

3.00 P.M.

SHORT DURATION DISCUSSION

Economic slowdown, fall in GDP rate and deteriorating financial condition of the country in the context of mid-term appraisal of Ninth Five Year Plan - (contd).

श्री नरेन्द्र मोहन (उत्तर प्रदेश) : आदरणीय उपसभापति जी, मैं आपका आभारी हूँ कि आपने मुझे एक गंभीर आर्थिक विषय पर, विशेष रूप से नियोजन के विषय पर चर्चा करने की अनुमति दी। प्रणबदा ने जो कुछ कहा, उससे मुझे ऐसा लगा कि शायद अगर ऐसी नीतियाँ बनाई जाएंगी जिससे कि टैक्स नेट बढ़ा सकें, फिस्कल डेफिसिट घटा सकें और नए आर्थिक सुधार कर सकें, तो उसमें हमारे विपक्ष से पूरा सहयोग मिलेगा। लेकिन क्या वास्तव में विपक्ष से सहयोग मिलेगा? प्रणब मुखर्जी साहब को सब से बड़ी शिकायत यह है कि बहुत दिनों बाद आर्थिक समस्याओं पर हम चर्चा कर रहे हैं, लेकिन सब से बड़ी बात यह है कि इन समस्याओं पर बजट पर चर्चा के समय चर्चा होनी चाहिए थी। तब बजट पर चर्चा को किसने रोका था? बजट पर चर्चा ठीक से इसलिए नहीं हो सकी क्योंकि विपक्ष चर्चा के लिए तैयार ही नहीं था। मैं उन पुरानी बातों पर जाना नहीं चाहता। मैं केवल इतना ही कहना चाहता हूँ कि जिन समस्याओं की ओर चितरंजन जी ने ध्यान आकर्षित किया है और प्रणब जी आपने भी ध्यान आकर्षित किया है, वे समस्याएँ महत्वपूर्ण हैं। हम उनकी उपेक्षा नहीं कर सकते और न हम उनकी उपेक्षा कर रहे हैं। लेकिन एक बात प्रणब जी आप ध्यान में रखिए और हमारे भूतपूर्व वित्त मंत्री मनमोहन सिंह जी विशेष रूप से ध्यान में रखेंगे कि भारत कोई एक टापू में नहीं रह रहा है, सारे विश्व की जो स्थिति है, जो वैश्विक स्थिति है हमें उसके अंतर्गत ही रहना है, उसमें ही सांस लेनी है और उसमें ही विकास करना है। यह एक ऐसी आर्थिक मंदी, वैश्विक आर्थिक मंदी का दौर है जिससे भारत पृथक कैसे रहेगा और इसकी चर्चा आपने क्यों नहीं की? प्रणब जी, मैं आपको कुछ जानकारी देना चाहता हूँ। ... (व्यवधान) ...

श्री दीपांकर मुखर्जी (पश्चिमी बंगाल) : आप चेयर को एड्रेस करिए।

श्री नरेन्द्र मोहन : निश्चित रूप से, मैं आदरणीय उपसभापति जी की अनुमति और उनके माध्यम से ही आपको बताना चाहता हूँ। यह 4 अगस्त का "इकोनोमिस्ट" है, उसमें दुनिया के और देशों की जीडीपी ग्रोथ की चर्चा है। मैं बताना चाहता हूँ कि विश्व की, ग्लोबल जीडीपी ग्रोथ 1.6 परसेंट है, जो कि जे.पी. मॉर्गन ने आंकी है और इसकी चर्चा इसमें की है। अमरीका की स्थिति यह है कि वहाँ का औद्योगिक उत्पादन पिछले वर्ष 17 प्रतिशत गिर गया है। मैक्सिको, सिंगापुर में आउटराइट रिसेशन है। यही नहीं दक्षिण पूर्वी एशियाई देशों की स्थिति क्या है? क्या उसका प्रभाव नहीं पड़ेगा? जिस गति से पेट्रोलियम पदार्थों के मूल्य बढ़ते चले जा रहे हैं अगर यही स्थिति रहती है तो क्या उसका प्रभाव भारत की अर्थ व्यवस्था पर नहीं पड़ेगा? यह एक विश्व मान्य सिद्धांत है। उपसभापति जी, मैं आपके माध्यम से विपक्ष को बताना चाहूँगा कि जब कभी भी पेट्रोलियम पदार्थों के मूल्य बढ़ते हैं तो उसका प्रभाव विश्व की अर्थ व्यवस्था पर पड़ता है। वैश्विक आर्थिक मंदी का एक बहुत बड़ा कारण पेट्रोलियम पदार्थों के मूल्यों का बढ़ना है। मैं आपको यह बताना चाहता हूँ कि विपक्ष की जो चिंता है, वह हमारी भी चिंता है, लेकिन पचास वर्षों में जो बीज बोया है वही फसल तो हम काटेंगे। वह फसल हम कैसे काट लेंगे जो कि आप चाहते हैं कि

हो जाए? हथेली पर तो सरसों उगती नहीं। कोई उगा भी नहीं सका। यह सरकार भी नहीं उगा सकती। लेकिन इस सरकार ने बहुत कुछ किया है, उसे हम कैसे भूल सकते हैं? वैश्विक आर्थिक मंदी की जो समस्या है उसकी हम उपेक्षा नहीं करें। हम देखें कि इन परिस्थितियों में कहां तक आगे बढ़ सकते हैं। हम देखें कि हम अरण्य-रोदन कर के कहीं अपने देश का आत्म-विश्वास तो नहीं गिरा रहे हैं। उपसभापति जी, अभी हाल में जकार्ता में 'यू.एन. एस्कैप' की एक बैठक हुई थी जिस की घर्चा बिजनेस स्टैंडर्ड में हुई है। वहां पर भारत की आर्थिक प्रगति की भूरि-भूरि प्रशंसा हुई और चीन से तुलना करते हुए प्रशंसा हुई। उस के बारे में संभवतः आप ने पढ़ा होगा। उपसभापति जी, मैं आप के माध्यम से विपक्ष का ध्यान आकर्षित करना चाहूंगा और कुछ पंक्तियां उस की पढ़ना चाहूंगा। "Why do you people complain so much about your own country when you are doing much better than most?" यह उस का कमेंट है। तो हम अपने आत्म-विश्वास को क्यों गिराना चाहते हैं? हम क्यों छाती पीटना चाहते हैं और ऐसा कर के क्या संदेश देना चाहते हैं? उपसभापति जी, हमारा जी.डी.पी. ग्रोथ अभी भी 5.1 है। हम निश्चित रूप से और आगे बढ़ेंगे, लेकिन अगर हम छाती पीटते रहे, अकारण अपने को दोषी ठहराते रहे, अगर विश्व को, समाज को, देश के नागरिकों और उद्योगों को गलत सिग्नल देते रहे तो इस तरह हम क्या कर रहे हैं? इस से तो बात बनती नहीं बल्कि बिगड़ती है। राष्ट्र का विश्वास गिरता है और जब आप का और राष्ट्र का विश्वास गिरता है तो राष्ट्र की अर्थ-व्यवस्था का भी आत्म-विश्वास गिरता है। मैं बहुत स्पष्ट रूप से कहना चाहूंगा कि हमें जो कुछ भी विरासत में मिला, हम उस की उपेक्षा नहीं कर सकते। हमें क्या मिला? जब हम आए तो हमें देश की घटती हुई विकास दर मिली थी। वर्ष 1997-98 में एग्रीकल्चर ग्रोथ मायनस 2.4 परसेंट थी। हम ने उसे आगे बढ़ाया। अब कम बढ़ाया या ज्यादा बढ़ाया, प्रश्न यह नहीं है, लेकिन हम ने मायनस से शुरू किया और कृषि के क्षेत्र में पूंजी निवेश में बढ़ोतरी हो, इस के लिए उचित व्यवस्था इस बार के बजट में की। उपसभापति जी, इस के पहले कभी ग्रामीण क्षेत्र के विकास के लिए, ग्रामीण अर्थ-व्यवस्था के सुधार के लिए इतने धन की व्यवस्था नहीं की गयी। यह आप की जानकारी में है। हमें सिंचाई योजनाओं की दुर्दशा मिली, लेकिन हम ने सिंचाई योजनाओं के लिए एक बार फिर इस बजट में अधिक धन दिया ताकि हमारी अर्थ-व्यवस्था सुधरे। महोदया, हमें बिजली की भयंकर घोरी मिली थी, स्टेट इलेक्ट्रिसिटी बोर्ड्स में 23 हजार करोड़ रुपए प्रति वर्ष का घाटा हम ने इनहेरिट किया। महोदया, इन परिस्थितियों में हम आगे बढ़े हैं। हमें लड़खड़ाता हुआ, जर्जर, आधारभूत ढांचा मिला है। हमें वित्तीय दृष्टि से अनुशासनहीन अर्थ-व्यवस्था वाली राज्य सरकारें मिलीं। ...**(व्यवधान)**... आप देखिए वेस्ट बंगाल में 95 परसेंट रेवेन्यू तनख्वाह बांटने में खर्च हो जाता है। ...**(व्यवधान)**... हमें पांचवें वेतन आयोग का दुष्परिणाम मिला और जी.डी.पी. का लगभग 3 प्रतिशत अर्थात् लगभग 40 हजार करोड़ रुपए का भार सारे देश पर पड़ रहा है। इस समस्या का उपचार कैसे होगा? ...**(व्यवधान)**... हम ने जिम्मेदारी नहीं ली थी, हम ने तो आलोचना की थी? इस तरह से पांचवें वेतन आयोग का देश पर प्रभाव पड़ा है। ...**(व्यवधान)**...

श्री राजू परमार (गुजरात) : फिर जिम्मेदारी क्यों संभाली?

श्री नरेन्द्र मोहन : जिम्मेदारी ठीक करने के लिए संभाली है।

श्री राजू परमार : कितने साल हो गए हैं?

श्री नरेन्द्र मोहन : उपसभापति जी, मैं आप से अनुरोध करूंगा कि यह टोका-टाकी बंद हो।

[उपसभाध्यक्ष (श्री नीलोत्पल बसु) पीठासीन हुए]

महोदय, मुझे आप का संरक्षण चाहिए। इस गंभीर मामले पर बहस होनी है और टोका-टाकी हम लोग भी कर सकते हैं।

उपसभाध्यक्ष (श्री नीलोत्पल बसु) : नरेन्द्र मोहन जी, आप बोलिए। आप को संरक्षण प्राप्त होगा।

श्री नरेन्द्र मोहन : उपसभाध्यक्ष जी, मैं आपसे प्रार्थना करूंगा कि आप टोका-टाकी बंद करवा दें।

उपसभाध्यक्ष (श्री नीलोत्पल बसु) : कृपया टोका-टाकी बंद कर दीजिए।

श्री नरेन्द्र मोहन : मैं यह कहना चाहता हूँ कि जो कुछ हुआ है, आज जो यह गिरावट आई है, हम उससे चिंतित हैं, लेकिन इस गिरावट के पीछे सबसे बड़ा कारण है कि हम कृषि के क्षेत्र में वह नहीं पा सके जो हमें मिलना चाहिए था। भारी सूखे की वजह से गुजरात, राजस्थान, उड़ीसा, झारखंड, मध्य प्रदेश प्रभावित हुए हैं। मानसून अगर अच्छा हो गया होता तो आज निश्चित रूप से हम 6 प्रतिशत पर पहुंच गए होते, हमें वह ग्रोथ मिल जाती लेकिन वह नहीं मिली और उसका प्रभाव आज हम पर पड़ा है। जहां तक राजकोषीय घाटे की बात थी, यह भी हमें एक तरह से विरासत में मिला था। जो देश अपने पुराने ऋणों को चुकाने के लिए इतना भारी ब्याज देता हो, मैं यह पढ़कर बताना चाहूंगा, उसका काम कैसे चल सकता है? हमारा इंटरेस्ट पेमेंट, 1,12,000 करोड़ से ज्यादा खाली ब्याज में हम देते हैं। हम पेंशन के रूप में क्या दे रहे हैं? पेंशन के रूप में यह राशि लगभग 20,000 करोड़ है और अगर यही स्थिति रही तो यह देश कहाँ जाएगा। सब्सिडी की चर्चा प्रणब जी ने की और उस पर वे एक विस्तृत चर्चा के लिए आमंत्रण दे रहे हैं, मुझे विश्वास है कि हमारी सरकार इस पर चर्चा करने के लिए तैयार है, अगर सभापति जी अनुमति देंगे तो इस पर चर्चा होगी, लेकिन आज मैं बता देना चाहूंगा कि मैरिट और नॉन मैरिट सब्सिडी के रूप में लगभग 80,000 करोड़ रुपया इस देश में जाता है। क्या भारत जैसा देश लगभग 80,000 करोड़ की मैरिट और नॉन मैरिट सब्सिडी, इसमें राज्यों द्वारा दी जाने वाली सब्सिडी भी शामिल है, को एफोर्ड कर सकता है? इसका समाधान कैसे होगा? यह कौन सी संस्कृति है? उपसभाध्यक्ष जी, कुछ राज्य तो जान-बूझकर मुफ्तखोरी की संस्कृति को बढ़ावा दे रहे हैं। क्या मुफ्तखोरी की संस्कृति को बढ़ावा देकर जी.डी.पी. ग्रोथ पाई जा सकती है? क्या मुफ्तखोरी की संस्कृति को बढ़ावा देकर हम आर्थिक सम्पन्नता पा सकते हैं? चितरंजन साहब कह रहे थे कि और अधिक सब्सिडी दे दीजिए, और अधिक छूट दे दीजिए। उनको इस पर भी आपत्ति है कि इंटरेस्ट रेट क्यों कम हो गए। अगर इंटरेस्ट रेट कम नहीं होंगे तो क्या भारतीय उद्योग अंतर्राष्ट्रीय प्रतिस्पर्धा में खरे उतर सकते हैं? उपसभाध्यक्ष जी, आप तो स्वयं एक आर्थिक विशेषज्ञ हैं, आप इस बात को जानते हैं कि जापान में तो जीरो इंटरेस्ट रेट पर काम हो रहा है, अमरीका में 5-6 परसेंट पर काम होने लगा है, जर्मनी में 8 परसेंट पर काम हो रहा है, हमारे यहां अभी भी 13 या 14 परसेंट पर उद्योगों को ऋण मिलता है। हमें ये दरें घटानी हैं। अगर प्रोविडेंट फंड का इंटरेस्ट रेट नहीं घटाया जाएगा, नेशनल सेविंग्स बॉण्ड का इंटरेस्ट रेट नहीं घटेगा तो फिर बैंकों की ब्याज दरें कैसे कम होंगी? हमारा उद्योग क्या 14, 15 परसेंट पर ऋण लेकर अंतर्राष्ट्रीय प्रतिस्पर्धा में खरा उतर सकता है? वह कैसे खरा उतरेगा, इस पर विचार करने की आवश्यकता है। राजनीतिक पूर्वाग्रहों से ऊपर उठकर हम इस पर विचार करें।

हम एक बात और बता देना चाहेंगे कि आज एक ऐसी राजनीतिक इच्छाशक्ति की आवश्यकता है जो दलगत राजनीति से ऊपर हो। इस पर एक राष्ट्रीय आम सहमति बनाई जाए। प्रणब जी ठीक कहते हैं, हम इसके लिए तैयार हैं, आप भी तैयार हों। हम तो चाहते हैं कि कोई ऐसी व्यवस्था बने, कोई ऐसा संतुलन आए, कोई ऐसा सहयोग बने जिससे कि हम कम से कम आर्थिक प्रश्नों को राजनीति से ऊपर उठकर हल करें। अभी तो राजनीति हमारे जीवन पर, विशेष रूप से आर्थिक मामलों पर, हावी हो जाती है, चाहे राज्यों की बात हो चाहे केन्द्र की बात हो, हमें इसको छोड़ना होगा। आर्थिक निर्णय से राजनीति की जाए, आर्थिक निर्णय को सर्वोपरि मानकर उसके आधार पर राजनीतिक दल अपनी-अपनी नीतियां बनाएं, लेकिन ऐसा नहीं हो रहा है। अभी तो हर राजनीतिक दल केवल वोट बैंक की दृष्टि से अपना चुनाव घोषणापत्र बनाता है और उसी हिसाब से भाषण देता है। क्या ऐसे इस देश का विकास होगा? इन 54 वर्षों में हम विकास नहीं कर सके उसका सबसे बड़ा कारण यही है कि हमने जान-बूझकर राजनीति को आगे रखा और आर्थिक मामलों को पीछे रखा।

मैं मनमोहन सिंह जी को बधाई देना चाहूंगा कि उन्होंने आर्थिक उदारीकरण का शुभारंभ किया लेकिन उसके साथ-साथ यदि वह यह भी सोचते कि इस देश का चरित्र बल कैसे बने, नैतिक बल कैसे बने, उसके लिए कुछ ऐसी व्यवस्था कर देते कि आर्थिक मामलों के बारे में राजनीतिक दलों में कुछ आचार-संहिता आ जाए तो शायद ऐसी दुर्दशा की स्थिति न होती। शायद इन्होंने इस बारे में सोचा नहीं लेकिन वे सोच सकते थे। सोचते हों आज भी शायद, कहना चाहें या न कहना चाहें।

डा. मनमोहन सिंह (असम) : मैंने कोशिश की थी, आप भाजपा के अपने साथियों से पूछिए।

श्री नरेन्द्र मोहन : आज भी अगर आप कोशिश करेंगे तो हम आपके साथ खड़े होंगे। हम आपके साथ खड़े हैं और हम चाहते हैं कि ... (व्यवधान)...

श्री राजू परमार : क्या सिगनल दे रहे हैं आप? ... (व्यवधान)...

श्री दीपांकर मुखर्जी : खोखली घोषणाओं का समारोह नहीं होना चाहिए।

श्री नरेन्द्र मोहन : यह खोखली घोषणाओं का समारोह नहीं है, यह वास्तविकताओं का समारोह है। वास्तविकता यह है कि वामपंथियों के दबाव में आकर जान-बूझकर देश को ऐसी आर्थिक नीतियां नहीं दी गई, जान-बूझकर ऐसी आचार-संहिता नहीं दी गई जिससे देश का आर्थिक विकास हो पाता और यही सबसे बड़ा कारण है देश की दुर्दशा का। महोदय, वामपंथियों का ऐसा दबाव कांग्रेस पर रहा है कि उन्होंने जान-बूझकर इस प्रकार की बातें कीं।

उपसभाध्यक्ष (श्री नीलोत्पल बसु) : नरेन्द्र मोहन जी, अगर आप उनको ऐड्रेस करेंगे तो टोका-टाकी की स्थिति आप खुद उत्पन्न करेंगे। आप चेयर को ऐड्रेस करके बोलिए।

श्री नरेन्द्र मोहन : उपसभाध्यक्ष महोदय, मैं एक बात आपके माध्यम से अपने साथियों को बताना चाहता हूँ कि अगर यह सदन वास्तव में चाहता है कि देश की आर्थिक स्थिति सुधरे तो हमें राजनीतिक पूर्वाग्रहों से ऊपर उठना होगा, राजनीतिक स्वार्थपरता का त्याग करना होगा। जब तक हम यह नहीं करेंगे, तब तक ये समस्याएं किसी न किसी रूप में हमारे सामने आती रहेंगी।

उपसभाध्यक्ष महोदय, हमारी जो सकारात्मक उपलब्धियां हैं, मुझे प्रसन्नता है कि उन पर हमारे भाई श्री प्रणब मुखर्जी ने हमें समर्थन दिया, इसके लिए मैं आपके माध्यम से उन्हें बधाई

देना चाहता हूँ। आज हमारा फॉरेन एक्सचेंज रिजर्व 44 बिलियन डॉलर पहुंच गया है, यह अपने आप में एक बड़ी उपलब्धि है। आज अगर मूल्य थमे हुए हैं, मुद्रास्फीति नियंत्रण में है, तो यह अपने आप में एक बड़ी उपलब्धि है और हम इसकी उपेक्षा नहीं कर सकते। आज यदि हमारे पास पर्याप्त अन्न भंडार हैं, तो यह सरकार की एक बड़ी उपलब्धि है। इसके लिए मैं आपके माध्यम से इस देश के कृषकों को बधाई देना चाहता हूँ और ग्रामीण जनता को बधाई देना चाहता हूँ लेकिन ध्यान रखने योग्य बात यह है कि हमें ऐसा कुछ नहीं करना है जिससे राष्ट्र का मनोबल टूटे।

उपसभाध्यक्ष महोदय, मैं आपके माध्यम से यह बात सदन के संज्ञान में लाना चाहता हूँ कि पिछले 3 महीनों में औद्योगिक प्रगति पुनः आरंभ हो गई है। अभी हाल ही में इकनॉमिक टाइम्स में एक सर्वे रिपोर्ट प्रकाशित हुई थी जिसमें यह बताया गया है कि औद्योगिक प्रगति और आगे बढ़ेगी। महोदय, जैसी कि आशा व्यक्त की जा रही है, इस बार मानसून अच्छा होगा जिससे कृषि उत्पादन बढ़ेगा, ग्रामीण अर्थव्यवस्था में सुधार होगा। इसका अर्थ यह है कि हमारे ग्रामीण क्षेत्र के पास ज्यादा पैसा होगा और तब हमारी मांग बढ़ेगी। आप ठीक कहते हैं कि पिछले वर्ष उपभोक्ता वस्तुओं की मांग में कुछ गिरावट आई लेकिन हम आशा करते हैं कि इस बार अच्छे मानसून और अच्छी फसल के बाद उपभोक्ता वस्तुओं की मांग में निश्चित रूप से भारी उछाल आएगा। यह कहा गया है कि हमने हर जगह कम खर्च किया है। मैं यह पूछना चाहता हूँ कि संचार सेवाओं में क्या कोई उपलब्धि नहीं हुई है? हमारा क्या लक्ष्य था और क्या है, मैं आपके संज्ञान में लाना चाहूंगा। सेक्टरल ग्रोथ प्रोफाइल हमारे पास है। कंस्ट्रक्शन में नाइंथ प्लान में हमारा लक्ष्य था 6.8 परसेंट। उपसभाध्यक्ष जी, आपके माध्यम से मैं सदन को बताना चाहूंगा कि यह 8.28 हुआ, ट्रेड में 6.8 का हमारा लक्ष्य था जो कि 7.13 हुआ। कम्युनिकेशन में 11.9 का लक्ष्य था जो 17.20 हुआ है। सर्विसिज में 8.5 का लक्ष्य था जो 9.28 हुआ है। क्या यह विकास के लक्षण नहीं हैं? लेकिन हां, एग्रीकल्चर में कम हुआ है, हम स्वीकार करते हैं। लेकिन उसके कारण मैंने आपको बताए थे। हमें तनिक भी इस पर अपॉलिजेटिक नहीं होना चाहिए। प्राकृतिक संसाधन हमारे पास हैं लेकिन प्राकृतिक आपदाओं का इलाज हमारे पास नहीं है। अगर सूखा है, अगर बाढ़ आई है, अगर भूकम्प आए हैं तो उनका समाधान बातों से तो होगा नहीं उसके लिए धन चाहिए और धन जहां है वहीं से लेंगे और उसका प्रभाव अर्थव्यवस्था के विकास पर पड़ता है। यह कहा गया कि हमने कृषि के क्षेत्र में कुछ किया ही नहीं है। इस बजट में ही लगभग 11 हजार करोड़ रुपये सेंट्रल प्लान आउटले में हैं जिसका संबंध कृषि से है, ग्रामीण विकास से है, सिंचाई से है। राष्ट्रीय राजमार्गों पर 15 हजार करोड़ रुपये का जो खर्चा होगा उसमें से इस वर्ष भी हम 5 हजार करोड़ रुपये खर्च कर रहे हैं। क्या उससे निश्चित रूप से नए रोजगार के अवसरों का सृजन नहीं होगा? उपसभाध्यक्ष जी, न केवल सृजन होगा बल्कि उससे चारों ओर विकास का एक माहौल बनेगा। जो कंस्ट्रक्शन में हमारे नए मकान बनाने की योजना है और जिसमें हमने काफी धन आबंटित किया हुआ है इसका लाभ निश्चित रूप से इस देश की अर्थव्यवस्था पर होगा। हम बहुत अधिक निराशाजनक स्थिति का जो चित्र खींच देते हैं वह कोई अच्छा लक्षण नहीं है। हम इस निराशा से देश को बचाना चाहते हैं। हम चाहते हैं कि देश को निराशा से बचाने में विपक्ष का हमें सहयोग मिले। अगर हम देश को एक निराशापूर्ण वातावरण की ओर ले जाएंगे तो इसका कोई लाभ मिलने वाला नहीं है, इससे हानियां होनी हैं। यह कोई नहीं कहता कि 5.2 परसेंट का जो ग्रोथ रेट है उससे हम संतुष्ट हैं। लेकिन जिन परिस्थितियों में हमें यह ग्रोथ रेट मिली है उसके लिए...(व्यवधान)...

श्री जीवन राय (पश्चिमी बंगाल) : इस संबंध में 1.2 परसेंट...(व्यवधान)...

श्री नरेन्द्र मोहन : नहीं-नहीं, हमारा ग्रोथ रेट 5.2 परसेंट है जी.डी.पी. और उसके लिए हम अपने वित्त मंत्री को, अपने नियोजन मंत्री को बघाई देना चाहेंगे और वे बघाई के पात्र हैं, वे कोई आलोचना के पात्र नहीं हैं। यह चिंता की बात है कि हम अकारण ही आलोचना करके एक ऐसा माहौल बना रहे हैं कि जैसे कुछ हुआ ही नहीं है। इन शब्दों के साथ मैं अपनी आर्थिक नीतियों का समर्थन करता हूँ और आपको धन्यवाद देना चाहूँगा।

DR. BIPLAB DASGUPTA : Sir, before coming here, I was in England and there the people are discussing only about recession. There is recession impending because things have slowed down in the U.S. It was a question of time before the recession is going to end. This was the discussion going on over there. The debate was on, when the recession was going to end, whether before the end of the month or the end of the year. Some people were saying that the recession had already set in England, and they were in the middle of it.

I could see a lot of seriousness in the way the debate was going on in England. Everybody was concerned over there and felt that nothing much can be done about it. Everybody attributed it to the loss of market in the U.S. Globalisation was an important factor which they attributed as a cause for the recession. That is important.

When I come here, this debate and discussion is going on. It seems that there is a certain amount of indifference, as if nothing can be done about the recession, as if something has been ordained by fate, it could not be touched by human action and you must accept that it has come. That is the kind of attitude I have seen in the Government. There is no sense of urgency that something very serious is going to happen. This is something inevitable, is the kind of an attitude I see in the Government which is really depressing for me. Now, the recession is because of globalisation, because of its link with the Western World. The more the globalisation, the more the recession. That is more or less the position we find ourselves in today. If you compare the years of globalisation, the decade of the Nineties with the preceding decade of Eighties when there was no globalisation, one can see certain features coming out by a simple comparison of the Eighties with the Nineties. If you look at the Economic Survey, as my friend, Narendra Mohan has told me, we find, for example, we have done very badly in agriculture. Between the Eighties and the Nineties, we had done much better in the Eighties than the Nineties. This is number one. As far as industry is concerned, if you look at all these figures and take the lean year average for all the years of the Nineties and compare with lean year average for all the years of the Eighties, we find

that the GDP was something around 8.5 per cent while in the Nineties it was much less than that. We find that we have done badly in agriculture, we have done badly in industry, including two basic industries, the basic activities. Still we find that our GDP growth has been more than 6 per cent. How is it when there is no growth in the agriculture, when there is no growth in the industry and when growth in steel is negligible? The solution lies in the service sector. Services, as we all know, is a catch-all sector. Services is something which explains everything and includes everything. There is also a problem with regard to statistics how they are worked out and maintained. Statistics are maintained in one way in Western countries but in another way in our country. So, it is difficult to say. But the point is we need to discuss very seriously whether the estimates of our national income made according to these figures are right or not. Agriculture has gone down, the industry has gone down. How can it be that the GDP has gone up? It cannot be. Now, we can make the services go up by raising salaries. That itself will be reflected in the GDP growth. So there are certain statistical problems and I do not want to go into them. But without going into the problem if we only think that some GDP growth has taken place, that is not material and that will not satisfy us. On the whole, in the Eighties, we had done better than the Nineties. In other words, this globalisation has not benefited us very much. Now, the ultimate goal of globalisation is capital account convertibility. When the currency is convertible in the capital account, that is ultimate in globalisation, but then the whole thing is not under your control. It is in the control of the super States. As Narendra Mohanji was asking why can't we have 5 per cent interest. We can have, if there is fair globalisation. It means that our borrowing rate should also be less than five per cent. You can lend at five per cent if you are borrowing at less than five per cent. If the borrowing rate is three per cent, you can lend it at five per cent. But if the borrowing rate remains at three per cent or four per cent, nobody would lend you any money. But in this case if we accept the logic of capital account convertibility, then let this be done. I remember Dr. Manmohan Singh, from the very beginning when he introduced these reforms, had been consistently talking about capital account convertibility. He used to say when he was a Minister, that it would be within six months or one year and he used to announce in conferences, in parties, etc., that we would be going through the process of capital account convertibility. We opposed it. We said in Parliament that it would be wrong. Even those who were supposed to be supporters of globalisation said that this should be the very last step. It is

very dangerous and very risky. Very few countries have done it. A very few countries have done it in the Third World. When the East Asian crisis took place and when the issue came up for discussion in Parliament, our Government took a lot of credit that we have avoided the crisis here. How? By not going through the capital account convertibility. But that is not because of the Government. The Government wanted to go for it. Some credit should also come to us because we had opposed that there should not be any capital account convertibility.

A point has been raised about the SEBI. I see all kinds of things being said in this House about the rate of growth. There was, at some stage, some trouble. The rate of growth was about 9 per cent, then 8 per cent and then 7 per cent. The essential thing is that whatever you wish, you can get it. Whatever you want, you get it. But that is not possible. There is a methodology behind it. There is some technology behind it. There is some way of doing behind it. If you want an incremental capital ratio of 4:1, then, to achieve a growth of 7 per cent, you require a savings rate of 28 per cent. In our case, the savings rate is something like 22 per cent or 23 per cent. But the required rate is 28 per cent. Now, unless you increase the savings to the level of the East Asian countries, it is very difficult. The East Asian countries have a stupendous level of savings. They have got around 35 per cent or 40 per cent or even 50 per cent of savings. Sir, Singapore has got a savings rate of something like 50 per cent. So, unless you achieve that higher rate of savings, you cannot have a higher rate of investment, you cannot have a higher rate of GDP. That is a very simple economics. But I see, that is also lacking, from the point of view of the thinking of the Government. Unless you raise the level of savings, you cannot raise the GDP. Now, the East Asian countries went in for higher savings. Now, higher savings had been achieved - I am not talking about the last part of the crisis stage because of globalisation, but before that - when they were actually developing. The East Asian countries developed because of the banks and not because of the investment in share market. Almost all the savings was done by the banks, and the banks come under the public sector. It was the public-owned banks which have accumulated so much of savings. In our country, we go in for share market. And there are scams of one sort or the other, like US-64 and other things. The result is: The middle class is demoralised and they do not want to invest in the share market. But, in the East Asian countries, the high savings rate had been achieved by simply making use of the banking system, which is under the public ownership. Why you emphasis so much on share market, I do

not understand. The East Asian countries avoided the share market. I think, they all know about the pitfalls of the share market. But, still, they achieved a very high rate of growth with a very high interest savings. Why can't our own banks have a very high interest savings, I do not understand.

Then, we come to another aspect of globalisation. It is the opening up of the market and removal of the Quantitative Restrictions. Sir, the Quantitative Restrictions are no longer there. Now, anybody can send his things to any market. It is the meaning of globalisation. This is how we are devaluing. Now, what is the reason for going in for globalisation in such a big way? When we started learning economics, one of the things which were taught to us was, "Infant industry argument." Which means, every country has the right to set up its own industry, and when an industry is set up, for some time, it has a right to put quantitative restrictions. It is part of the universal logic that you impose quantitative restrictions and keep the foreign companies out, allow the private companies to grow for a certain period of time, and then you remove the restrictions, if you want. If you want, you can review the Quantitative Restrictions on all the items, which, I think, is very dangerous. Now, the Government is saying that it has not affected us very much because there has been no surge in imports. There might not be any immediate surge in imports. This will not happen immediately. It takes time. Moreover, the surge in imports is not very good. But the point is, specifically for the products which are affected, I get all kinds of letters from the victims of this policy. They write to us, to me, to others, about the problems that the domestic industries are facing because of the removal of Quantitative Restrictions. I will not go beyond this point because one more speaker is there from our side. He will also speak. So, I think these issues should be very much in your mind and should be stressed when you go to Doha. These issues should certainly be taken into account and discussed with other parties which can collaborate with us to form a united front. Thank you very much.

SHRI KRISHNA KUMAR BIRLA (Rajasthan): Sir, at the outset, I would like to offer my thanks to my party for allowing me to be one of the speakers on this important subject.

When the Finance Minister presented his Budget, it was called a 'dream Budget' by the media and by the businessmen. He had made many promises intensification of infrastructure investment, continuous reforms in financial sector and capital market, launching of the Pradhan Mantri Gramodaya Yojna, and the Pradhan Mantri Gram Sadak Yojna. The

Finance Minister also said that there were going to be rapid developments, as far as the economy was concerned, based on adequate infrastructure, based on investment in infrastructure in a big way. Also, promises were made that there will be disinvestment of Rs.12,000 crores from the public sector. Part of it would be used for restructuring the public sector units, and part of it would be used for supporting social and infrastructure sectors. Concluding, the Finance Minister said because these are the words which really created an atmosphere of a 'dream Budget' that the Budget was for growth, the Budget was for equity and efficiency, and the Budget was for a new deal to the people of India in the new millennium. So, in view of this, it was but natural that the businessmen, industrialists and media termed it as a 'dream Budget'.

But, Sir, many people said at that time that the Finance Minister had been over-optimistic. The GDP growth in the year 2000-2001 was expected to be 6 per cent. Actually, it turned out to be only 5.2 per cent, the lowest in the last three years. They were talking of a big 'dream Budget', and, here, we find that the GDP was the lowest in the last three years. Sir, when the Budget was presented, the Finance Minister should have been aware of this fact. Sometime in June, it was announced by the Central Statistical Organization that the GDP for the last year was as low as 5.2 per cent. But, Sir, as a person at the helm of affairs of the Finance Ministry, the Finance Minister should have been aware that the economy was not moving in the right direction. Another point that the Finance Minister, unfortunately, ignored was that he should have been aware of it there were dark clouds on the horizon, when he presented the Budget. The world economy was in deep recession by the time the Finance Minister presented his Budget last year. It means, in the months of January and February, the Finance Minister was fully aware of this fact that the world economy was passing through a bad period. And, Sir, USA's GDP in the year 2000 was growing at the rate of 1.2 per cent only, and Japan's at 0.6 per cent only. Sir, you are aware that even in the EU, which is a block almost as strong as U.S.A., many countries were in difficulties, like Germany, France, etc. So, Sir, the point is, when the Finance Minister presented the Budget, he should have provided some provisions for these adverse factors. Sir, the irony is that in less than 5 days, after the Finance Minister presented his Budget, the Sensex collapsed; and, Sir, in about a fortnight's time, the Sensex starting from a figure of 4247 on 28th February, crashed down -- in a period of about 12 days -- to 3750, which means a decline of 500 points, 12 per cent. Sir, the low figure to which the Sensex

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had fallen, is not much appreciated. The Sensex is still in problems, it is still in difficulties.

Then, Sir, the last few months of this Government have seen scandals after scandals. First, Sir, there was that Ketan Parikh thing, then there was *Tehlika Kand*, and then there was collapse of US-64, the arrest of the Chairman of Indirect Taxes and the Chairman of the UTI. This has created an atmosphere of gloom and despondency. My hon. friend and the Leader of our Party in this House, Dr. Manmohan Singhji, has said that this has created an atmosphere, as if the top men of our institutions here are none, but crooks. There was public outrage, particularly, on the US-64, and the Government earned nothing, but ignominy in the country and outside the country.

Sir, the Finance Minister had made many promises, particularly, about the capital goods, about the infrastructure, but not much has been implemented. Sir, I would give you a few instances. The Finance Minister had said that there is going to be reforms in the economic sector. And a promise which had very much pleased the business men, the industrialists and which had been the promise for quite some time, was a promise to amend the labour law in a most fair and equitable manner. The Finance Minister has said that the compensation will be very much increased so far as the labour is concerned. To improve the productivity or for any reason, in case the industry wanted to reduce the labour, it could do so. The Finance Minister had said that an industry, which is employing less than 1000 workers, can effect economy. Another promise which was made was out-sourcing of activities. But, Sir, nothing has happened as yet as far as these things are concerned. And as a result of the lethargic way in which the Government is moving, the things are in a pretty bad shape. The growth of industrial production in April-June has been only 2.1 per cent. The corporate tax collections in the first quarter was only Rs. 1737 crores against Rs. 4686 crores, which were collected last year. As far as the custom collections are concerned, I would say that the collections were only Rs. 9680 crores against Rs. 11,284 crores that were collected last year. This shows, Sir, the state of economy. Even our exports which were doing very well last year have gone down. This year there is a negative growth, as far as the April-June quarter is concerned. Special attention should have been paid to infrastructure and capital expenditure.

The other day, while participating in the discussion during Question Hour, it was reported that an amount of Rs.50,000 crores was lying

unutilised in various Ministries. The Finance Minister himself had taken note of this point. Some time in the month of July, while speaking at the 17th Annual Session of the Income-tax Commissioners, the Finance Minister had said that he had sent a word to all the Ministries to try to spend money as rapidly as possible. Sir, the other day I had quoted some figures: My friend, Shri Arun Shourie tried to correct me, but I still stick to my figures. Let him check his own figures. Sir, as per my information, Rs.5,000 crores are lying unutilised in the National Highway Development Fund; Rs.5,000 crores in Gram Sadak Yojna and Rs.1,000 crores on State Roads. That means a total of Rs.11,000 crores are still required to be spent on roads. Mr. Arun Shourie had said that day that his information was that the roads programme was ahead by one year. I do not think the facts as stated by him are correct. Let him check up once again.

Sir, let us forget the past. Past is past. Let us talk of the future. My aim is always to be constructive in these matters and see what we can do for the future. One very good thing is that since the rains have been very good this time, we can expect the foodgrains production to the tune of 212 million tonnes. This should give impetus to consumption. If along with that we also spend money on infrastructure and capital expenditure rapidly, I am sure things will improve.

As I said, the Finance Minister also feels that the money on these sectors should be spent, but many Ministries are taking these matters lightly. It is not one Minister alone, who can deliver the goods. Unless all the Cabinet Ministers and all the Ministries move rapidly, things are not going to improve. I give you an instance. This is very important; this has been discussed so many times in the House. West Bengal's economy depends upon manufacture of Railway wagons. West Bengal is the biggest producer of Railway wagons. If the orders of the Railway wagons are placed to them in the month of February or latest by March, they can meet the deadline in their manufacture. Sir, the former Railway Minister, Miss Mamta Banerjee, while presenting the Railway Budget had said that there was going to be an order of 23,000 wagons on the wagon manufacturers, both in the public and private sector. After she left the Ministry, by jugglery of figures, to which we do not agree, they brought down the order for wagons from 23,000 to 5,000. Even the order for 5,000 wagons was not placed. I myself met the hon. Railway Minister. Even many of my M.P. friends from West Bengal also met the Railway Minister for a number of times. Ultimately the Minister started talking of some technical problems

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saying that some units had used mild steel instead of some specified type of steel. Sir, we Members of Parliament said, "Keeping that apart, if anybody has used mild steel, punish him. We will not defend him." But for that reason, lakhs of workers are idle in Bengal. "There is absolutely no justification for you, not to place the order." After repeated requests, I understand that the order is likely to be placed very shortly.

Why I said this point was until and unless all the Ministries feel that the country's economy is not good, economy will not improve. Whatever money you have to spend, you better spend it today, instead of tomorrow. Unless you have that spirit, things cannot improve. There should be a motivation in all these matters.

Sir, I am reminded of Shri T.T. Krishnamachari. He was one of the most feared Finance Ministers. But, side by side, he was also the most respected Finance Minister. All of us knew that whenever any businessman had any difficulty on any matter, he could go and approach Shri T.T. Krishnamachari. Even though he was not the Industry Minister, his stand was, "If the economy was affected in any sector, whether it was the sugar industry or the textile industry, then, my Ministry is also affected, the economy is also affected, it is not only the industries which are involved." He used to take such an interest in economic matters. He was very close to the then Prime Minister, Pandit Jawaharlal Nehru. He was such a feared person. He was such a knowledgeable person. Whenever he gave any idea, it was always listened to with greatest respect. So, Sir, I plead with the Finance Minister that he should also be a bit more active. In case he finds that an industry is suffering anywhere, he should try to intervene and find out the reasons for the same.

Sir, as it is eight big industries are suffering. When eight big industries suffer, it is a kind of chain reaction. The result is that the economy is in a very poor shape.

Sir, the rating of the country was lowered by the Standard and Poor and by the Moody. The Standard and Poor lowered it from triple B (*Time-bell rings*) I will take five minutes more to triple B minus; and the Moody lowered it from positive to stable. Sir, in case our economy improves, things will also improve. For the time being, we should ignore these ratings. But, side by side, we should see that the economy improves.

Regarding the low collection of taxes, I have already mentioned. But, side by side, the Government's expenditure is increasing. The

expenditure is increasing on Non-Plan items. For the period, April to June, the expenditure on Non-Plan items was Rs.47,367 crores against Rs.38,370 crores last year, or, more by Rs.9000 crores. Sir, much can be achieved, if we attend to that.

Now, I would address to Mr. Arun Shourie. He is one of the ablest Ministers. He has got this portfolio of Disinvestment. Now, nothing much has happened. He might be having his own difficulties. He might be having his own problems. But as far as Air India and Indian Airlines are concerned, it appears we have reached a blind alley. I would like to suggest to him, I would be as constructive as possible, either take the Opposition into confidence, take their advice, or, if you cannot do anything, then, you just hold it for six months and call for tenders at that time.

Sir, the share markets are in doldrums. Until stock markets improve, they cannot raise first the capital. Their revival depends upon profitability in the industries. The Government should spend more. Last, but not the least, and the very important point is, I hope there will be no more scandals. We already have had a number of scandals in this country. Sir, now, the good thing is that the global economy is likely to improve by the end of this year, which means that our exports should improve. The American economy is expected to improve. In case, along with that, the Government also spends some money on capital expenditure, that will certainly improve the position. One thing I would, certainly, like to mention to Mr. Arun Shourie is that, in case you cannot achieve this disinvestment of Rs.12,000 crores, then please at least have a talk with the Finance Minister. To improve the economy, in case you have to borrow more money.....

THE VICE-CHAIRMAN (SHRI NILOTPAL BASU): You have to conclude now.

SHRI KRISHNA KUMAR BIRLA: Just two minutes, Sir.

THE VICE-CHAIRMAN (SHRI NILOTPAL BASU): I will just explain the position. The Congress party had 44 minutes when you started. You have already taken 21 minutes. If you want to continue, I have no problem. But there are two more names.

SHRI KRISHNA KUMAR BIRLA: Just two minutes, Sir.

I would suggest that if the Government cannot achieve this disinvestment, let the Government borrow money not from the market but from the Reserve Bank. This is a matter which requires a lot of skill. You

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borrow money for a temporary period. As soon as you sell off those shares, you return that money.

India's economy is basically strong. Inflation is contained. Our foreign exchange reserves are fairly good. We have got good monsoons. The global economy is expected to improve. My own feeling is that with good efforts, it may be possible that India will achieve a six per cent GDP growth. Thank you.

SHRI C. RAMACHANDRAIAH (Andhra Pradesh): I thank you, Mr. Vice-Chairman, for giving me this opportunity to participate in this short duration discussion, initiated by Mr.J.Chitharanjan on the economic slowdown, fall in GDP rate and deteriorating financial condition of the country in the context of the mid-term appraisal of the Ninth Five Year Plan.

Sir, I should congratulate the Government on submitting a document, that is, the Mid-Term Appraisal of the Ninth Plan, and the Economic Survey, which itself is a very critical analysis. The slowdown in the economy is of grave concern to the entire nation, to the industry, to the Government and every other sector of the economy. Sir, the GDP growth target for the Tenth Plan has been fixed at 7.7 per cent which is above the current Plan target. The Central Statistical Organisation, on 29th June, has come out with the first set of official figures for the growth rates in various sectors, including the overall GDP for the financial year 2000-2001. The GDP growth rate for the whole year was put at 5.2 per cent. Earlier, there was a lot of speculation that it will be six per cent or 6.5 per cent. It is much below the target figure of 6.5 per cent. It was originally conceived to be at seven per cent by the Ministry of Finance, which has been reduced by the Planning Commission to 6.5 per cent. The ultimate achievement is 5.2 per cent. That is much lower than the Plan target. The fall in the GDP growth rate in 2001 is primarily due to the poor performance of the manufacturing, construction and some of the service sectors. Mr. Narendra Mohan was quoting figures which were higher. They are not in the core sectors. In the core sectors, our performance is not good. Agriculture and industry contribute a major portion of the gross domestic product of the country. A reading of the report itself is very critical. It constitutes criticism. Unfortunately, I cannot help it. "Agriculture, forest and fishing sectors grew by a mere 0.2 per cent as against 0.7 per cent in the last year. The growth rate in the manufacturing sector dropped to 5.6 per cent from 6.8 per cent of the previous year."

4.00 P.M.

Similarly, the growth rate in construction sector declined to 5.5 per cent from a high rate of 8.1 per cent in the previous year. Sectors like electricity, gas and water supply registered a lower growth rate of 4.7 per cent compared to 5.2 per cent in the previous year. Growth rate in service sector dropped to 9.1 per cent as against 10.1 per cent in the previous year. Sir, so far as the performance in core field sectors is concerned, in all sectors, the performance has been very poor. That is why the GDP growth rate has gone down to 5.2 per cent. I will analyse the four quarters of the year 2000-01. During the first quarter of 2000-01, it was 6.1 per cent. For the second quarter, it was 6.2 per cent. For the third quarter, it was 5 per cent, and for the last quarter, it was only 3.8 per cent. Sir, as per the study conducted by the CMIE, the current fiscal year, that is, 2001-02, has started on a weak note. This is the wording that they have mentioned. The performance of most infrastructure industries, as also the industrial sector, have reported a very poor growth rate in the first three months ending 30th June, 2001.

[THE VICE-CHAIRMAN (SHRI RAMA SHANKER KAUSHIK) in the chair]

Sir, this report says: " The prospects of this trend undergoing a dramatic change in the coming months is poor because the industrial sector essentially suffers from poor demand, both in consumption as well as in investment. Investment continues to be sluggish because of lack of consumption in demand and consumption in demand continues to remain poor till the farm incomes raised for at least some years to come."

Now, I will come to the resource mobilization. The Economic Survey report of 2000-01 states that the resource mobilization by all sectors during the year was far from satisfactory. Sir, in the case of equities, it has gone down by 25.9 per cent, when compared to last year, and in the case of debt market, it has suffered a greater decline by 32.3 per cent, and the net FIs investment was declined by a staggering 68.3 per cent. In the case of Mutual Fund, it was almost halved to Rs. 6,486 crores. Shri Pranab Mukherjee was telling that the overall percentage of the flow of FDIs has been falling, and presently, it is less than one per cent, and the average FDIs are not exceeding two billion dollars, whereas, in China, it was somewhere around 42 billion dollars per annum, and we have been receiving only two billion dollars. For the entire post liberalization period, we would get only 33 billion dollars, out of which 18 billion dollars has gone to

secondary market, and only 16 to 17 billion dollars has come to the primary market, out of which 5.5 billion dollars has gone for acquisition. I do not know why that has been classified as investment in the primary market, like the Hindujas acquiring the Leyland company. So, 5.5 per cent has been classified as a primary market. The net investment in new industries has been reduced to only 8.5 billion dollars during the entire post-liberalization period. We are now in the terminal of the Ninth Five Year Plan. Initially, the GDP growth was projected as seven per cent, which has been reduced to 6.5 per cent. The actual GDP growth rate during 1998-99 was five per cent, during 1998-99 it was 6.6 per cent, during 1999-2000 it was 6.4 per cent, and as everybody is aware, during the current year, it is 5.2 per cent. Even during 1998-99 and 1999-2000, when the actual GDP growth rate was 6.6 per cent and 6.4 per cent, my study says that it is purely out of the amounts that have been received by the recommendations of the Fifth Pay Commission. Sir, I am not that expert. But I wonder how the amounts that have been released as salaries and perks to the employees, have been included as Gross Domestic Product. There were some improvements in the service sector which have caused the increases in these two years. It can be seen that the targeted growth rate of 6.5 per cent was achieved only in one year, and in the rest of the two years, because of these two reasons, it has gone down. Sir, if the Government wants to achieve a growth rate of 6.5 per cent for this plan period, as rightly pointed out by the hon. Member, then, this year, it should have a growth rate of more than 7 per cent, which seems impossible to reach in the present circumstances. As per the projections of the CMIE, and as per the Mid-term Appraisal Report, we would be lucky if the GDP rises to 7.2 per cent. Subsequently, we can attain a growth rate of 5.2 per cent.

Sir, the performance in our core sectors like agriculture and industry was far from satisfactory. It was found from the Mid-term Appraisal Report that the real investment in the first three years of the Ninth Plan had fallen short of the target of 5.6 per cent.

I will now come to the issue of public investment. They are aware of the complementarity between the private sector investments and the public sector investments. Sir, the shortfall in investment is quite severe in agriculture and its allied services, which, probably, also reflects a reduction in investment, particularly in the Government investment, with its consequent effect on the private sector investments. It was in recognition of this fact that there is a strong complementarity, as was pointed out by me already,

between the public sector investments and the private sector investments. Furthermore, inadequate investments could lead to a decline of 25 per cent in private investments for the desired target. Sir, it was projected in the Ninth Plan that the public investment would have to rise up to 33.5 per cent, provided the targeted growth rates are achieved of the total investment. Compared to 28 per cent of the total investment in the economy, it was very unfortunate that we were able to achieve only a target of 27.3 per cent. At least, we could have achieved the figure of 28.3 per cent of last year; leave alone the target of 33.5 per cent. Sir, given the investments, it was eventually decided upon the attainment of the Plan target. The failure on the part of the Government in mobilising the resources has, therefore, become one of the major factors in not achieving the growth rate.

Now I come to the overall analysis, whether we can pick up some positive aspects. I want to highlight two or three things which are in a bad shape. First, the economy is not in a good shape. We can say that it has got certain positive aspects. As the hon. Member said, it has strong fundamentals of the Government. It has a very good resilience capacity to overcome shortcomings because we are strong in the core sectors. The growth rate in all the important segments like agriculture, industry, resource mobilisation, employment creation, tax collection, has fallen. We are nowhere compared to some of the growth rates achieved during the period 1992-1996. The fiscal deficit has been increasing year after year. Much discussion took place on the point of fiscal deficit. Sir, the more alarming factor is the revenue as a percentage of the total fiscal deficit. It was 30 per cent in 1996. It is now 70 per cent. Sir, if you borrow money to purchase the capital assets, you can indulge in debt servicing. It creates some income. Just to run the administration, to meet the revenue expenditure, you are borrowing money! That means you are virtually bringing the country into the debt trap. Sir, in the revenue deficit there is an increase which is more than the increase in the fiscal deficit, which has been quite alarming to the entire nation.

Sir, I want to raise another aspect concerning the disinvestment. Other aspects have been covered by many other revered speakers. Last year, there were shortfalls in the collection of revenues to the tune of Rs.9,210 crores. As everybody observed, we could not achieve the targeted figure of disinvestment because of so many factors. Sir, to equip the fiscal deficit at the figure which has been shown now, we have to defer an

expenditure of Rs.18,817 crores. It is nothing but a window-dressing. Deferment of expenditure is not at all the solution. Ultimately, it will have an adverse impact, reducing the employment, reducing the industrial production and also reducing the revenue to the Government. That sort of deferment of the expenditure to just show the contained figure is not advisable to the Government. We need not claim that which is not there. The names of international rating agencies have been mentioned. They have rated India weak. In fact, we are on a weak footing, as of today. The FM had reacted very strongly. Of course, generally, we can expect from him such a reaction. I wondered about one aspect of the statement made by the Finance Minister. He still feels that the high sensex of the stock exchanges indicates the true health of the economy. He has gone on record saying that there is nothing to worry about the downgrading because the stock markets, according to him, remained stable even after this. This is a very wrong perception that our administrators of economy have been entertaining. I had an occasion to tell the Government, during an earlier discussion, that when sensex had gone to 6,000, which was not true to the realities of the economy, we should have felt alarmed. When it has come down to 3,000, which is nearer to the realities of our economy, we are feeling alarmed. Still, the Finance Minister is having the same perception. That is not in the interest of the country. I refer to Montek Singh Ahluwalia Committee Report. It says that the GDP growth rate has got a direct impact on the employment position. It has stated that there is a strong nexus between the GDP growth and employment creation. It says, "the role of GDP growth in generating employment is overwhelming. Our simulation shows a shift from 6.5 per cent growth to 8 per cent growth generation, additional employment of 14.5 million in the terminal year, 2012", that is, at the end of the next Five Year Plan. The need of the hour is not booming stock markets, but GDP growth rate of 8 per cent, which can be assured over a period of, at least, 10 years. This would alone lend respectability to the Indian economy. It is unfortunate that we are being advised by the Chairmen of multinational companies like Hindustan Lever, ITC, etc. I have read their reports. Their Annual General Body Reports had truly reflected the Indian economy. They said in their reports and I quote: "Unless the productivity of the farm sector is increased, unless the purchasing capacity of the farmers is increased the 70 per cent of the population depending on agriculture and there will not be a spurt in the demand of the goods, then only there will be industrial activity; there will be more employment and there will be more purchasing capacity". I quote about core competence. Are

we competent to compete with western countries, the developed countries? Our cost of production is high. Our quality is low. No developed country is going to purchase our goods, because they are self-sufficient and they have surplus. No developing country can purchase our goods because of lack of purchasing capacity. We can exceed our installed capacity and we can have surplus. But who are going to purchase our products? The same is the case with our surplus foodgrains in the godowns. In Australia, the yield of wheat is 7 metric tons per hectare, whereas our national average is 2.7 metric tons per hectare. Our production cost of wheat is high. We are unable to sell it at the international market. It is not a thing of which we can be proud of. Just because we have 60 million tonnes of foodgrains, we need not feel proud of it. It is very unfortunate that we cannot deal with the surplus effectively.

That is why I reiterate my demand that India should first concentrate on reforms in agriculture before embarking on the so-called economic reforms. Already, we are half way through. I do not advise that you should go back. Our first priority should be this. Let us declare the Tenth Plan as a Plan committed to agriculture. More emphasis should be given to agriculture. A wise man always learns from the experience of others. Let us be very wise. Take the case of China. Since 1990, China has been continuously achieving a growth rate of 5 per cent in agriculture. That has got a tremendous multiplier effect. In China, over 70 per cent of the population is dependent on agriculture. Their purchasing capacity has increased. There is a spurt in the aggregate demand for products which has necessitated more investment in industries and which has created more employment. Therefore, have more thrust on agriculture. Similar conditions are prevailing in our country. Let us be wise. As a wise man learns from the experience of others, let us learn from the experience of others. Time and again, we have been saying that China is doing this and China is doing that. Let us learn from the experience of China. If we think of gaining experience, it will be a very costly affair. Already, a lot of experience is there at our disposal. Let us learn from the experience of other countries. We have got similar conditions in our country. Like China, in our country, 70 per cent of the population is dependent on agriculture. We should have more thrust on agriculture. That is my demand. Our percentage of investment in agriculture is very low. Sir, somewhere, I read a statement made by Shri K.C. Pant. He said, "Spend more and create more demand". But where is the money to spend? I should be allowed to earn more money. Unless I am allowed to earn money, I cannot spend. I am such an

impoverished man that I cannot spend even for two square meals a day. That is the state of affairs of most of the population. China has been able to reduce the number of people below the poverty line to 50 million out of the total population of 125 crores. That is the positive effect. That positive effect is there because of their thrust on agriculture. We are very peripheral in touching other aspects. The core strength is in agriculture. Let us concentrate on agriculture. As the Prime Minister said, our country should not only be the 10th fastest growing country, it should be the first fastest growing country. That is my wish also. But unless there are structural changes, it is very difficult to achieve that. A man does more rational things only after exploring all the irrational things. We have explored all the irrational things. Let us do certain rational things. Let us now concentrate on reforms in agriculture.

SHRI RAVI SHANKAR PRASAD (Bihar): Sir, I am grateful to you for giving me this opportunity to make my submission on an issue of such a great importance which the House is deliberating. As I understand, the topic of discussion is the state of the economy in the context of the mid-term appraisal of the Ninth Plan. That is the main component of discussion. Sir, at the very outset, let me congratulate the hon. Minister of Planning. When I see this report, I see for the first time a mid-term appraisal which is not bureaucratic, which identifies the areas of accomplishment and achievements and highlights the areas of concern. I have to put certain questions to the Minister of Planning. And the first question is this. Is this slow-down or recession? Is it a temporary phenomenon or is it going to stay for some time? The second question that I would like to put to him is this. What has been the condition of many developed countries, particularly, of America, England, Japan and Germany, in this slow-down scenario? We were hearing about the hike in petroleum prices which has affected the economies the world over. What has been the response of these economies and how has India responded to this situation?

Sir, we talk a lot about disinvestment. I am very happy that Ramachandraiahji talked about 'reforms with great speed'. He also talked about the lack of money. I have to put a very important question to the hon. Planning Minister and it is about the investments that we are receiving. Why is it that China gets 40 billion dollars and we get a meagre 2 billion dollars? We may have differences with the ideology of China. But how is it that the Chinese economy is growing so fast? Is it because of their dumping of goods? Is it a case that their goods are of high standard? Is it

because that their goods are creating a place for themselves the world-over because of certain qualities that they are maintaining? And, how are they maintaining it and why are we losing? I would like the hon. Minister to reply to this question as well.

Sir, when we talk of the GDP, we see two patterns; one is the pattern of the 80s and the other is the pattern of the 90s, when the reforms started. The pattern of the 80s showed that there was a great volatility in the growth rate pattern. For instance, when the GDP was 2.5 per cent in 1986-87, it was 11.5 per cent in 1988-89. When I see the post-reform period, the growth rate fluctuated from 4.5 per cent in 1992-93 to 7.5 per cent in 1997-98 and, presently, it may be 5.2 or 5.3 per cent. But the question which I want to ask the hon. Minister is this: Why is this great fluctuation in the 80s and why is there a comparative destabilisation in the post-reform period? I see only two reasons for it. In the 80s, this growth rate was maintained because of heavy domestic and international borrowings, which created the problems, and which led to the 1991-situation when reforms became a compelling necessity; whereas in the post-reform period, there has been a stable, conservative investment with stable growth, with little fluctuations. Sir, Shri Pranab Mukherjee, in spite of being an eminent leader of the opposition party, should be appreciated for making a very bold comment. There are three very redeeming features in what he has said; (a) inflation is under control; (b) balance of payments situation is also under control and (c) the foreign exchange kitty is brimming to the full. This gives us a great scope for hope and it confirms the widely held impression that the Indian economy is still the fastest growing economy in spite of the occasional ups and downs that it has to encounter.

Sir, we talked about investment. I was very impressed to note that in a chapter in the short Synopsis on Mid-Term Appraisal, "Industrial Development", there is a heading, "Urgent areas requiring attention". And what does it say? Urgent areas requiring attention are disinvestment of PSUs, closure of non-viable, sick PSUs, and review and revamping of the BIFR. Now, what is the situation of disinvestment? We are talking of 240 public sector undertakings having an investment of Rs.2,30,000 crores with a return of meagre 9,000 crores of rupees. Can we go on like this? We are talking about non-Plan expenditure. I would like to confirm from the hon. Minister whether it is a fact that we are spending Rs.2,000 crores on paying salaries to the employees of the sick and closed units? It is all public money. It is not our own money. Can it go on like this? This brings us to

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a larger question. All State Governments, irrespective of ideological colours of parties in power, are pursuing the process of disinvestment with a great degree of emphasis and speed. I have got the official Government of India publication from the Ministry of Disinvestment that gives a complete roadmap of the disinvestment process being followed in various States. I see also the State of West Bengal here, where out of 80 State level public sector undertakings, 54 are reported to have incurred a loss of Rs.3,382 crores against an investment of Rs.14,081 crores. They have rightly identified two for disinvestment presently; the others are under consideration. Here, I raise a fundamental question. The economy needs to be improved. Reform is the need of the hour. But if something is done in Delhi, it is opposed. If something is done in the States, it is supported. This cannot go on. If the economy is to be brought back on the track it must be brought back on the track then, there would have to be a consensus on some strong decisions that have to be taken. I was just having a comparative study of some of the public sector undertakings and the private sector undertakings. To my great amazement, I learnt that the much-maligned Reliance Industries 'maligned' for various reasons which may be justifiable runs a petro-chemical complex in Jamnagar. Against a turnover of Rs.30,000 crores, it earns a profit of Rs.32,200 crores! The Indian Oil Corporation's turnover is Rs.1,20,000 crores and the profit is only Rs.4,000 crores. If the Indian Oil Corporation, a Navaratna and a blue-chip company, could earn a profit of Rs.20,000 crores, it would certainly write off the entire deficit that may be there. Therefore, the need of the hour is to make our public sector more efficient, more competitive and more profitable. I see every possibility of that. I see a lurking consensus for that. Only when it comes to political one-upmanship, the problem starts. Therefore, Sir, through you, I would like to congratulate the Minister that for the first time, I see the Mid-term Appraisal rightly identifying the areas of concern.

Sir, I wish to highlight only two aspects. I know the limitation of my time. This is about the fiscal deficit part. We talk about deficit. The hon. Member, Shri Pranab Mukherjee, spoke about it. But what is the situation of deficit in the Centre and the States? I understand that earlier it was 8% at the Centre and 2% in the States. But is it not a fact that over the years, it has risen enormously? Today it is close to 5% at the Centre and 4.5% in the States. How has it happened? Should it be allowed to continue? When we talk about the slow-down of the economy, should we completely segregate the Centre and the States? Or, should we have a holistic view of the entire situation? That is a very serious area of concern. I

am informed that as many as 13 State Governments are not in a position to pay the salaries of their employees. What have been the implications of the Fifth Pay Commission? I don't want to go into who implemented it. But, is it not a fact that the implementation of the recommendations of the Fifth Pay Commission has completely shattered the economy of the States? Will it go on like this? All the State Governments have to come to Delhi with their begging bowls. I understand there is this Expenditure Reforms Commission that the Government of India has set up. It would give its recommendations which ought to be implemented. But have the State Governments risen to the occasion? Is there any emphasis on having some sort of Expenditure Reform Commissions in the States? I have got with me the CAG's report pertaining to West Bengal for the year ending March, 1999. Let me quote. *...(Interruptions)...* It is an official document. Of course, the situation in other States is equally worse. *...(Interruptions)...* I can quote in respect of other States also.

उपसभाध्यक्ष (श्री रमा शंकर कौशिक) : आप अपनी बात कहिए।

SHRI RAVI SHANKAR PRASAD: Sir, I am quoting from the 'Overview' part of the report of the CAG. It says:-

"The State Government was resorting increasingly to borrowings to bridge the resource gap. The total liability of the State Government has grown by 111% during the period 1994-99. Internal debt has grown by 98%; Loans and Advances from Government of India by 102%; and, by 86% on account of other liabilities."

This is the condition of one State Government. I would say that the condition of other State Governments would be worse. The point is, are we determined to contain the deficit of the State Governments as well? If we don't, I don't see any possibility of the economy...

श्री जीवन राय : जब ज्यादा होते हैं.....तब तो ठीक ही होता है, बैलेंस्ड होता है। *...(व्यवधान)...*

SHRI RAVI SHANKAR PRASAD: Why are you so particular about it? Other States are equally bad. My State is equally bad. I only gave it by way of illustration.

श्री लक्खीराम अग्रवाल (छत्तीसगढ़) : कमी सुनना भी चाहिए। *...(व्यवधान)...*

SHRI RAVI SHANKAR PRASAD: Therefore, today, the time has come when we will have to have a consensus on reforms. Let us forget the

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wording of reforms, but reforms for containing the fiscal deficit, reforms for ensuring fiscal discipline; reforms for reforms in the public sector undertakings. Today, the common man asks a very important question. Do they have a say in the national cake or only the white-collared people, people occupying high positions, would get all the cake and nothing would be left for them? Sir, this brings me to the agriculture sector. I am happy that Mr. Ramachandraiah he is not here has talked about that. Sir, when I see this Mid-term Appraisal about the performance in the agriculture sector, I salute our farmers. When I see that, today, India has become the biggest producer of milk in the world, I salute our farmers. I wish to quote from Chapter III of the Mid-term Appraisal. It says, "Growth rate of milk production throughout declined slightly from eighties"; it has remained healthy at 4.78 per cent. During nineties, similarly, the growth rate of milk production had been a robust 4.7 per cent. India has emerged as the largest milk producer in the world, with a production of 74.7 million tonnes. The country is also the second-largest producer of wheat, rice, fruits and vegetables". Is it not time to concentrate on agriculture reforms? It was rightly pointed out that unless we create jobs, unless we create aspirations, unless we create market in the rural areas, India is not going to prosper. I am happy to note that, today, Rs.65,000 crores of bank credit has been provided for rural development. The Prime Minister's Rural Connectivity Programme is there; the whole set of programmes are there, but there is one big lacuna which I see, and, i.e. the agriculture sector is, today, fettered with a whole lot of restrictions on movement of foodgrains, of giving discretions and rights and powers to the farmers. I am very happy, Mr. Minister, that this review has also identified that. Today, I demand, with great respect, that all these restrictions be removed at the earliest. Here, I would like to quote one paragraph of Chapter III. "Trade and agriculture is besieged with a plethora of restrictions that continue to hamper its health and competitive potentials. Thus, in turn, adversely affecting efforts of raising the production and productivity. Therefore, all restrictions on movement, stocking, trading, credit by financial institutions, monopoly buying, processing and exports have to be removed to enable the farmers to take advantage of free market". I totally agree with that. *(Time-bell-rings)* Sir, I am just concluding. If the Indian farmers who have got enough potential, who have got great enterprise, are given complete freedom, the Indian agriculture is going to rise enormously, and as a consequence, the Indian economy too.

Sir, I have to add only one last point, and I request the Minister to take note of that. That point pertains to the delivery mechanism of this whole process of change. What is the situation? Crores of rupees are being earmarked for poverty alleviation, for whole lot of development activities, but what is the actual result on the ground? We have got a Constitution where powers are defined for the Central Government and the State Governments. In most of the cases, the implementing agency, the delivery mechanism, is with the State Government; at the bottom level, there is SDO, BDO, *Panchayat Sewak*. What is the situation there? I think there is a great scope for improvement there. Unless pilferage is checked, unless we remove lack of concentration on development, unless entrepreneur ability is developed there, I am afraid, this whole process of reform, development and of poverty alleviation would lose its momentum.

Sir, I would again like to quote from Chapter-III of this Appraisal. "The States need to take some tough decisions such as freeze of new hiring, restructuring of power sector, increasing user charges at various levels, liquidation, privatisation of enterprises, tax reforms and, above all, better governance." I think, these are cautions rightly administered. If we emphasise on that, the turnaround would certainly come very soon.

Sir, I have to make one last suggestion. Unless and until we have a consensus, the process of reforms will remain mired in controversies from one point to another. The message of today's discussion is that this House has some consensus on speeding up the process of reforms. Only then we can turn the tide.

I am extremely grateful for the opportunity given to me.

SHRI MANOJ BHATTACHARYA (West Bengal): Sir, thank you very much for providing me a chance to speak on this very, very important issue of national importance. Sir, I must say that the present situation has arisen following the adoption of the reforms process, and, that too, so vigorously the way it is being implemented of late. Sir, because of this reforms process, such an all-round slow-down of the economy it is quite evident from the Mid-Term Appraisal of the Ninth Five-Year Plan that the entire country is in a quandary. The lives of the common-people are, rather, in shambles. Sir, what is very intriguing and what is a matter of very serious concern is that the common people of our country are being subjected to the severe-most exploitation by the multinational corporations of the First World countries, of the countries of the northern hemisphere, and,

unfortunately, the big corporate houses of the country are becoming collaborators, or have already become collaborators. Yes, it is a fact that because of the reforms process, globalisation, liberalisation, privatisation, etc. the world economy, nowadays, is being called as an economy ridden by crises, inability, turmoil and uncertainty. This phraseology has been the most common one in the last three or four years to describe the world economic order. We have been told a number of times even by many of the hon. Ministers in this very House that deregulated markets, maximum privatisation and State's withdrawal from the economic activities were the infallible principles conducive to economic and social development.

Sir, following this, what have we done? What has this Government done? What are the measures taken by the Government of India in the last ten years to give a boost to the industrial sector, and, consequent to that, to the economy of our country? They are -

- (1) There has been a drastic reduction in the scope of industrial licensing--a matter of serious concern including the hazardous or environment-polluting chemical industries.
- (2) Simplification of procedural rules and regulations.
- (3) Reduction of various industries exclusively reserved for the public sector.
- (4) Disinvestment of equity in many PSUs, rendering lakhs of workers unemployed.
- (5) Enhancing the limit for equity participation by foreigners in domestic industrial undertakings, even a hundred per cent direct investment in some financial as well as service sectors.
- (6) Liberalisation of trade and exchange rate policies.

Then, rationalisation has taken place. There is reduction of customs and excise duties and personal and corporate income tax. What is more, we have also extended the scope of MODVAT. Hundred per cent export-oriented industries have been given encouragement or indulgence.

A new department has been created in the Government of India, the Department of Disinvestment, headed by a very efficient person, Shri Arun Shourie. Above all, the withdrawal of Quantitative Restrictions also is well known to everybody. Sir, let us see what we have gained, rather let us make some comments on the Budget. After the Budget all the

chieftains of the corporate sector and their electronic and print media whooped with joy upon seeing the Budget for the year 2001-02. They unanimously claimed that this was a Budget for growth. It was a brave Budget presented by Shri Yashwant Sinha, our hon. Finance Minister. It was termed as a Budget for growth by the corporate sector. They were very happy and whooping remarks were made. Of course, I understand, I feel very strongly, what they call growth is not the growth of the economy but of their pickings from it. In terms of any objective enunciation of economic growth, their claim is nonsensical. For, to the extent it will have any effect at all, the Budget will only deepen the already prevalent stagnation in various productive sectors of the country. Let us see what is happening. My friend, Ravi Shankar Prasad was making points about agriculture and all that. With regard to the per capita agricultural production what does it show in the Mid-Term Appraisal or even in the different statements of the Government? As a matter of fact, for 2000-01, the data from the Agriculture Ministry shows that the situation is even worse than depicted in the Survey. It is now being estimated that the agricultural production fell. What the Government is saying is not that. The Government is saying that it has fallen by 3.5 per cent whereas it has fallen by 6 per cent. The foodgrains production has not fallen by 4.7 per cent they must be corrected it has fallen by 6.1 per cent. In fact, the per capita figures in the Economic Survey need to be revised, given the recently announced headcounts figures from the current Census. The current Census reveals that the figure of per capita consumption has also gone down substantially. In 1991 the per capita consumption was 510.1 gms., now it has come down to 458 gms. Mr. Shourie must make a note of this. There is a reduction in the per capita consumption. That is an indicator of the economic scenario of the country. Let us take the employment data. The data from private organised sector employment are no doubt dubious. Mr. Shourie will also agree with me. The machinery and mechanism for gathering labour statistics is extremely poor and labour officials, in fact, lack the staff or interest to collect data. The registered companies are not required to present details regarding their workforce in their annual reports. No corporate sector company presents the number of workers, the number of employees during the last year or during the year in question, in its annual report. So, we do not get the real figures of unemployment or employment that is there. I must say that the situation with regard to overall employment, including the unorganised sector and self-employment, is in a horrible shape. Even according to the National Sample Survey the growth

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rate of employment is a matter of very, very serious concern. The rural employment grew at an annual compound rate of 0.67 per cent during 1993-94 to 1999-00, down from 1.36 per cent during 1983-1987-88 and 2.3 per cent during 1987-88 -1999-2000. So, the rural employment is just half. In the urban sector the employment grew at an annual compound rate of only 1.34 per cent during 1993-94 to 1999-00, down from 2.6 per cent during 1983-84 to 1987-88 and 2.7 per cent from 1987-88 to 1993-94. In other words, the employment growth plummeted to levels far below the growth of potential job seekers. About savings and investment, Shri Pranab Mukherjee, our senior colleague, has made his point. Over the past five years, there has been a tremendous slowdown in both savings and investment. The gross domestic savings were 25.1 per cent of GDP in 1995-96. Since then it has fallen to 22 per cent. The gross domestic capital formation has dwindled. It is a serious situation with regard to gross capital formation in agriculture. In agriculture the total capital formation was 3.4 per cent in 1980-81, public investment was 1.3 and private 2.1 per cent of the GDP whereas in 1999-00, the total is only 1.5 per cent, less than half.

The public investment is 0.4 per cent, much less than half very dismal and private investment is 1.1 per cent. The net bank lending to agriculture percentage-wise as of June 28, 1991, was 15.6 per cent. We are dreaming of an agricultural boom. Now, as of June 30, 2000, it was only 10.8 per cent. I must give the source to Mr. Shourie. It is in the RBI Report "Trends and Progress of banking in India Various issues." This is the reference.

Finally, what I would like to say is this. I am concluding because there is no much time at my disposal. The situation is very, very grave. It is not a question as to who has created this situation. We have to put our heads together. The situation is such that the whole nation is in shambles. The millions of people of our country are in shambles and there is no ray of hope that we can recover from this situation, unless we take some drastic measures. Unless we put our heads together and think about the situation, as to how this situation can be corrected, it is very difficult. We should not talk about the crisis alone. We should not talk about other things. We should not hold each other responsible. But I feel, this Parliament is competent enough to put its head together and find ways and means so that the country can be brought out of this disastrous situation. With these words, I conclude my speech. Thank you.

SHRI S. VIDUTHALAI VIRUMBI (Tamil Nadu): Mr. Vice-Chairman, Sir, thank you very much for having given me an opportunity to take part in this discussion on the economic slowdown, fall in GDP rate and deteriorating financial condition of the country, in the context of the mid-term appraisal of the Ninth Five-Year Plan.

Sir, as far as the economy of the country is concerned, I feel, it is a mixed picture. But we have some optimism. From the year 1950 to 1980 for three decades the growth rate of India was 3.5 per cent. From 1981 to 1991, the growth rate was 5.5 per cent. From 1993 to 2001, the growth rate was 6.2 per cent. The present situation is totally different. The present situation, as explained by my colleagues, is because of the economic slowdown in the world, led by the U.S. The economy has, more or less, come to a standstill. There have been some six interest rate cuts in the U.S. during the last fiscal year. On 21st August, 2001, there is another meeting going to be convened by the Federal Reserve, expecting another cut in the rate of interest -- not a 0.25 per cent cut, but we expect a 0.5 per cent cut in the rate of interest. In this scenario, we have to see how the slowdown in the economy takes place in other parts of the world. When I say that it was led by the U.S., I would like to quote a report published in the *Hindustan Times* on 11th August, 2001. It says, "The analysts now believe that the continuing slump in manufacturing will take the unemployment rate from the current 4.5 per cent to 5 per cent by the year end. Since June, 2000, a total 8.37 lakh jobs have been lost in the manufacturing sector." This is in the United States since June last year. This is the state of the economy there? Somebody has stated, 'When you want to go in for the 10th Five Year Plan, we must learn the lessons from the Ninth and the Eighth Five-Year Plans.' What has the Eighth Five Year Plan taught us? I wanted to quote this. When there is an increase percentage-wise in the GDP, what is the effect of the growth? I quote from the Ninth Five Year Plan, Volume - I, page 3. It says, "That the faster growth has not reduced poverty as much as it should have. Nor has it created the number of high quality jobs. We need to satisfy the aspirations of our increasing educated youth. Growth has not been as regionally balanced, as it should have been. The deficiencies in social development indicators have also continued and our low level of social development, today, is a major constraint in reaching a growth rate of 8 per cent, which should be our medium term target." When the Finance Minister has inherited such a situation, such a condition, how has he tackled the situation? If it had gone worse, we need not worry about it. We need not

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worry about it, not because I am an ally of the BJP. I will give you the facts the real situation, the opinion of the Planning Commission. They say, "Everything has gone down." It is not so. I tell you, for example, the construction, communications, public administration, and community service sectors have exceeded the targets in the mid of the Ninth Plan. If the first year, the second year and the third year are put together, these have exceeded the targets. Then, Sir, I quote again, "The investment targets in agriculture and allied activities, mining, quarrying and electricity, are unlikely to be met in the last two years of the Plan." However, I tell you, Sir, all other sectors are likely to meet the targets according to current trends. Bearing this in mind, when the Planning Commission itself has got an optimistic view, why can't we take that view and go further? This is the position. So far as the real wages are concerned, the change in the real wages in the pre-reforms period was 4.7 per cent, while, in the post reform period, it was 2 per cent. The States of Gujarat, Karnataka, Kerala and Tamil Nadu recorded a high growth in real wages in the post-reforms period than in the earlier period. Other States had a positive growth, but a lower growth in real wages in recent years. So, this is the situation. But it does not mean that it is totally a green picture. I come to the other side of the picture. Sir, in spite of the foodgrains production going up from 175 million tonnes to 206 million tonnes, the growth rate in the availability of foodgrains *per capita* has come down to 0.28 per cent per annum, as compared to the growth rate per capital availability of 1.20 per cent per annum during the eighties. Further, the food consumption of the poor, in India, has gone down in the last ten years, and is, at least, 33 per cent below as compared to *per capita* consumption of the top ten per cent of the population. This is a very serious matter, taking the huge buffer stock of foodgrains into account. The reason has been given. How we have to come through? What is the main issue? That has been mentioned by the Planning Commission itself. I quote, "There are significant differentials between the rural and urban areas, between the communities and between the genders, in most States. The disturbing factor is that many of these inequalities are widening, and not narrowing." Therefore, the biggest challenge in India is to narrow down these disparities. That we have to do. Sir, I am giving both sides of the picture. Sir, the situation is, when the economy has slowed down, how the private people are able to come up? In this regard, I would like to quote from the *Hindu*, dated 13th August. It says, "As it is unaffected by the economic slowdown, the country's top ten private companies logged a 14 per cent growth in sales at Rs. 28,635 crores during April-June 2001.

Aggregate sales of top 10 companies were higher by Rs. 3,513 crores in the quarter under reference, from Rs. 25,122 crores in April-June, 2000.* That is why we need not worry about it. It does not mean that we can be callous. It does not mean that we can neglect the economy. But, at the same time, we need not think that it is a very gloomy situation. It is not so, Sir. Then, I come to exports. It had a 1.76 per cent growth. Even then they say the exports have not grown. But how we have to see the exports is, last year, during the same quarter, the export growth was 28 per cent higher than the previous year. Now, the 1.76 per cent growth is much above the 28 per cent growth of the previous year. The imports, during April-June, had been 2.4 per cent less than the first quarter of last year. The non-oil imports have been more than 3 per cent less than last year. This is true. One, we have to see that when the imports come down, does it affect the import of raw materials that is utilized for the production in the domestic industries? That we have to see.

In that context, we want some explanation from the Finance Minister. We want to elicit opinion in this regard. We want to be enlightened further by the Finance Minister. Sir, now, last year, the Wholesale Price Index increased by 2.9 per cent, whereas the Consumer Price Index was increased only by 3.8 per cent. We need not worry about it. That is the exchange rate. I will tell you, Sir, that we should not worry about it. A gloomy picture has been projected so far. That is why I am telling all these things. Sir, I would like to quote from "The Hindu" of 12th August, 2001, under the caption "Markets, rupee withstand downgrades." I quote "On the supply side, huge capital inflows seen during the current calendar year, with over 2.6 billion dollars of net investments by foreign institutional investors in Indian bonds and equities, have supported the rupee. The stable currency has also dissuaded exporters from holding back dollars in Exchange Earner's Foreign Currency deposits, as it does not earn them interest income on such accounts." There is a difference of only 3 per cent between the exchange rate and the real effective exchange rate. Sir, I feel that the market mechanism can easily bear this difference of 3 per cent, and, therefore, we need not worry about the exchange rate situation. That is another thing. Therefore, I feel, Sir, that much has been said about it. But, at the same time, what I feel is that we have to be a little bit worried about the savings side. In the developing countries, it is between 30 and 35 per cent. In 1995-96, it was about 25 per cent. In India now, it has gone down to 22 per cent. If the savings rate comes down, automatically, the investment is affected. When you say that the investment

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is affected, I would like to know whether it is a new phenomenon. I think, we will have to go through that. I feel, it is not so. I will tell you, Sir, that even in the 8th Five Year Plan, this had happened. I want to quote as to what was the situation in the 8th Five Year Plan. Sir, I am quoting the projected financing pattern of the 8th Plan. "The Plan outlay was Rs.4,34,000 crores, the budgetary support was 43.4 per cent; the Internal and External Budgetary Resources (IEBR) was 33.2 per cent. 'The Planning Commission expected that the States would provide approximately 23.4 per cent from their own resources.'" But there was a gap between the projections and the actual amount that had been spent, *i.e.*, Rs.53,576 crores in the 8th Plan. As far as the BCR is concerned, I will tell you that at that time, the Central Government had expected that it would be around Rs.22,020 crores plus, and from the States, it expected to raise Rs.12,985 crores. But, Sir, I will tell you what is the fact. ...*(Time Bell)*... Sir, please give me four-five minutes more. When the Central Government expected that the BCR would be about Rs.22,020 crores plus, practically, at that time, the BCR, *i.e.*, balance from the current revenue, was in the negative, *i.e.*, Rs.37,554 crores. Sir, if you put it together and calculate it, the difference is more than Rs.70,000 crores. This was the situation in the 8th Plan, as far as the BCR was concerned. This, what I feel, is the disturbing situation. And this disturbing situation has arisen due to the States because they were unable to mobilise their resources. Only 44 per cent of the amount expected by the Planning Commission was actually mobilised by the States. This is the situation. Sir, the 11th Finance Commission has given some sort of judgement, but it is not actually conducive to the real financial position of the States. In Tamil Nadu, we are going to lose nearly Rs.4,700 crores because of the 11th Finance Commission. We demanded it. We are in the Opposition there. But still we demand it because the people of Tamil Nadu will be benefited by it. For that, when they provide some sop, let me say that that sop is not going to solve the problem. We will get only Rs. 500 crores in five years, thereby losing more than Rs.4,200 crores, as a result of this assessment of the 11th Finance Commission. Sir, this is the situation. Now, I will tell you the position of the shortfall in revenue.

The shortfall in the Revenue Receipts is 5.6 per cent, but the growth in the Revenue Expenditure is 6.8 per cent. When this is the situation, the balance from the current revenue is a little bit worrying.

उपसमाध्यक्ष (श्री रमा शंकर कौशिक) : विरुम्बी जी, एक मिनट के लिए आप बैठिए। 5:00 बज गए हैं और मैं सदन की राय जानना चाहता हूँ।

SHRI S. VIDUTHALAI VIRUMBI: Sir, I will take some time to complete. I will continue tomorrow.

THE VICE-CHAIRMAN (SHRI RAMA SHANKER KAUSHIK) : Your time is over. You kindly conclude.

SHRI S. VIDUTHALAI VIRUMBI: Sir, I want to take some more time. It is an important issue. That is why I am saying that you adjourn the House now. I will continue tomorrow.

उपसभाध्यक्ष (श्री रमा शंकर कौशिक) : माननीय विरुम्बी जी, आपके दल के लिए जितना समय निर्धारित था, आप उतने निर्धारित समय तक बोल चुके हैं, अब अगर आप एक सेकिंड भी बोलते हैं तो वह आपके निर्धारित समय से ज्यादा है, इसलिए आप कन्कलूड कीजिए।

SHRI S. VIDUTHALAI VIRUMBI: Sir, yourself as well as your predecessor gave concession to other parties. I hope, the same concession will be given to me. My request is to please allow me to continue tomorrow. Otherwise, I may be allowed to take five or six minutes more. Please consider my request.

THE VICE-CHAIRMAN (SHRI RAMA SHANKER KAUSHIK): All right. You take five minutes more.

SHRI S. VIDUTHALAI VIRUMBI: For the public sector internal resource generation, the actual amount realised was Rs.1,33,403 crores. That is 18 per cent less than the amount envisaged by the Planning Commission. That shows how we have coped with this situation.

Now, I come to my last point, leaving out some of the important issues. Exports of non-traditional agricultural items have actually increased during this financial year, compared to the last financial year. Vegetable exports increased by 52 per cent; fruit juice exports increased by 30 per cent, and processed food exports increased by 60 per cent. However, if you take them in absolute terms, out of the total agricultural produce exports of 6 million dollars, they account for 4.15 million dollars only. That means, there is an export potential in the case of non-traditional agricultural items, which can help you in increasing your revenue further.

Then Sir, regarding the NPA, what we understand is that more than Rs.8,000 crores have been written off. In between, the gross NPA and Net NPA provisions are being made. We want to know from the Government the difference between the two and how they have adjusted them. The adjustment can be either by writing them off or by taking recourse to further collections. We understand that the banks have written off Rs.8,000 crores

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of NPA. ICICI and IDBI have written off Rs.5,000 crores of NPA. In total, Rs. 13,000 crores have been written off. I understand, the RBI has recently decided that it will disclose the name of the defaulters in the existing and new loan agreements and that they will not be allowed to take refuge under the secrecy clause. I appreciate this stand of the RBI. Moreover, I also appreciate the recent announcement of the RBI forbidding the banks from closing down their branches.

Sir, at the same time, the disclosure norm is appreciable. Another minus point is regarding the Foreign Exchange Management Act. Only day before yesterday, the Delhi High Court had given a verdict, "The FEMA is toothless. What is the Government's control over such matters? They have taken away big amount from India, particularly, in the e-commerce. The FEMA is not able to prevent the people from taking money from India to any other country." This stricture had been passed by the judiciary against the FEMA. It is a minus point.

Regarding the black money, a new phraseology has been coined in Europe, the "tax optimisation", that is, the tax evaders' money is called the "tax optimisation ". It specifies money-laundering. What they do is, they launder money after selling narcotics. It is also called the dictator's money, or, money earned through some criminal act, or, through corruption. They say, it is money laundering. But, at the same time, with optimisation, if it is not within these parameters, if an organisation evades tax, then, they are not treating it as corruption. Tax evasion means optimisation. About \$25 trillion are actually deposited in several banks by the people. It is called "offshore wealth". We do not know, how much money belongs to the Indian capitalists. It has to be ascertained. *(Time-bell)* Please be considerate towards me. I will take only five minutes.

Sir, I will tell you, how people are actually cheating the country. The import duty on crude palm oil is 75 per cent. The import duty on refined Palmoleen is 100 per cent. We learnt from the press that it is going to be reduced by further 10 per cent. What I feel is, already there is a complaint against the merchants in the country that in the name of crude palm oil, they are importing the refined palm oil. I want to know from the Minister how he is going to exercise his control over the stocks that are imported in the country. I hope the Minister would reply to it.

Another thing is, we are not getting revenue in a proper manner. If you go through the income-tax assessments of this financial year, what they have done is, last financial year, only 52.41 per cent of the total 2.74 crore

assessments have been done. I would request the Finance Minister to go through, ten years or at least, five years. He would find that it is continuing for the last one decade. If he goes through the record of the last five years, he would find that the assessment has not been done in 35 to 55 per cent of cases within a year. I feel, this is due to the shortage of staff.

उपसभाध्यक्ष (श्री रमा शंकर कौशिक) : कृपया समाप्त करें।

SHRI S. VIDUTHALAI VIRUMBI: I will take only two minutes. If this is the case, how are you going to get the expected revenue?

Regarding disinvestment, the Committee said, "It should be delinked with the budgetary resources." But you have linked with that. What I feel is, if you delink it with the budgetary resources, you may get more money for the share. Even for the strategic sale, you will get more money. Apart from that, some mistakes have been committed. We are losing revenue. Unnecessarily, we are taxing others. We are losing revenue from the tobacco industry, cigarette manufacturers. They are not paying the tax which they ought to have done.

While participating in a Private Member's Bill, on Friday, I gave full particulars of tax evasion by the tobacco industry. Since the time at my disposal is short, I would not be able to give those details again. I would request the Minister to go through my speech delivered by me on Friday, on "Ban on smoking". At that time, I said, Rs.4000 crores could be earned by the Government of India. Please go through my speech. If you feel that the suggestion made by me is appropriate, please take necessary steps.

Another point is, revenue lost by the Railways. I had suggested, if recycling is done, they can earn revenue. I request the Government to have value-added products. The Minister said, "We cannot diversify." At that time, the Question Hour was over and I could not put my supplementary. In the telecom sector, you are able to diversify, why couldn't you diversify in the railway sector, instead of selling the steel as scrap if you make it value-added, instead of Rs.900 crores, you will get more than Rs.3000 crores.

उपसभाध्यक्ष (श्री रमा शंकर कौशिक) : कृपया आसन ग्रहण करें।

SHRI S. VIDUTHALAI VIRUMBI: Last few sentences, Sir.

There are two things in relation to my State as far as the textile industry is concerned. The first is with regard to the duty imposed on the card-board or corrugated boxes used for containing the banians which are

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exported from Tiruppur. Never was there any duty on the boxes earlier. The box is not exported. Banians are exported. This time, they have been taxed. I feel that this duty should be withdrawn. I appeal to the Government to see that this duty is withdrawn completely.

The second aspect is with regard to the excise duty on textile. Earlier it was five per cent with an additional 15 per cent on that five per cent. The effective excise duty was 5.75 per cent. I requested the Government to reduce the duty from five per cent to two per cent, to save the textile industry. But, what the Government has done is, it has increased the duty to eight per cent. The effective excise duty is now 9.2 per cent. I request the Government to reduce the duty from 9.2 per cent to two per cent. Otherwise, the textile industry will suffer and we will have to face a greater unemployment problem in the State.

All these things may be considered. I have given points on the revenue side as well as on the expenditure side. Kindly consider these points and adopt whatever you feel is appropriate.

With these words, I conclude. Thank you.

उपसभाध्यक्ष (श्री रमा शंकर कौशिक) : यह अल्पकालिक चर्चा अभी अधूरी रह गई है। अब हम शुक्रवार दिनांक 17-08-2001 के मध्य पूर्व ग्यारह बजे के लिए उठते हैं।

The House then adjourned at twelve minutes past five of the clock till eleven of the clock on Friday, the 17th August, 2001.