information technology? It is for the simple reason that this holds the potential for growth and employment in a way, which is unknown. It is something about which, all of us probably cannot even imagine as to how many doors it will open for this country. That is why we have put emphasis on that.

We have taken a number of steps, announced a number of steps in the capital market. A point was made that capital markets are not doing well. I would not go to the extent of saying that we do not care about the capital market; we do not care about stock-exchanges. We do care, to the extent to which they behave in a responsible fashion. I was looking at the graph of the last three years. I found that the fluctuations have been violent. No responsible stock market behaves in such a violent fashion. Profit booking is a legitimate concern. But, I am sure that the number of steps which I have announced in the Budget including the trading derivatives will create the opportunity, will take some time to sink in. And once the external factors settle down then it will be possible for the capital market to come back to normal.

Now, Sir, another point which has been made is that the *Samadhan* Scheme is another VDIS. It is not. I am quite clear in my mind, it is not. It is very unfair to compare it with the VDIS. (Interruptions) It is not. You are absolutely mistaken. If you read the Finance Bill then all your doubts will be put to rest. (Interruptions) I have read. You have not read. I have read the finest print. Sir, the *Samadhan* Scheme is meant for incomes or taxes which are

already above the ground. They are not concealed; they are not hidden. They have already been assessed and that is why they are in dispute. Now, the disputes, we know, have been going on for years. It goes on, on and on. I am most indifferent because I am not paying it out of my pocket. I am not paying for that litigation. The powerful people may be sometimes at the other end. It is only the small man who get grinded in the process. Otherwise, the litigation goes on merrily. We have tried to find a way to declog this system by this *Samadhan* Scheme. I have not said, I am going to get Rs. 10,000/-, Rs. 5,000/- or Rs. 20,000/- crores out of this. I have not taken any special amount in my Budget for this because revenue was not uppermost in my mind. What was uppermost in my mind was to declog the system; to create a system which will not lead to further litigation. If we have -- as I proposed -- a taxpayer-friendly approach, this kind of litigation would be avoided. We have taken a number of other steps also.

Sir, even this 'Saraal' has been rubbished. They are saying: 'what is this Saraal?' This is the first time, Sir, it is for the first time in the country, that we have just a one-page form for personal income-tax. Just one page. I can sit down and fill it up. Anybody can sit down and fill it up. I have seen it in other countries, a large number of young students filling it up. You don't have to run to chartered accountants. You don't have to go to the consultants to fill up the form. This is a simple form which anybody can fill up. If I have more, in the sense that I have a complicated source of income, you need additional information. But, for the majority of the people, this 'Saraal' form would be a great boon.

What have I said? I have said that one does not have to run to the income-tax office to collect the form, fill it up and deposit it there. When the time comes to fill up the form, we will make sure that our officers travel to the various areas,

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localities, in the cities. They will go, distribute the form and ask them to deposit the money wherever it is to be deposited, come back and collect the form. What else can be more simpler than this, Sir? It is with this view that I am confident that our compliance will increase and that it will be possible for us to get more realisation through income-tax.

In deference to hon. Member, Shri Salve, I would now take up the points raised by him. He had raised a number of points. He is a chartered accountant. I am not. I dare not cross swords with him. But I will endeavour to offer some explanation for the points he had raised. He said that I cannot tax gift at the recipient's hands because gift is not income. I am, afraid, Sir, I have the legislative competence to tax gift as income. It is by virtue of that authority that I am doing it. We have been made sure to have taken the best legal opinion possible on this.

What is it that I have done? I have abolished gift tax. I have said why I have abolished gift tax. But I have said that I will charge it as income at the other end. All the present exemptions will remain. But what will not happen, Sir, is that the people who used to receive gift within the exemption limit and say that they have built up a capital, would not be able to do it any more.

Sir, there was a lot of misuse of this gift tax. As the donor was not required to pay tax because it was within that limit, and the donee was not being charged either, what was happening was, a lot of people were showing black money as gift coming from various sources, all of them beyond the tax net. That is what we have plugged by this.

**SHRI LACHHMAN SINGH (Haryana):** What about Rs. 30,000/- exemption?

**MR. CHAIRMAN:** Please sit down.

**SHRI YASHWANT SINHA:** All the existing exemptions will remain. The other point Shri Salve mentioned was

about the educational and medical institutions. I would like to draw your attention to the observations of the Public Accounts Committee (1994-95). In their Hundred-and-second Report, they have strongly enjoined upon the Ministry of Finance to seriously consider the possibility of bringing them within the scrutiny net, under section 10(22) and 10(22) (1). They had recommended. I would like to submit. What is it that we are saying?

**SHRI N.K.P. SALVE (Maharashtra):** Did they withdraw the exemptions?

**SHRI YASHWANT SINHA:** No, they did not. I am not withdrawing the exemptions. It is absolutely wrong to say that I am withdrawing the exemptions. I am merely saying: 'You file a return'.

**SHRI N.K.P. SALVE:** Did they withdraw the exemptions under this section?

**SHRI YASHWANT SINHA:** No. I did not say that. They said that we must look at it, we must examine it, because it is being misused. I can tell you that in a number of instances, a lot of money so collected, so exempted, has been used for commercial purposes. It has been used to buy shares. It has been used to take over companies. Is this the kind of system you want to run? (*Interruption*) I am acutely aware of it. What is it that I asking them to do? I am saying: 'You file a return'. Aren't the political parties in the country, for years and years, filing returns? Aren't we filing returns? Every political party in this country has to file a return. Whether they are subject to tax or not is another matter. We have to file the return. If I am telling somebody, "I will give you exemption, but let me know what your income is and how you are using the income," what wrong am I committing? I am merely saying that I must look at it because these moneys should be used for the purpose for which they are being collected. They should not be misused for commercial purposes. It is with that end that these amendments have been made. I hope they will satisfy the hon. Member.

**SHRI N.K.P. SALVE:** If you yield....

SHRI YASHIWANT SINHA: I will answer your queries at the end.

Sir, I also want to say that I have received a very large number of representations on a specific indirect tax proposed in the Budget. I have been meeting one delegation after the other. I am aware of some of the difficulties which they have brought to my notice. I want to assure the House that we shall study all these representation very carefully and consider whether any modifications are needed at the time of the consideration of the Finance Bill or earlier. In the meantime, the Revenue Department has been instructed by me personally to make sure and to take special care to see that newly assessable enterprises are not harassed in any manner. I will plead with the Members that if any case of harassment comes to their notice, to bring it personally to my notice. I assure you that we shall take the most stringent action. The intention is not to harass anybody. I have repeatedly said that I wanted a tax-payer friendly administration.

Sir, in the end, I want to say that the Budget has been conceived in terms of the philosophy which this Government represents. The Budget has a definite focus, and that focus is the common man, the rural and the urban poor of India. This Budget has a number of steps which will impart growth and momentum to the Indian economy. I am absolutely confident that when I shall be dealing with you the next year, I shall be coming before you with a better performance than what the figures in the Budget show. That is where the real proof lies, in the eating, and not in the projection. I am quite confident that I shall be able to do better than the figures that I have mentioned in the Budget.

With these remarks, I commend the Budget to the House.

SHRI BANGARU LAXMAN (Gujarat): I am thankful to you, Sir. I am also thankful to the Finance Minister for he has improved the Voluntary Retirement Scheme, particularly for the sick industry workers. I want to say that from the present 45 days he has increased it to 60 days for those who have completed 30 years of service. But, today, in the sick industry, most of the employees are those who have completed less than 30 years of service. Those who have completed 30 years are only 10 per cent of the total employees. This Scheme is not going to benefit most of the employees. So, I want to ask of the Minister whether he would like to revise this and extend it to the remaining people also so that the Scheme will become workable.

Secondly, one more point is that in the social sector it is found that in some areas the allocations are less than those of the last year or there is only a nominal increase, for example, the allocation for the mixed programmes for the Backward Classes and the Scheduled Castes. Will the Minister consider increasing the allocations in those sectors which are very vital for our country?

श्री सिकन्दर बख्त (सदन के नेता): मैं यह कहना चाहता हूँ कि वाईड-अप स्पीच के बाद आमतौर पर जो सवाल आते हैं, वह किसी ला बूक के मुताबिक नहीं हैं। कहीं एक, दो, तीन सवाल करने की बात हो तो ठीक है। लेकिन अगर फिर फुल सवाल आते होंगे तो फिर....

اگر سیکندر بخت : میں یہ کہتا  
چاہتا ہوں کہ وائڈ اپ اسپیچ کے  
بعد عام طور پر سوالات کیے جاتے  
ہے، میں وہ کسی لاء بک کے مطابق  
نہیں ہیں۔ کہیں ایک دو تین سوال  
کرنے کی بات ہو تو ٹھیک ہے۔ لیکن  
اگر بھر فل سوالات ہوں گے تو پھر...

SHRI NILOTPAL BASU (West Bengal): Mr. Chairman, Sir, through you, I actually thank the Finance Minister for offering the scope. I have two or three points which I will put briefly.

It appears to us that you have singled the Left out to confront it on policy terms. We have absolutely no problem on this. We accept this position. We also make it clear that we never expected that your Government would do what we wanted. But the point is that there was a spelt out policy which was elaborated by the Prime Minister of this country that there would be an attempt to build a national consensus. The approach that you have demonstrated in course of your reply, I am sorry to say, betrays a lack of appreciation of the need to build a consensus on that. If you don't want consensus, we have no problems because anyway we know that we have to fight against certain specific aspects of this Budget that you have presented. So, would you please clarify on it?

MR. CHAIRMAN: No, that is not for clarification.

SHRI DIPANKAR MUKHERJEE (West Bengal): That is the basic point.

MR. CHAIRMAN: That is a general point.

SHRI NILOTPAL BASU: No, Sir. This is a point relating to the policy. *(Interruptions)*

MR. CHAIRMAN: Please, let us complete it by 1.30 p.m.

SHRI NILOTPAL BASU: Sir, it is beyond our dignity to question the political consistency of the Finance Minister. I would not go into that. But, another very vital point he has made is about the disinvestment. We have given importance to certain basic sectors. For example, telecommunications. The experience has been..

MR. CHAIRMAN: Each hon. Member should seek one clarification. It is not a speech. You have made it during the debate. On the basis of the reply that

he has given, if you want any clarification, please seek.

SHRI NILOTPAL BASU: Sir, my clarification is whether he would define the non-strategic sector where he is going to disinvest. I would like to know whether there is a private sector worth the name for disinvestment from the public sector.

SHRI SANATAN BISI: (Oriss): Sir, I would like to know the percentage growth of expenditure drawn on the Consolidated Fund of India.

SHRI SANJAY DALMIA: (Uttar Pradesh): Sir, the hon. Minister has said that he will allow Indian companies to participate in the newly opened insurance sector. What does it mean? Is he saying that if a foreign company floats an Indian company or takes a part of share in the Indian company, that would be allowed to take part in the insurance sector?

SHRI YOGINDER K. ALAGH: Sir, the hon. Minister has said that he is giving a lot of attention to the priority sector. Sir, the Plan Outlay of the Science and Technology departments has been cut down from Rs. 314 crores to Rs. 305 crores. The outlays for CSIR and Bio-technology are the same as last year. In the previous year I had increased it by about 30 per cent. Therefore, I would request him to reconsider bringing them to that level.

On the basic minimum services programme there was a resolution of the Chief Ministers arrived at after a meeting for two days that we have to increase it by 15 per cent. That outlay has been increased by only 13 per cent. I would request him to restore that.

Sir, I repeat, I congratulate the hon. Minister for the initiative that he has taken on agriculture and the general strategy for investment in the demand deficient year, but I would like to know why he has ignored the revamping of cooperative credit. Giving of cards that he has talked about is a very good thing.



very good thing. But what will he do in the case of unrecorded tenants? Will the unrecorded tenants get cards or not? Otherwise I do not see any point. The State of Bihar says that it has only five tenants. That is where the problem is.

The Cooperative credit has gone down from Rs. 10,117 crores to Rs. 9,408 crores. Then, it has just come to Rs. 10,479 crores. So, this is extremely an important matter. We have not received any clarification about it.

Finally, ...*(Interruptions)*... on sanctions with due respect to the Finance Minister, whenever I get his attention. In the Indian financial policy, we have in the past managed contingencies with contingency plan. We keep food stocks for a bad year. We have, in fact, kept foreign exchange stocks. If you go back you will know that we have developed this concept in the mid-seventies because we expected problems to be there. Now, respectfully I would disagree with him on his assessment that he has given on sanctions. On the issue of sanctions, the Government need not borrow and aid quite rightly is not important. But the most important sectors of the Indian economy in terms of policy reforms are the ones where we are putting through reforms. In all these cases there are generally bank guarantees. I made this point yesterday. I gave specific examples of projects in his Budget and bank guarantees thereof where people have said, no. Regarding Budgets of State Governments banks have said no to guarantees. He could have included some contingency..

MR. CHAIRMAN: That was your suggestion. You have already given. Now, if you want to put any question, you can put. But don't make any speech.

SHRI YOGINDER K. ALAGH: He should provide for a contingency for these things. Again I would like to repeat—I don't think he has been properly briefed—...*(Interruptions)*...

PROF. VIJAY KUMAR MALHOTRA: Whether he has been briefed or not...*(Interruptions)*...

SHRI YOGINDER K. ALAGH: I say that he is wrong. You don't understand parliamentary language. That is all I will say. Please listen when I had mentioned, "He has not been properly briefed" I wanted to be fair to a senior Minister in the Government. Otherwise, I could have said that he was wrong. You don't even understand the language. I don't think he needs...*(Interruptions)*... What is this? I am using a polite language for the Finance Minister. He is getting upset unnecessary...*(Interruptions)*... Okay, Sir. I will again repeat the point on the power sector if like to like has been used, it should have been said that budgetary support for the power sector has gone down from the Revised Estimates to the Budget Estimates. The figures are Rs. 2,841 crores and Rs. 2,712 crores. So, consistency is very important for the Finance Minister of India because we have to trust them. That is all.

SHRI S.S. SURJEWALA (Haryana): Mr. Chairman, Sir, through you, I want to ask the Finance Minister whether he is going to withdraw the hike on the price of urea, Re. 0.50. I think he might have forgotten to announce it.

Another thing is a large number of farmers are committing suicides. He has not mentioned a word about them.

MR. CHAIRMAN: Tomorrow we are taking up this issue through a Calling Attention Motion. Please don't repeat this ten times. We are taking it up because we are specifically concerned about them. Don't ask this question.

SHRI JIBON ROY: Mr. Chairman, Sir, Yesterday, during my speech I have raised a specific question whether the Government was contemplating to give statutory status to the Disinvestment Commission. After hearing the reply of the Finance Minister, we feel the statutory status has already been given to

the Disinvestment Commission. Why I say so. Till yesterday it was the policy of the Government to close down those sick industries which were not viable and which were rejected by the BIFR.

The second thing is the disinvestment will take place up to 49 per cent with the exception of the Maruti Udyog Limited. So far as the disinvestment policy is concerned, a Disinvestment Commission has been constituted. This Commission has made some recommendations. These recommendations should have been discussed in this House. Now, it looks without giving any scope to the Parliament, without giving any scope to the Trade Unions he had made a blanket declaration that 74 per cent of the equity will be disinvested. That is why I want to know from him whether the Government has already given a *de facto* statutory status to the Disinvestment Commission. If not, how can the Government declare that 74 per cent of the equity will be disinvested without taking the Parliament into confidence?

श्री ओंकार सिंह लखावत (राजस्थान): सभापति महोदय, वित्त मंत्री जी के बजट भाषण में यह बात आने से कि फसल बीमा योजना देश में लागू की जाएगी, किसानों ने राहत की सांस ली थी। इसी संदर्भ में मैं आज वित्त मंत्री जी से यह क्लैरिफिकेशन चाहता हूँ कि क्या यह योजना आप कुछ गिने-चुने जिलों में ही लागू करेंगे या संपूर्ण देश के किसानों को इससे लाभान्वित करना चाहेंगे? यह एक बहुत महत्वपूर्ण प्रश्न है, सर।

SHRI VALAYAR RAVI (Kerala): Sir, the growth of population is one of the major concerns of the developing nations, including India. But from the reply of the hon. Finance Minister it seems that he has completely ignored this area. I would like to know as to what the policy of the Government on this issue is. Have you completely ignored this aspect?

प्रो० रामबख्श सिंह वर्मा (उत्तर प्रदेश): सभापति महोदय, मैं माननीय वित्त मंत्री जी से, जैसा कि कल मैंने अपने भाषण में कहा था,.....

श्री सभापति: देखिए, मंत्री जी ने जो जवाब दिया है, उसी पर आप सवाल कीजिए, कोई नया सवाल नहीं

करना है। यह कोई नया विषय नहीं है, कोई क्वेश्चन आन्सर नहीं है। इन्होंने जो जवाब दिया है, उसी पर अगर आपको क्लैरिफिकेशन पूछना हो तो पूछिए।

प्रो० रामबख्श सिंह वर्मा: सभापति महोदय, मैं माननीय वित्त मंत्री जी से यह पूछना चाहता था कि यूरिया की जो कीमत बढ़ाई गई है, उसे क्या आप वापस लेने की घोषणा करेंगे?

प्रो० विजय कुमार मल्होत्रा: सभापति महोदय, मैं वित्त मंत्री जी से यह पूछना चाहूंगा पिछली बार चिदम्बरम साहब ने यह जो खेलों पर हण्ड्रेड परसेंट टैक्स एज्युमेशन की घोषणा की थी, क्या उस पर आप विचार कर रहे हैं?

SHRI V.P. DURAISAMY (Tamilnadu): Sir, I would like to know from the hon. Finance Minister whether the income-tax defaulters and the violators of the FERA Act can have a right to claim exemption as per your scheme. Is your scheme going to exonerate the involved persons? The Finance Minister has said that the SAMADHAN scheme has been introduced to bring more revenue to the country. If it is true, are you going to encourage defaulters and violators? Who are the key persons who are going to get benefit from the SAMADHAN scheme?

SHRI M.P. ABDUSSAMAD SAMADANI (Kerala): Sir, I would like seek clarifications on two points. Firstly, I had made a request to the hon. Finance Minister to consider providing subsidy to the coconut farmers of Kerala. I would to know as to what the stand of the Government on this point is. Secondly, with regard to NRIs, the hon. Finance Minister has already paid attention to the problems being faced by the NRIs. But there is a genuine need of the NRIs to have a right of franchise.

MR. CHAIRMAN: This is not relevant.

DR. BIPLAB DASGUPTA: Sir, in the reply given by the Finance Minister, he mentioned briefly about the problem which is taking an alarming proportion now, that is, the decline in the external value of rupee. Now, my feeling is that

perhaps our rupee has come under a very strong speculation, and in two months, the value of rupee has gone down by three rupee. Is the Finance Minister contemplating any measures to ensure that it does not go down further? In that event, there will be a perverse speculation, bringing the whole country's economy to a collapse.

SHRI N.R. DASARI (Andhra Pradesh): Sir, I would like to seek one clarification. The Finance Minister has projected a target of 20 lakh houses scheme. Is it in addition to the targets and the schemes of the State Governments or is it an integrated part of it?

SHRI S.S. SURJEWALA: Sir, I am on a point of order. I just want to submit....

MR. CHAIRMAN, No, no, no.

SHRI S.S. SURJEWALA: I will submit only if you permit me.

MR. CHAIRMAN: What is it?

SHRI S.S. SURJEWALA: Sir, I want to have your ruling. Whether the word "farmer" is unparliamentary; why the Chairman was provoked when I said "Farmers are committing suicide." I want to know.

MR. CHAIRMAN: I was not provoked. I told you that this issue is not arising out of the reply of the Finance Minister. That is a different issue. We are deeply concerned; we are taking up the Calling Attention tomorrow. So, he is not going to reply.

SHRI S.S. SURJEWALA: I spoke for half-an-hour on this issue last evening, Sir. You were not there. Yes, I spoke on that issue.

MR. CHAIRMAN: That is all right.

श्री मोहम्मद सलीम (पश्चिमी बंगाल): सर वित्त मंत्री महोदय की रिप्लाय सुनने के बाद एक बड़ी इंडियन टाइम बता रही है, दूसरी ईस्ट-एशियन टाइम बता रही है।

الشري محمد سليم : سر، ویت منتری  
مہودے کا ریپلڈی سننے کے بعد ایک  
بڑی انڈین ٹائم بتا رہی ہے۔ دوسری  
ایشین ٹائم بتا رہی ہے۔

The shadow of East Asia is looming large!

SHRI YASHWANT SINHA: Sir, a very large number of questions have been raised, and I will try to answer as many of them as I can. First of all, as far as my friends in the Left Party are concerned, let me assure them that national consensus includes everyone, including the Left. We have absolutely no intention of leaving you in the lurch, and, therefore, when I said "I will come to Calcutta, I will go to Kerala and I will discuss these issues with the workers", what I had meant was that I would use your good offices to be able to put across my point of view. We will have an open debate, just as we are having it here. And I was confident, and I am still confident that I shall be able to convince all those who have misgivings in their minds. So, let us not have any such misunderstandings here. You know, in the cut-and-thrust of debate, a lot of things are said, but you know, all of us sittings here are friends, and you have said a lot of things to which I have not replied in the same style. Therefore, anything which I might have said here does not mean that we planned to exclude you from the consensus, and that consensus will not be total or national; it will be only sectional. Then it will not be consensus at all.

In regard to the VRS (Voluntary Retirement Scheme), Sir, from this side, that side, issues have been raised. I had outlined the scheme in my Budget-Speech. We are working on it further, and the intention is to make it as acceptable to the workers as possible so that there are absolutely no problems in im-

[ ] Transliteration in Arabic Script

plementing that scheme. It will not be of any use if we are not going to carry conviction with the workers, and, therefore, it is important that the scheme should be worked out in such a way. The Prime Minister has already enjoined that task of a group of Ministers, and I am quite confident that we will further refine the scheme and inform Parliament.

But, Sir, I would like to say that on disinvestment, the two previous Governments had, been carrying on the process of disinvestment in their own way. This question of coming and taking Parliamentary approval for disinvestment has never been raised. So, I do not not know why it is being raised in the context of this Government's intention ... (*Interruptions*)... That is the responsibility of the Government that has been put in office on the basis of a majority in the other House.

The hon. Member raised a question about statutory status to the Disinvestment Commission. My colleague, the Leader of the House, deals with that subject, but I would like to say that there is a system already in place. That Disinvestment Commission makes recommendations; those recommendations are considered; the Government of India looks at that in totality, and the Government of India takes the strategic decisions in regard to disinvestment. It is not that we are in somebody else's hand as far as decision-making is concerned. So, there should be no difficulty in regard to that, Sir.

An issue on the Crop Insurance Scheme has been raised. As we all know, the present Crop Insurance Scheme is loan-linked and it has very limited application. I have personally discussed it with the insurance companies and in consultation with them I have mentioned in my Budget Speech that we have a new scheme which will be non-loan-linked. It will not necessarily be linked to the loan. On an experimental basis we are starting it in 24 districts. It is my intention to spread it as quickly as possible. I realise

that one of the most important curses from which the farmers in this country suffer from is crop loss and lack of any safety net for them, as far as crop losses are concerned. That is exactly what I wish to provide not only through this but also by opening the insurance sector. My friends from the left will again take it amiss. But the point is that we have not gone to the rural sector with the kind of products with which we can go to them in the insurance sector because it is not spreadout. Why can't we have rural health schemes? Why can't we insure their houses? Why can't we insure their crops? Why can't we insure their life? Why can't we give them all the benefits?

SHRI NILOTPAL BASU: Do you think that the private insurance companies will do this and address these things?

SHRI YASHWANT SINHA: Yes, Sir, they will. Let me tell you quite clearly that when I said in my Budget Speech that we had proposed to open the insurance sector to competition—this issue was also raised by letting Indian private companies come into it, it was consistent with the long-held view not only by the Bharatiya Janata Party but also by its allies, bound as we are by the National Agenda of Governance. This is absolutely consistent. There should be absolutely no ambiguity on this subject. I don't know why this question was raised. Mr. Sanjay Dalmia asked me to define it. I would like to tell you that when I mentioned this in my Budget Speech, a number of doubts were raised. Is there any Indian company? Who will come? Nobody will come. Now we have seen a number of reports which have appeared in the media. Both the public sector and the private sector Indian Companies are wanting to come and take advantage of this opening. I am quite sure once this competition is established in the insurance sector, what we have held back as social security, what we have not done or have not been able to do in that public sector, will be taken care of automatically

and we will not be grappling here, complaining that our farmers don't get crop insurance. They will. I am confident that with the steps which I have enunciated it will be possible to extend this to the rural areas.

In regard to Samadhan, I would request the hon. Member who has raised this point, please read the provisions in regard to Samadhan Scheme in the Finance Bill and all his doubts will be put to rest. I would only say that as regards Samadhan, I will not be in position to discuss individual cases in this House, whether they are brought within Samadhan or they are covered by Samadhan. We have laid down general principles and if you go through the general principles, as I have said, all the doubts in your mind will be removed.

Mr. Vayalar Ravi has raised a question of population. I read the Budget Speech for two hours in the other House. Still a number of issues were left out. If I had another two hours, may be, I would have included everything. But that does not mean that a thing which has been left out in the Budget Speech is something which is not in our mind. Population control is very much in our mind and we will be taking a number of steps in the coming days, weeks and months to see that it is kept under reasonable limits.

Sir, Shri Alagh has raised a number of points. It is true that the budgetary support compared to even RE has gone down marginally from Rs. 2,841 crores to Rs. 2,714 crores. But if you look at the IEBR, it has increased from Rs. 3,896 crores to Rs. 6,786 crores. In this IEBR—there is one point which I could not cover for want of time — I have taken into account the Rs. 10,000 scheme which is pending, the amount which is pending against the State Electricity Boards, for which we have a separate scheme of securitisation. It is a kind of bill discounting where we can enable our public sector undertakings to go ahead strongly in the field of fresh projects in power generation. So far as the

cooperative sector is concerned, Sir, I know his concern and his attachment to the cooperative sector. I would like to assure him that the other day—I had also talked about a new law in my Budget Speech for the cooperative sector—I had attended a meeting along with the Speaker Lok Sabha. There is a 'Parliamentarians' Forum for Cooperatives. I had said in my speech and I would like to recall it here that our commitment to the Cooperative Movement was total and that we would not like to flinch in any manner from promoting the Cooperative Movement. So far as our cooperatives are concerned, we would like to encourage them so that not only in the financial field but also in the field of production and distribution they can play their role. For instance, I have talked about 'Self-help Groups'. In my scheme of helping two lakh families, 'Secure Self-employment', the Cooperative movement will play a very important role. NGOs will also play a very important role. Sir, I could not get time to explain the concept of micro banking on which I am putting a great deal of pain. I would like to assure Shri Alagh that there is absolutely no intention of minimising the importance of cooperatives in India.

Then a point was raised about the Consolidated Fund of India and the percentage increase. Sir, the percentage increase over RE of 1997-98 in the Consolidated Fund of India is 3.6 per cent. I hope it will satisfy the hon. Members.

I think I have tried to cover all the points. My colleague, Prof. Malhotra, has raised a point in regard to exemption on Sports Fund contribution.

In my budget speech I have talked about a hundred per cent exemption for the Sports Fund which the Ministry of Human Resource Development would set up.

Sir, I will take into account a number of suggestions which have been made by

the hon. Members. I would like to assure Prof. Malhotra and other hon. Members that the issues which they have raised would receive my most earnest consideration and that when we discuss the Finance Bill that will be the stage at which these changes would be considered.

**SHRI S. S. SURJEWALA:** What about urea price?

**SHRI YASHWANT SINHA:** The urea price has already been rolled back by 50 percent. If you have a little more patience, I would like to assure you that we will take more steps to help the farmers.

**DR. BIPLAB DASGUPTA:** What about the decline in the value of rupee?

**SHRI YASHWANT SINHA:** Sir, so far as value of rupee is concerned, we had discussed this issue for about half-an-hour when this question came up here. If the House wishes to discuss it, I am prepared. Let me assure the hon. Members that there is absolutely no cause for worry. We are taking all possible steps to see that there is no speculative attack on the Indian rupee.

**AN HON. MEMBER:** What about the housing scheme? (*Interruptions*).

#### RECOMMENDATIONS OF THE BUSINESS ADVISORY COMMITTEE

**MR. CHAIRMAN:** Mr. Minister, do you want to say something? (*Interruptions*).

I have to inform the Members that the Business Advisory Committee in its meeting held today, the 11th June, 1998, allotted two hours and thirty minutes for the Statutory Resolution seeking disapproval of the Electricity Regulatory Commission Ordinance, 1988 and considering and passing of the Electricity Regulatory Commission Bill, 1998. Both the things would be discussed together.

Now it is 1.50 p.m. I adjourn the House for one hour on the basis of the watch to my right, not to my left.

The House then adjourned for lunch at fifty minutes past one of the clock.

The House reassembled after lunch at fifty six minutes past two of the clock,

The Vice-Chairman (Shri John F. Fernandes) in the Chair.

#### SHORT DURATION DISCUSSION

**Alarming Deterioration in Power and Water Supply Situation in the country**

**THE VICE-CHAIRMAN (SHRI JOHN F. FERNANDES):** Now we will take up the Short Duration Discussion. Shri S. B. Chavan.

**SHRI S. B. CHAVAN (Maharashtra):** Mr. Vice-Chairman, Sir, I am raising this discussion on a very important topic which is ultimately going to have a bearing on the Ninth Five Year Plan proposals. It was, in fact, a great shock to us that even the Ninth Five Year Plan does not seem to have been even thought of. Some proposals were prepared by the previous Government but now the present Government says that the Ninth Plan is still on the anvil. They have to make up their minds and see that they are able to finalise this thing. The whole power sector has suffered because of the fact that the Eighth Plan proposals and the Eighth Plan targets were not achieved at all. The previous target was 40,000 megawatt which was brought down to 30,000 megawatt. The actual achievement according to my information — I have got the Report of the Standing Committee on Energy with me, this Report has come after full consultation with the Ministry concerned and they say is not more than 16,000 megawatts.

So even on the revised target that was fixed for the Eighth Five Year Plan, the Report clearly says that you have not been able to achieve even that figure. So, my request will be, once we consider the Ninth Five Year Plan proposals as they