

SHRI PRANAB MUKHERJEE: I gave notice to make the statement today because I made the statement in the other House. As I issued a statement in the other House, it is the Parliamentary propriety that I must make a statement in this House on the same day. This is a normal practice, and even in the Order Paper it was fixed at 5 P.M. But suddenly, some important business came which I could not avoid, and I thought that I would like to seek the indulgence of the House, through the Chair, to make the statement, and since an important debate is going on, perhaps, it would not be proper to have clarifications and detract the debate which is going on, and which is equally rather more important. But, at the same time, this issue agitates a large number of Members and people are expressing their deep concern over it, and I am happy that at least, I could read the statement here. Colleagues of Mr. Rajaji did not allow me to read the statement in the other House.

SHRI SITARAM YECHURY: We are the House of Elders.

SHRI PRANAB MUKHERJEE: That is the difference. Being the old ex-Member of this House, I have a little experience! So, I will be available tomorrow. I will make clarifications. But don't fix the time right now. It is a bad practice. Whatever the Business Advisory Committee decides and whatever time they indicate to me, I will come and reply to the clarifications.

SHRI T.K. RANGARAJAN (Tamil Nadu) : It is not appropriate.

MR. DEPUTY CHAIRMAN: You may say that. It is the practice. We will fix the time. Please sit down.

SHRI D. RAJA (Tamil Nadu): Will it be a discussion or will it be clarifications?

MR. DEPUTY CHAIRMAN: It will be clarifications.

SHRI D. RAJA: Then, the Chair should fix the time.

MR. DEPUTY CHAIRMAN: Yes, definitely. Mr. Praveen Rashtrapal, you can continue.

[THE VICE-CHAIRMAN (PROF. P.J. KURIEN) *in the Chair*]

THE APPROPRIATION (NO.3), BILL, 2008 (*contd.*)

SHRI PRAVEEN RASHTRAPAL: Thank you, Mr. Vice-Chairman, Sir. I was referring to the merger of banks. I will give a specific example of merger of the State Bank of Saurashtra with the State Bank of India. The issue came up before us in one of the Department-related Standing Committees also. It may be a Government decision or a decision of the Finance Ministry in particular that a small bank may be merged with a big bank, and if that is the requirement of the new economic policy for the functioning of the bank, the Government can go ahead. But my experience and the experience of some of our MPs is that before doing so, it will be very appropriate if the Employees' Association and the Officers' Association in both the banks, the small bank and the big bank, are

consulted. We have seen that employees from banks are complaining to various Parliamentary Committees that if their bank is merged with the big bank, their promotional prospects and service conditions will be totally changed and we are not prepared for it. Now, this is a very serious issue, and that is what is going on in MTNL and BSNL also. I can mention about one particular public sector undertaking where the Government employees are retiring but they are not able to get pension on retirement because after their merger with another department, the necessary agreement is not made by the parent department. So, I request the hon. Finance Minister to look into this particular aspect.

As far as the Chief Executive Officers of the Nationalised Banks are concerned, they may be advised and directed that a Member of Parliament has a right to intervene in any matter concerning public interest, not private interest. Now, when we go to a CMD of any bank, normally, he avoids meeting with the Member of Parliament and he is always asking us to meet the regional manager, this manager or that manager. This should not happen. I had a very bad experience of the Syndicate Bank where, in spite of authorization from the Finance Minister himself, the Minister of State for Finance spoke to the headquarters of the Syndicate Bank in a particular transfer matter, and they were not directed but requested that Mr. Praveen Rashtopal has brought out this and it may be done, and after one-and-a-half year also, that case is not completed by the Syndicate Bank only because they consider the intervention of a Member of Parliament as a political intervention. Now, what is this political intervention that I fail to understand and it requires a probe. Another serious aspect which I want to bring to the notice of the hon. Finance Minister is about various grants which are given by the Finance Ministry to various departments and various State Governments. Particularly, I will make a mention of the National Rural Employment Guarantee Act, Sarva Shiksha Abhiyan, Mid-day Meal scheme, Urban Development Project, Rural Health Mission and grants given by various Ministries to various NGOs. I have a Report, and I have worked as a monitoring member in the State of Gujarat. I have also experienced as a monitoring Member in the State of Uttar Pradesh where we have seen that the National Rural Employment Guarantee Act is not implemented in a correct way and the money given to the State Government is siphoned away by the corrupt bureaucrats. It is on record, but nobody is punished till date. There are clear instructions in the Act that the work should be done by the rural poor, by employing a maximum number of woman employees from amongst the people belonging to Scheduled Castes and Scheduled Tribes. All these instructions are flouted, and the work is got done with the help of the machinery, whether it is Gujarat or Uttar Pradesh or Madhya Pradesh. I will not take the names of all the States, but we have got evidence. In Uttar Pradesh Specifically, as per my information, in seven districts a survey was conducted by the Congress Party there, and we have also filed complaints in the police station about the siphoning off money or the misuse of funds allocated.

Similar things are happening in the SSA, Mid-day Meal and Urban Development Projects. For Urban Development Projects also, the Government of India is giving money to the tune of 75 per cent or 85 per cent. Flyovers are constructed all over the country. You go to any metropolitan city you will see a number of flyovers. When I went to attend the I.P.U. Conference, I told the developed countries not to give money to the developing countries without deciding priorities. What should be

done with that money should be decided by the Government in consultation with the people of that country. Suppose I require civic facilities or I require foot path or I require development of the agricultural land. The grants received from the Central Government should be utilised for the purpose for which it is given. There are examples which show that in spite of the sufficient grants provided for the Rural Health Mission, P.H.C. are not functioning properly. The hon. Supreme Court has gone on record that the Primary Health Centres all over the country are not functioning; they are not functioning properly. Where there are doctors, there are no nurses! Where there are nurses, there are no doctors! When both doctors and nurses are there, there are no medicines; there are no buildings! Sir, the Supreme Court has passed, hardly fifteen days ago, this remark against the Health Ministry. I would request the Union Finance Minister that proper auditing of all the grants given by the Central Government, whether given to the State Government or to the NGOs, should be got done. We are not against the NGOs. Some NGOs may be doing good work. But please try to find out whether the money or the grants given to the NGOs are properly utilised or not. Grants are given by the Social Justice Ministry; grants are also given by the HRD Ministry. Grants to NGOs are also given by the Rural Development Ministry. Please find out whether the NGOs are actually working for the betterment of the weaker sections of society or for the welfare of the vulnerable sections of society. There are Self Help Groups also. Thousands of Self Help Groups are there in one particular State. Please try to find out what they are doing with these Self Help Groups. Whether these Self Help Groups are working for the empowerment of women or for the empowerment of poor people or not, should also be verified.

Sir, there is one social aspect which I want to bring to the notice of the hon. Finance Minister. I was shocked to know that only in banking industry, within the Finance Ministry, there are approximately 800 cases of bogus caste certificates. Sir, 800-900 people are working in the banking industry in the category of Scheduled Castes and Scheduled Tribes; they do not belong to Scheduled Castes and Scheduled Tribes, but they are working with bogus caste certificates. And in spite of initiating disciplinary proceedings, they go on getting their promotion; they retire. Sir, cases are being filed in the Court, but no action is taken by the Finance Ministry in consultation with the concerned authorities. Sir, I want that the Government should have a time-bound programme, not only in the Finance Ministry but in all the Central Government Departments also, when the bogus caste certification cases for Scheduled Castes and Scheduled Tribes are running into thousands. A time bound programme should be chalked out for conducting a survey and initiating the disciplinary proceedings. Sir, I have gone on record in this very House that it is very easy to verify the caste of a person. You go to his village and his caste will be known. According to the Indian Constitution, the District Magistrate is the only authority who can give a correct caste certificate. You verify whether the caste certificate is correct. If his caste certificate is not correct, that employee should be removed from the service and that vacancy should go to the appropriate person belonging to the SC or ST.

Similarly, various schemes for the welfare of the poor people like distribution of food to elderly people, pension to widows, etc., are not being implemented. All other things are going well. What

happens to these widows? They get only Rs.200 or Rs.300 as pension. They are in arrears for the last six or seven months. Pension to the *swatantra senani* is not properly distributed. All these aspects, as far as social sector is concerned, require to be looked into.

All said and done, as I said in the very beginning, the Government is implementing various schemes, particularly, the Bharat Nirman Project of the hon. Prime Minister, drinking water, telephone, electricity to the rural India, etc. All these may be encouraged and money must be given in time. But audit is a must and it may please be introduced. I would personally request the hon. Finance Minister to look into the problems of the Finance Ministry first and then the other problems. With these few words, I thank him and thank you very much.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Thank you very much. Shri Sitaram Yechury.

SHRI SITARAM YECHURY : Thank you very much, Sir. Normally, the Appropriation Bill is part of the legislative control over the executive, particularly, with reference to the budgetary provisions. Now a very detailed note has been submitted by the Finance Ministry detailing all the demands and the additional demands that are required. Much of these needs a lot of perusal. As has been stated, on many things increased expenditures are being sought. Those which are aimed at improving the people's welfare—my contention is that very little is aimed at that – would, of course, find a support. But more importantly, I think, the issue, as far as we in the Left are concerned, is not what has been debated here earlier or what sort of economy is left behind, by whom and for whom, or what sort of economy one is going to inherit from whom. The issue is what is actually happening to the living people in our country and what their plight is. Have we been able to address it to the maximum extent possible? Here my contention is that we have not been able to address it to the maximum extent possible. This has been a pity. The hon. Finance Minister is here and the last Budget is also there. When there are increased revenue collections for the last four years – I think, five years—there has been, I would say, a very comfortable position. I think, it is unprecedented in India's history to have a growth rate of more than 20 per cent in revenue collections annually. This is a sort of a situation which could have been utilised in a much better fashion for generating a large amount for public investment. To some extent, it has been done through Bharat Nirman, NREGA, etc. But much more could have been done, given the potential that we have. But our point is that it was a criminal waste of opportunity. We have wasted that. Now, if these additional demands that have been brought here as supplementary demands were aimed at a correction on that score, then, they would have been very welcome. But, unfortunately, I don't think that is the direction in which we are going. Yes, it may be necessary to have these additional demands to meet your daily expenditure, to give salaries to the people, without which the whole administration may collapse. All that is fine.

But the basic thrust is on where we are going. I think, a lot needs to be addressed there. The first thing is, as we have pointed out earlier, during the course of the last one year or so various

international developments, which have impacted on the Indian economy, have taken place, and one of them – it has been referred to earlier also – is the fluctuation of the Indian rupee and for a large part of the year the rupee actually appreciated. I remember, on the last occasion when we had a debate in the House, of giving the example of how nearly 60,000 people have lost their jobs in, what is called, the Hosiery Capital of India, that is, Tirupur in Tamil Nadu. With this rupee appreciation, you had dual problems. One, your balance of trade widened, which required a lot more resources at your command to actually fill that gap. Two, your exports declined, which directly led to unemployment. Various estimations have been given. Some say 20 lakhs and some others say something else. But a large number of people who were in employment became unemployed in all these export-dominated sectors, particularly, textiles, leather, garment industry and handicrafts. These are the people that employed a lot of unorganised labour and many of them have been ruined. They are the petty producers – I would not call them petty because they make a lot of investment for Indian culture abroad – those who make our handicrafts from Uttar Pradesh. There was one Mr. Assad Hashmi. After rupee appreciation, he said, "Unfortunately, my name is no longer Assad Hashmi, it is A-sad Hashmi." I have lost all the profit that I had made." ...*(Interruptions)*...

The point is, how have we been able to address those areas? That is where we had expressed our concern in the past. I think, at that point of time, the Finance Minister himself and the Government, were more preoccupied, and naturally so because that was also a matter of importance to us, with how to contain inflation. While containing inflation, a wrong diagnosis was made that inflation was because of increased liquidity in the economy and that if you want to contain inflation, you have to control liquidity. And in the name of controlling liquidity – I am afraid, the Finance Minister could clarify this to us – for some period the Reserve Bank of India was prohibited from entering the foreign exchange market to shore up the Indian rupee because that meant off-loading a lot of Indian rupees to shore up the value of Indian rupee, which would have increased liquidity. In the process, you have created a situation where rupee appreciated causing innumerable hardships to the people. These were a sort of fiscal measures or monetary measures that were taken on the basis of a wrong diagnosis. At that point of time, we had pointed it out and this is confirmed by the international meltdown or global crisis that has now taken place, I will come to that a little later. What was it that we had said then which I think has been proved today by the developments internationally? We had then said that the primary cause for inflation in India was speculative trading that was taking place in your commodity exchanges. We had given you figures, at that point of time, where from a nominal volume your futures trading in commodity trading in Mumbai, in our country, had gone up to a phenomenal annual volume of more than Rs. 40 lakh crores; this quantum of futures trading is nothing but speculation. You are speculating on trading in the future, which means you are expecting profits on that which naturally means the price has to go up. Therefore, we had called for a ban on this futures trading on, at least, 25 of the commodities that the Parliamentary Standing Committee had identified. But because of the pressure, I think 8 items were listed by the hon. Finance Minister.

Why did he list rubber, I still do not know. We were talking of essential commodities. That is a different matter. But something was done. It was only partially addressed. I will come back to the point connected with global crisis. But the overall thrust of the last one year's budgetary activities has been on improving the process of, what the Prime Minister called, 'inclusive growth'. But instead, at that time, we had quoted the Arjun Sengupta report which said 78 per cent of the Indian people live on less than Rs. 20/- a day. Today, the World Bank confirms on a Purchasing Power Parity (PPP) calculations that 82.8 per cent of India is below their definition of poverty line. We may dispute that definition. We may dispute how they have calculated it. But the point is, which way are we heading? Is there an inclusive growth that we are wanting to achieve? On the contrary, what we are seeing is the growing hiatus or the growing divide between two Indias, that is 'Shining India' and 'Suffering India'. And the numbers in the 'Suffering India' are increasing. Therefore, if any Supplementary Grants are required, they must be to address this divide, and, it is in addressing this divide that the actual issue must be brought about which will, immediately, provide relief to the people, and, that is, on the issue of continuing price rise. We have had the international prices of oil falling from over 140 dollars a barrel to less than 70 dollars a barrel. Sir, I want the Finance Minister to seriously consider this when he has gone on record to state that the domestic oil prices are pegged at an international price of 67 dollars a barrel. But now the point is that the international prices have fallen even below that. Now, even if they have not fallen, even if under-recoveries are there with the oil companies, I would like to make my point on record that under-recoveries are not losses; under-recoveries are notional losses, and a notional loss is not a real loss. Now, even if the under-recovery is increased, if that is going to provide relief to crores of our brethren, then, I think, that must be considered. Therefore, as a part of this exercise of the Supplementary Grants, I wish that the Government and the hon. Finance Minister would assure the country and the House and, through this House, make an announcement to reduce the prices of petroleum products. That will be the first indication that you are serious about inclusive growth. Secondly, the world food prices had gone up last year, and all of us know that it had gone to such an extent that even the World Food Programme of the United Nations have said that they would require an additional 700 billion U.S. dollars to maintain even the levels of food aids that were existing then. Well, there was a severe crisis. The prices of food articles soared in our country, thanks mostly to speculative trading in commodity exchanges. But now that the prices are falling for various reasons, – it may not be for good reasons in terms of the meltdown that has taken place in the global economy – you must consider reducing the issue price of ration foodgrains in our country. That is the only way you can provide succour to our people. Here, I would really plead with the Government to take these two measures...

SHRI P. CHIDAMBARAM : Subsidy is being given.

SHRI SITARAM YECHURY : It is not a question of subsidy. Reduce the issue price given these international factors. And, I would sincerely appeal to this Government, tell them that in case they are sincere to their concept of inclusive growth, then, I think, these two measures must immediately be taken. Reduce the price of petroleum products and reduce the issue price of foodgrains through the Public Distribution System – the one way in which the country can stop this widening gap between

the 'Shining India' and the 'Suffering India'. Now all this is being talked about in the background of the context of your global crisis. And, when the global crisis comes up, I, as a Marxist, as Communist, somehow take a sense of ironic satisfaction though I am not really happy that people are being ruined. That is not the point, but this is something which we have always said. What is happening, Sir. I have a news item of the most unashamed votary of capitalism, that is, 'The Economist'. And, what does it say? Defending capitalism today paradoxically means State intervention." And then it goes on to say: "This week, Britain, the birth-place of modern privatisation, nationalised much of its banking industry. Meanwhile, amid talk of the end of Thatcher-Reagan era, the American Government has promised to put in 2.5 trillion dollars into its banks. France's Nicolas Sarkozy says, "Laissez faire is finished." And, today's newspapers report: "Even the venerable Pope has ordered for Karl Marx's 'Capital' to read there. And, he has said, "There is a penetrative analysis." The Board of Directors of the Deutsche Bank is today pouring over Karl Marx's Das Kapital. This morning, you heard the hon. Leader of the Opposition asking the Finance Minister, the Government as well as the Economists, the former Governors of Reserve Bank, sitting here, as to what happened to these regulatory mechanisms, and how all these things failed. But there, Sir, again, they are missing the wood for the trees. It is not as though this crisis has happened because of some greedy people or some greedy men who violated some illusory ethical norms that exist under capitalism. It is not as though the credit rating agencies failed, it is not as though the regulatory mechanisms didn't fulfil their jobs. It is not individual weaknesses. There is a systemic weakness in the system of capitalism that needs to be understood and that is where I think we will ...*(Interruptions)*... I mean, for all said and done, you just bear with me, even the Pope is reading *The Capital*.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): He must have read it already.

SHRI P. CHIDAMBARAM: Mr. Sitaram Yechury should now read the Bible. ...*(Interruptions)*...

SHRI SITARAM YECHURY: Even the devil can quote scriptures. ...*(Interruptions)*...

THE VICE CHAIRMAN (PROF. P.J. KURIEN): They read the Bible and the Bhagwad Gita. ...*(Interruptions)*... Our former Chief Minister, Nayanarji presented a copy of the Bhagwad Gita to Pope. ...*(Interruptions)*...

SHRI SITARAM YECHURY: And after reading only we have reached where we have reached in Marxism because that is the only way forward.

In Das Kapital, Sir, Marx says, and I quote, "With adequate profit, capital is very bold. A certain ten per cent will ensure its employment..."

SHRI MATILAL SARKAR (Tripura) : Sir, no mike!

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI V. NARAYANASAMY): It went off.

SHRI SITARAM YECHURY: Mr. Narayanasamy, I hope you did not put off my mike. Sir, he is the Parliamentary Affairs Minister. He can order the mikes being closed. I need your protection.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN) : Because you read *Das Kapital*...

SHRI SITARAM YECHURY: And because he does not want to hear *Das Kapital*.

Sir, Marx notes, Sir, "With adequate profit, capital is very bold. A certain ten per cent will ensure its employment anywhere; 20 per cent will produce eagerness; 50 per cent, positive audacity; 100 per cent will make it ready to trample on all human laws; 300 per cent, and there is not a crime at which it will scruple, not a risk that it will not run, even to the chance of its owner being hanged". This is the nature and character of capital.

Now, the point is that while this is happening at the global level – I mean with the type of nationalisations that are taking place, poor erstwhile Soviet Union would be in shame, literally, in comparison, to have these sorts of trillions of dollars of nationalisations that are taking place – *The Economist* is arguing that the only way to defend capitalism is through state intervention. And, therefore, my friend, Francis Fukuyama is confused now. When the Soviet Union had collapsed, he had written a great thesis that was celebrated all over the world saying 'End of History', 'End of Ideology'. Now he has written a piece saying 'Is this the end of capitalism'. Poor man! He wants the end of everything that is going on. Anyway, that apart, "The new regime of capitalism that comes, must be..." so and so, so and so and they state all that.

My point is that we have our understanding of global capitalism. Let me also repeat that capitalism is a system that can never remain without exploitation and that can never remain without crisis. Now, whether we, Communists and Marxists, are in a position to utilise the crisis for a social change, is a different matter. But the fact is that that system is ridden with both these things, that it is a system based on exploitation and it is crisis-ridden. Now, if that is happening globally, my point is, how we in India should react to that. Now, here, the first reaction that had come out from the hon. Finance Minister, who is here, was this. But before I come to the first reaction, let me say that we are all living with a sense of complacency to think that we have insulated ourselves from this world crisis. Let me here quote to you the *Washington Post* editorial. It is titled again 'Is Capitalism Dead?', dated October 20th. What does it say? I quote, "India is taking a severe hit from the global financial crisis with the stock market down over 50 per cent today. And this is based from the Nauriel Rubini's weekly updates in RGE Monitor dated October 17. "India is taking a severe hit from global financial crisis with the stock market down over 50 per cent year to date. FII outflows crossing 10 billion dollars and the currency plunging over 20 per cent year to date. While the Central Bank is injecting liquidity, easing bank credit and capital inflows, cutting policy rate to contain risks to the financial sector and downtrend in asset markets, correction in the near term seems inevitable. Double-digit inflation, high interest rates and global liquidity crunch will significantly impact domestic demand and industrial activity in 2008-09, pulling down the recent boom. Moreover, twin deficits both approaching 10 per cent of GDP pose a challenge as forex reserves decline." This is the assessment of one international,

and an important international assessment that has been made. We may agree, disagree, but I think we should rid ourselves of any complacency that this is not affecting us. This is affecting us, and in that context, Sir, I would only want the Finance Minister, through you, Sir, to actually let us know if he still adheres to what he had said as his first response after the collapse of the Lehman Brothers and the takeover of the Merrill Lynch and, of course, the bailout of the AIG. And I quote, Sir, this is what the hon. Finance Minister has said that "there is no cause for alarm as Indian Banks are not exposed or vulnerable like a couple of banks in the United States" Fine. Further, the Government would pursue reforms "having regard to context, having regard to international situation, and having regard to our ability to keep regulations one step ahead of innovation". Now, this, if you see in conjunction that by the end of 2007, the hon. Finance Minister on December, 29, he actually says, referring to the delays in increasing the FDI limit to 49 per cent from 26 per cent in the insurance sector, giving statutory powers to the interim Pension Regulator and more voting rights to the foreign banks, etc., all the Bills that we had stopped. All the Bills, the Left had prevented. ...*(Interruptions)*...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): And you went out. And, now, you cannot stop.

SHRI SITARAM YECHURY: No, no; now, the global situation will stop, Sir. But, I quote, Sir, what the Finance Minister says. The Finance Minister says, "The UPA Government is keen to push ahead with the financial sector reforms as it has only 15 months left in power". This was in December, 2007. Now, what I would really want to know is, after this crisis, are we really going in that direction? If we are going in that direction, Sir, I think, there is going to be a very serious crisis that will come before us, which we are not only cautioning and warning but we want this Government to take measures in order to prevent that from happening. Because in this context, I would like to quote what the hon. Prime Minister has said, Sir, on September, 30. The hon. Prime Minister says, "The foremost challenge is to insulate India from the ill-effects of the international financial crisis". It was the same Prime Minister, Sir, on March 18, 2006, when he told a global audience in Mumbai that "the Reserve Bank of India would prepare a roadmap on full capital account convertibility to fully integrate the Indian financial system with the global". Now, the same Prime Minister who said that then, who is saying another now.

Very good, if the Government has learnt the lesson from this thing in the past. But, if they have learnt, then, at least, during the four years, give the devil its due, 'if you call us the devil'. Give the devil its due that we stopped you from going into this mad rush of financial liberalisation, the pension privatisation was stopped, the insurance limit to be extended was stopped, your foreign banks taking over 74 per cent interests in Indian banks was stopped, and all these, financial reforms that were going on, if you would have had that, Sir, today, if your pension funds were privatised, crores of our employees would also have been ruined along with this crisis. Today, if you had allowed the Indian banks to have foreign banks with 74 per cent of equity share, these banks would have also collapsed with that. And, the bailout package which we would have to offer, we would not have been able to

afford to do it. This bailout is also a very peculiar thing. Why this crisis actually happens? It is an ingenious way in which the capitalism operates in order to make quick profits. What is the normal economic logic, Sir? The normal economic logic is, if the profits which capitalism makes is re-employed into production, then that production will generate further employment, that employment will generate further demand, and that demand will generate further industrialisation and, therefore, growth.

What is the shortcut that this finance capital employs? The finance capital is too eager, too impatient for very high and quick profits. What do they do? Instead of creating productive capacities and jobs, they tell people to take loans at rates lower than the prime interest rates. The term 'sub-prime' means interest rates lower than the prime interest rates. When people take loans and spend, yes, they make their profits because goods are being bought. But, when the time to make repayment comes, there is default. The person who took the loan is ruined. He is gone. The profit-maker has made his profits. But the system collapses because the money is not being returned. Then the bailout comes! In whose name, Sir? The bailout comes in the name of protecting the common man. He is already ruined. The bailout comes in the name of protecting the common man and you have trillions of dollars being infused! What a diabolic perfidy! The person whom you want to protect through the bailout has already been ruined. What you are bailing out is actually creating institutions and creating newer avenues of profits for the future and that is how this whole system here works.

What is it that we have to learn from here, if we have to? Learn something for our benefit and for our advantage. What we have to learn is that we have to ensure that the integration of the Indian financial system and the Indian economy does not proceed in the same manner in which it was envisaged and continues to be envisaged by this Government.

Therefore, what we would suggest and recommend is seven steps to protect ourselves from the global crisis. And these seven steps are: (1) stop relaxing measures for capital inflows, (2) tighten capital control and financial regulations, (3) stop efforts to deregulate and opening up of banking and insurance sector to sovereign capital, (4) scrap the new pension scheme and withdraw the PFRDA Bill, (5) provide uninterrupted credit to small and medium enterprises, (6) ensure bank credit to farmers and weaker sections, and (7) stabilise the Indian rupee.

This is the manner in which we can, to some extent, cope with this crisis rather than become partners to or party to the effect of this debilitating crisis for our country. But, instead, Sir, what is happening? Instead, you suddenly find today that the limit of FII that flows to the country has been increased. Instead, you find today that the Participatory Notes, despite the fact that is being mentioned by Members from the other side, despite all the caution, etc., we permit that. All this is against us because we do not know where this money is coming from, how it is being routed, apart from the security point of view, even from the speculative economic point of view that this is something that this comes in only for the purpose of speculation. Instead of actually curbing or curtailing this so that we are not drawn into the vortex of international financial capital speculation,

you are today opening yourself up. In the name of what, Sir? In the name of increasing the liquidity in our economy, because that liquidity is important; according to them, that liquidity is important, otherwise our own financial system will come under shock because of crunch in liquidity and, therefore, the whole system may collapse! Why is that liquidity required? Because if that liquidity comes in, if loans are cheaper, there will be greater investment, and because of greater investment, there will be greater employment, because of the greater employment, greater demand, and, therefore, industrialisation and the whole cycle will go on.

But, Sir, this money that is coming in is not going to provide you liquidity for productive investment. This money is coming in to make speculative profits because they are in great losses there; they want to come here to greener pastures to make profits to cut their losses! Instead if the Government with its resources increases its public investment in the country thereby generating direct productive capacities in the country which will in turn generate employment, which in turn will generate further demand, which in turn will generate further industrialisation, that is the way in which the real economy can be developed and can be sustained. Sir, therefore, the illusion that we have to get away from is that this speculative economy of international finance capital has today unfortunately has got little to do with the economy in the positive sense of encouraging real economy, but it has lot to do in the negative sense of destroying real economy and that is exactly what is happening. We have seen in the past people, mean, scavengers picking up the bones of what was once considered tigers in the South Asian countries, so called Asian tigers, and you have seen now the entire sort of devastation that has occurred in large parts of the Western capitalist countries. Therefore, our urge is that you must today, apart from taking the seven measures, apart from reducing the prices of petroleum products and issue price of foodgrains, apart from all, take these seven measures that are required to protect ourselves from this global crisis and for heaven's sake, you please address and direct your major attention towards the real economy and increasing the productive capacities of our economy by increasing your public investments. The only way to protect ourselves from this international financial speculation is by strengthening our real economy through increases in public investment and that is what this Government must be doing. Therefore, instead of doing this, I will again urge upon the Government to reconsider very seriously all the new measures that they have taken in allowing Participatory Notes, increasing FII, etc., etc., and to change course and to come, back to this course of increasing public investment for the sake of the real economy and that I think needs to be done. Therefore, while these Supplementary Grants that the country will require, all that we will debate, but we request the Government, we make an appeal, through you, Sir, that give us an assurance on all these three important issues. Thank you.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Your time was 14 minutes but you took nearly 40 minutes. ...*(Interruptions)*... I forgot to ring the bell. ...*(Interruptions)*...

SHRI SITARAM YECHURY: Sir, with your permission, I will take one minute more. ...*(Interruptions)*... You forgot to ring the bell; I take that as a compliment to me. ...*(Interruptions)*...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN) : Certainly, it is a compliment. ...*(Interruptions)*... That is why I forgot.

SHRI N.K. SINGH (Bihar): Thank you very much, Sir. I had the privilege of participating in the Demands for Grants and I had mentioned that the Budget-2008 presented by the Finance Minister was expansionary. He had readily conceded that it was an expansionary Budget in the contextual framework in which the Budget was framed. In the Supplementary Expenditure Statement which the Finance Minister has presented today entailing Rs.1,67,000 crores of additional Appropriations which he seeks from the Consolidated Fund, out of which 1,05,000 crores is designed to be cash expenditure. He has achieved the impossible. Never in the history of Budget making and in Supplementary, the First Supplementary has there been such a large expansionary move. The last big one which I recall was Rs.67,000 crores. This is far beyond that and he himself clearly concedes that looking at the fact, that the off-Budget liabilities, the contingent payment, the unanticipated expenditure will really push fiscal deficit and this will add clearly two percentage points of fiscal deficit. He himself conceded yesterday that the possibility of additional ARM was rather limited and if the current economic slowdown is any indication and the anticipated revenue buoyancy may somewhat taper off so that we might face with fiscal deficit which may be running well 12 to 13 per cent of GDP if this Supplementary Additional Expenditure which he wants to seek from the Consolidated Fund is added. Added to it is the fact Sir, that by all reckoning, inflation is running close to 12 per cent. Current account deficit is four per cent or so and therefore, the unhealthy trinity of a very high fiscal deficit, a very high current account deficit and a high inflation certainly weakens the macro-economic framework and that all claims of the strong macro-economic fundamentals must be mitigated by really taking into account that the three unhealthy combination is a weakening and a dampening effect. My second major point is, that the Government has regrettably boxed itself into a corner when it comes to options on policy making. We all recognise, Sir, that there is a significant slowdown in the Indian economy. I must congratulate the Finance Minister that he has at least walked out of a self-denial mode in which he was for a long time saying that the global ripples would not have any effect. Even the Prime Minister conceded that at least to a minimum, there will be a ripple effect. Now, that we have got out of the self-denial mode, what are we faced with? We are faced with a distinct slow down in the economy. GDP is registering a significantly lower growth. We have already seen the data on the industrial side where the manufacturing sector is growing by at a low of 0.4 per cent, electricity sector is also growing at a low percentage value. In the services sector, real estate, construction, hotel and entertainment sector which contributes significantly is growing at a slow pace and that merely banking on the agricultural sector will not be adequate to really make up the loss elsewhere. And that we must reckon for a GDP number which is significantly lower than what was anticipated. This is at a time when with all the best efforts of Government, inflation may not taper down to a comfortable zone of nine to ten per cent well before the first quarter of next year. The pass through effects of a decline in the international prices of metal, food and other articles will be mitigated by the fact that the rupee is depreciating very significantly and that, therefore, given high inflation numbers and given decline in GDP numbers, given the fact that we see

incipient signs of a slow down in the economy, the fiscal space regrettably available to the Finance Minister for contra cyclical measures is rather limited. This is a time, Sir, when conventional economics would suggest that we should have a fiscal space for what is classically known as contra cyclical measures to counteract any significant setting in of recession of any significant dimension. Regrettably, the fiscal space which is available to him on account of a policy of fiscal profligacy and high inflation does not leave him room for manoeuvre to take the kind of important contra cyclical measures which are necessary at the current configuration. Third, Sir, I mentioned about the important characteristic that we have long lot got out of a phase of self-denial. Indeed, if cross border flows are at 1.3 trillion dollars and the fact that this is about 30 per cent higher than the entire Indian GDP and the fact that 400 Indian multi-nationals seeking accommodation in the inter-bank market in Europe are not being able to access external credit, not being able to act as external commercial board, then, clearly the liquidity crisis is much deeper and more enduring than the first look would suggest. Therefore, I do believe that whereas initial actions, which the Finance Minister has taken, are all in the positive direction, these actions would need to be deepened. I think, we need to bring down repo rates more significantly. CRR and SLR need to be cut more significantly. The stabilisation fund needs to be reversed to be able to give back greater liquidity to the banks. Mutual Funds need to be protected and incidentally, Sir, talking of Mutual Funds, that is one area where certainly I plead for the fact that investments of small investors, middle class investors and Mutual Funds must be protected. We must simultaneously strengthen the regulatory framework to ensure that the nature of deployment of the Mutual Funds consistent which was really agreed upon and that the promoters have not diverted substantial part of this Mutual Fund to prop up the stock market. We need to strengthen our regulatory mechanism. Therefore, the easing of liquidity is indeed a long haul. It is a haul which does not require action by fits and starts. I tend to agree with some of the remarks which have been made that we need a kind of an integrated package which will really begin to stem the tide of lack of trust and which will restore confidence. These require deepening of the kind of measures which the hon. Finance Minister has initiated namely, to go much further when it comes to moderation of Repo Rate which will have its inevitable consequence on interest rates, a much deeper cut on SLR and CRR. He knows very well that these kinds of pre-emptions by the Reserve Bank are essentially prudential. They are prudential, because they are designed to really address a rainy day like this. It is not only raining, it is pouring torrentially. And, therefore, the pre-emptions on account of SLR and CRR needs really that kind of a thing to be reverse action and the amount which is lying in the Market Stabilisation Fund needs to be reversed, that he needs to do a more transparent action when it comes to issue of Oil Bonds. So, I do believe, on the liquidity front, to ensure solvency and to ensure the fact that the term loans to industrial companies, particularly, to small and medium operators and that the pace at which investment was taking place is in no way dampened by the present kind of economic pressure that has been created. This requires not only further reinforcing of the kind of action which the hon. Finance Minister has begun, but he needs to carefully monitor that our industrial, agriculture and services sector do not suffer for what is an inevitable liquidity crunch.

My next point, Sir, is, if you look at the medium term horizon, a picture begins to look a little more complicated than the first impression suggested. A depreciation of the currency would normally give the exporter a boost. Shrinking markets, however, more than compensate the likelihood of the export sector gaining from currency movement. These are large employment sectors. These relate to areas like gems and jewellery, textiles, leather, name the item, they have a high employment density. Therefore, we need to have other compensating ways in which reflation of domestic consumption can really ensure that they can minimise the likelihood of any job losses which look to be on the anvil.

My last point is about the quality of the appropriations which the hon. Finance Minister has sought through the Bill which is before us. Sir, what he has sought is largely in the area of increasing subsidy liability. Not a word has he said of how sanguine he is, of how gainfully these subsidies are being utilised. Take the case of the large amount which he is seeking towards fertilizer subsidy. We know very well that the most substantial benefit of this fertilizer subsidy is being taken by the middlemen. The Revenue Intelligence would have told him the large-scale smuggling of fertilizers which is taking place on both the borders of the Eastern front and the borders on the Southern front. Whom are we subsidising? For instance take the area of the large amounts which he is wanting for the NREGP. He knows very well that the NREGP is one of the schemes which is critical to inclusive growth. The fact remains, Sir, first, the outcomes remain unmonitored. Secondly, several State Governments are beginning to substitute State Plan expenditure for the NREGP, and, thirdly, its inexplicable asymmetry in a year of rising agricultural production. In a year when you legitimately claim with some pride that the agriculture has revived, the large burgeoning of NREGP bills is a kind of asymmetry which I am sure he would like to look into.

Therefore, I wish to argue that the kind of subjects for which he sought additional appropriations are subjects which may or may not make a direct contribution to the kind of the contra-cyclical measures necessary to prevent a deepening of inflationary trends in the economy. Perhaps, what is necessary for him is to ensure that capital-creating assets, faster high quality of infrastructure, Bharat Nirman Project, on expenditures made on large irrigation projects, the lagging behind of the NHDP and the various components of the road programme. These are critical programmes which will dramatically improve the competitive efficiency of the Indian economy. And, you have not sought the approval of this House for the fact of compensating of both, the cost overruns and the time overruns, are beginning to burst the large infrastructure projects, or projects which, in the long run, would sustain and give a high rate of growth, also have a high employment generation ability. We would have more happily endorsed the kind of extra one hundred five thousand crores of rupees in cash expenditure and one hundred and sixty-seven thousand crores of rupees, which he is seeking in terms of overall increase in the Budget for such action. Sir, I wish to argue about the quality of appropriations on which the Finance Minister is seeking the approval of the House. We certainly need much better monitoring of public outlays and public expenditure; we need reinvention of process engineering; we need to dramatically improve the efficacy and quality of public delivery system; we need to have a better picture of outcomes and outlays; we need to make sure that the outlays which

we give do bring about a sustainable and a multiplier effect can enhance ability of India to sustain a high rate of growth. Notwithstanding, Sir, what have been said, I do not think that this is a stage when we need to pass a value judgement on what kinds of ideological models are preferable. Each country must seek a kind of paradigm that it believes will deliver highest rate of growth. Capitalism, in its present form, or, in the altered forms which we have seen in the last 20-30 years, may or may not be dead. Capitalism may require a much deeper introspection in terms of what it can do. The need for public outlays, the need for public institutions to be strengthened may require a second look, but we need not come to a conclusion that overall efforts which are designed to improve competitive efficiency, enhance productivity and the kind of necessary changes in the policy framework, which are really necessary to bring about this kind of a change, is something which we need to relegate to the dustbins of history. We need to re-examine what neo liberal economics has done. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: Mr. Yechury is not here.

SHRI N.K. SINGH: I hope he would be somewhere around. I think, in each country the Finance Minister must seek his own paradigm but we cannot come to conclusions of one extreme to the other, swing from total *laissez faire* economics to a total belief in which we begin to think only in terms of what the Government can do and what the Government alone can do because, in the end, the final result must suggest how do we improve the cost and the quality of service which will benefit an average Indian.

Finally, Mr. Finance Minister, one must say that as you look back in the last part of your present term as a Finance Minister at the end of this Government's tenure, you might wish to introspect on what people have described loosely as 'Chidambaram-I' and 'Chidambaram-II'. The Chidambaram-1, in his earlier incarnation was a Chidambaram looking to the future; taking bold steps; bringing about a kind of a tax reform that has sustained the test of time for 10-12 years; further deepening his quality even in a coalition Government that was in a minority; enhancing the productive efficiency. Chidambaram-II is a Chidambaram II bogged by circumstances; unable to move forward; unable to convert his vision into a reality. I accept that in second sense often circumstances determine what leadership can do, but leadership is about changing the circumstances to enlarge the options and flexibilities that it has. I have argued and placed before him some of the suggestions that I had earlier made in my intervention. We must act out of panic, but must not panic to act. The country would like to see a legacy of Chidambaram-1 accentuated by a multiplier.

Thank you very much.

DR. K. MALAISAMY (Tamil Nadu): Mr. Vice Chairman, Sir, I thank you a lot for calling me to join the debate on the Supplementary Demands for Grants. I am further happy for calling me on behalf of the AIADMK, which is the single largest party in Tamil Nadu, headed by a well-renowned, daring, dynamic leader, Madam Jayalalitha.*

(MR. DEPUTY CHAIRMAN *in the Chair*)

Sir, I am fully conscious of the mood of the House. The House is very conscious to run away with the process of proceedings as quickly as possible. At the outset, Mr. Deputy Chairman, Sir, I would like to say put forward my points as quickly as possible and as briefly as possible.

* Expunged as ordered by the Chair.

On a cursory look at the statement given by our hon. Finance Minister, I am able to see that the total expenditure is Rs. 2.37 lakh crores, listing 97 grants and 4 appropriations. Out of this, the proposed Plan Expenditure is Rs. 29,563/- crores as against non-Plan Expenditure of Rs. 2.072 Lakh crores. The revenue expenditure is Rs. 2.18 lakh crores as against a capital expenditure of Rs. 18,763/- crores.

Before knowing the background of the Supplementary Demands for Grants, one must understand as to what is meant by Budget. It is a tool of administration and it acts as the basis for orderly finance. Not only that, it acts as a powerful instrument of social and economic policies of the Government. Sir, most of the States are welfare States. So, the tool; the instrument which is meant for any State should envisage the purpose for which the State is there. So, to make a welfare State, the finance should be such that it should take care of the promotion of the people, and the development of the State. This is the sum and substance of the purpose of the Budget. The whole activity of the entire Government revolves round and round on finance, namely, Budget. In other words, I want to say that it should remove poverty, inequality, unemployment, and it should control inflation. There should be peace, security, comfort and other things. Sir, the hon. Minister well-versed in Tamil.

MR. DEPUTY CHAIRMAN: He is well-versed in English also.

DR. K. MALAISAMY: Sir, to put it in Tamil *Amaidhi*, *Anandam* and *Arokkiam* are needed in any state. In other words, as a Finance Minister, through his Budget, he should ensure *Amaidhi*; i.e. law and order. Then, he should ensure *Anandam* i.e. happiness and comfort. He should also ensure *Arokkiam* i.e. health-care etc. These are the major criterion on which the Budget should revolve around.

Now, I come to the critical analysis. I am inclined to ask the hon. Minister whether the purpose which the Budget envisages has been well served. I have my own reservations whether it has served. In fact, I am very much inclined to agree with what all Mr. Yechury said.

Sir, the welfare of the people and welfare of the State depends on the creation of durable assets and other infrastructure. Sir, the hon. Chairman and the House will be knowing that the Non-plan expenditure, as per the Statement, is ten times more than the Plan expenditure. Coming to Revenue Expenditure, it is, again, ten times more than the Capital Expenditure. So, what I am trying to say is that whatever the purpose for which the Budget should revolve around, they are going to the other side, that is, the Revenue Expenditure and the Non-Plan Expenditure.

Sir, by virtue of his word power and advocacy, the hon. Finance Minister may try to defend by saying the highlights as to how the Indian Economy is growing, etc. etc. He may cite examples that market reforms are already taking place. Then, he might say that there has been a huge inflow of FDI in India. Then, he may try to say that there has been an increase in Foreign Exchange reserves. He may even try to say that capital market is flourishing. These are the highlights I see in his Press Reports, in the Seminar he participates. Taking cognizance of all these aspects, I am of opinion that the ground reality is different. Sir, our country attained Independence 60 years ago. What is the situation today? The unemployment is going up. Out of 110 crores of population, nearly about 38 per

cent people are still Below Poverty Line. What does it mean, Sir? They say that they want to remove poverty. Have they done it?

There are about 45 crores of workers as against 110 crores of population. Out of these 45 crores, 35 crores come under the unorganized sector. They are not even able to get the minimum salary to eke out their livelihood. That is the situation. Whatever may be your Budget, whatever may be your plans, nothing has come out in ground reality.

Coming to the more important point, Sir, is, the price rise, prices are going up and up. Sir, I am deliberately avoiding illustrations and other details because you are very careful about restraining me and cutting my time. You are considerate with others but not with me. The price rise is unprecedented. Prices have risen not by one per cent or two per cent but by 100 per cent or 200 per cent or 300 per cent. I have got a list of items showing how the prices have gone up.

MR. DEPUTY CHAIRMAN: Dr. Malaisamy, if I had not been considerate, I would have pressed the bell. You have already consumed your time.

DR. K. MALAISAMY: Sir, coming to the other aspect, that is, inflation, they have not been able to control inflation. They say that they are containing this and that, but it is only on paper.

Sir, the stock market has fallen more than 40 per cent in six months. What does it mean? Again, they would say, industrial growth is there, the agricultural growth is there. Sir, according to me, the industrial growth and the agricultural growth are marginal. On the other hand, the growth in the service sector can be considered good. It has done well. But taking into account the growth in the service sector, they try to say that there is industrial growth.

Then, Sir, there is another important point. The public debt of the country is 58 per cent of the GDP. It is 58 per cent of the GDP! Sir, is it not very much on the higher side?

Now, there is global financial crisis. Just now my hon. friends, Mr. Yechury and Mr. Singh, were also mentioning about global financial crisis. So, it is the greatest crisis which everyone feels. Now, they say that it has been originated from the US and has affected the developing countries. I want to ask, what exactly is the effect of the global financial crisis on developing countries like India? I want to know whether it is going to be negligible or marginal or it is going to be substantial or significant. Sir, the Minister has been saying, "Don't worry; everything is okay; we are quite aware of it. We will do this and that." His statements, his appeals, etc., have been well taken. But the fact remains that something is there. Sir, even among the many big economists, the impression is that the effect is definitely there. Now, the point is, to what extent it will affect us. That is the point. I want to know whether it is marginal or substantial. It may be clarified by the Minister.

Sir, our hon. Minister may try to say that 'we are battling the inflation.' Sir, they are working on two contradictory things. I want to know whether battling inflation is possible without sacrificing the

growth. Growth and inflation will never go together. They are contradictory to each other. They want to fight inflation. But I want to know whether they can fight the inflation without sacrificing the growth. Unless you subordinate your growth, inflation is not possible to be controlled. (*Time-bell rings*)... This is the way that I look at it.

Sir, now I come to some other things. The domestic market prices are depending upon the international market prices. If there is an increase in the international market prices, the domestic market price also gets influenced. You have no control over the international market. In such a case, how would you control the domestic market prices? Please let us know what exactly you are going to do in such a situation.

Then I want to know whether things like efficient tracking of expenditure, improving the quality of expenditure, enhancing efficiencies and accountability of delivery system to obtain better value of money, etc., are really possible. I don't think all this is possible. Sir, here, I would like to make one small illustration. Sir, we had gone to Tamil Nadu for a meeting of the Industry Committee in which we had a discussion about a subsidy scheme. Under this scheme, the loan is given at 4 per cent interest and the remaining percentage of that interest is met by the Government out of the allocation for the promotion of Khadi. So, for the promotion and development of Khadi industry, the entrepreneurs can get loan at 4 per cent and the remaining percentage of interest is borne by the Government and the banks can get the reimbursement from the Government. This is the scheme. Sir, when we were discussing it with the bank officials, the Indian Bank Chairman said, "I am totally ignorant of the scheme." Sir, this scheme has been in existence since 1977. This scheme is in vogue since 1977, and the Reserve Bank of India has been issuing lot of circulars in this regard from time to time. But the Indian Bank Chairman said, "I am totally ignorant about it. I will try to do it." Sir, what I am trying to say is, what you talk and what actually happens on the ground are entirely different.

MR. DEPUTY CHAIRMAN: Please conclude.

DR. K. MALAISAMY: Similarly, a number of people come to me and say that 'the banks are not at all helpful. On the other hand, they are going in a negative way. We are not able to get the loan.' But on the contrary, the Minister and other people say that so much money has been floated, so much money has been given to the small-scale industries, etc. But the ground reality is totally different.

MR. DEPUTY CHAIRMAN: Now, you please conclude.

DR. K. MALAISAMY: Sir, how many minutes you are giving to me?

MR. DEPUTY CHAIRMAN: See, you had seven minutes. ...(*Interruptions*)... The time of your party was seven minutes. You have already spoken for thirteen minutes.

DR. K. MALAISAMY: Mr. Deputy Chairman has been so considerate to all the other Members.

MR. DEPUTY CHAIRMAN: No; no; I am showing the same consideration to you also. Please conclude. ...(*Interruptions*)...

DR. K. MALAISAMY: Sir, are you going to give four more minutes to me?

MR. DEPUTY CHAIRMAN: No; please conclude. Why I cannot give you more time is because we have to take another Bill. You spoke about unorganised sector. That Bill is coming. Then, you can participate.

DR. K. MALAISAMY: Sir, is the hon. Minister willing to shift the focus from expenditure to outcome?

I shall take two or three minutes more. Let us now move to the utilisation of allocation made.

MR. DEPUTY CHAIRMAN: Please conclude with some management advice!

DR. K. MALAISAMY: Sir, many times allocation is made and that is carried over without having been utilised. What mechanism do you have for timely utilisation of the allocations made? Then, I would like to know whether the hon. Minister is open to an independent evaluation with reference to management of finance in his department. In this connection, I shall quote the observation made by an eminent Columbian economist. He has said, "The Indian economy would need to undergo a major structural transformation, shifting significant number of people from traditional agriculture-linked livelihood to labour-intensive sector to sustain current growth rate levels". In other words, shift from agricultural economy to a service sector economy.

Sir, various challenges have been thrown and our colleagues here have suggested various measures. The Minister and the Government must be having their own ideas. Will they provide information about measures they intend to take and ensure that the economy of the country stands in good stead?

MR. DEPUTY CHAIRMAN: Shri D. Raja.

SHRI D. RAJA (Tamil Nadu): Sir, some unwarranted comments were passed by Members here when the hon. Member started his speech. That may be deleted from the records. He has got every right to revere his leader. ...*(Interruptions)*...

SHRI N.R. GOVINDARAJAR: That matter is over. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: I shall look into it.

SHRI D. RAJA: Three words have been used. ...*(Interruptions)*... Some unwarranted, sarcastic comments have been passed against some leaders of Tamil Nadu. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: I shall look into it. ...*(Interruptions)*...

DR. K. MALAISAMY: I did not name any specific leader. Please do not say that I spoke against any specific leader. ...*(Interruptions)*... I only said that our leader is a person who is incomparable to anyone ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: I will look into it. ...*(Interruptions)*... I told you that I shall look into it. ...*(Interruptions)*...

SHRI D. RAJA: You have got every right to call Ms. Jayalalitha ...*(Interruptions)*... You have got every right to do that. But that does not mean that all other people. ...*(Interruptions)*...

DR. K. MALAISAMY: Why are you. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Leave it. I shall look into it. ...*(Interruptions)*... Don't make it controversial. I shall look into it. Shri D. Raja.

SHRI D. RAJA : Sir, this debate provides an opportunity to review the performance of the Government and also to review the direction of the economic development of the country as a whole. Faster and inclusive growth is considered to be the objective of our economic development. But what has happened in the past four-and-a-half to five years is something very distressing. Poverty has increased in the country. Chronic poverty is seen everywhere. I do not wish to get into statistics. Our hon. colleague, Dr. Arjun Sengupta is here; what his report has said is something that is known to everybody. One could also refer to the World Bank figures. It is a known fact that majority of our people are poor. This poverty is a major challenge and Government of India has committed itself to the United Nations' millennium goals. One of the goals is to end poverty. But, in India, poverty is growing and that poverty is chronic one. If we take the poor people, majority of them belongs to the Scheduled Castes and Scheduled Tribes. Their living conditions are worse. We talk of sub-plans for Scheduled Castes and Scheduled Tribes. Even the Planning Commission has talked about that. But what is happening to these sub-plans is a matter of concern. Fifteen per cent of the population is Scheduled Castes, 7.5 per cent of the population is Scheduled Tribes. But there is virtually an economic exclusion. Despite the social exclusion this economic exclusion is a new challenge before all the democratic-minded people in our society. So, how we are going to fight this chronic poverty must be a challenge not only for the Government, but also for all the political parties. We are discussing these issues in the background of a failure of casino capitalism, if I use the Prime Minister's words, "the chrony capitalism", and this has an impact on our entire course of economic development. It is not a theoretical debate whether capitalism can sustain or capitalism can provide answers to the problems which our society face today. Whether it is Chidambaram No.1 or Chidambaram No.2 or Chidambaram No.3 as long as we pursue capitalist path, I don't think we can find answers to the problems which we face today, or we can find solution to the chronic poverty, or we can find solution to the increasing unemployment, or, we can find solution to the growing prices, oil prices or foodgrains prices. So, there is a need to go for very drastic amendment in the economic policies pursued by the Government, and I strongly believe that there is a need to change the economic paradigm of development in the country. I am not saying that this global crisis is not affecting us. Maybe, the global crisis or the financial crisis has not affected us, as it has not originated in India or in developing countries. It has originated in the US and the US and European countries are under severe attack. The global economic or financial crisis is the core of all the debates in the US and European countries. Having said that, I must say that Finance Minister claims that our fundamentals are very sound. I agree that our fundamentals are very sound. Even the former

Finance Minister, Shri Yashwant Sinha, used to claim that the fundamentals of our economy are quite strong. We must be honest to admit if at all the fundamentals of our economy are sound it is because we have very strong public sector undertakings, we have the banking industry in public sector and we have the insurance industry in public sector. They give the strength to our economy due to which we could withstand the crisis in the past. When the Asian countries had faced the crisis, India didn't face such a crisis, or, when Mexico had that crisis, we didn't face that crisis because we had our strong fundamentals of economy. I attribute this to our public sector basically. I underline, there is a public sector and we have strong public sector undertakings, we have strong public sector banking industry and public sector insurance industry. They are the strength of our economy. Whether we acknowledge it or not, that is a fact. And, I request that the present Government should acknowledge this fact. The Left parties supported the Congress-led UPA Government for four-and-a-half years. It is not that we fought only on one single issue, that is, the nuclear issue or the Indo-US Nuclear Agreement. It was one of the issues on which we had quarrelled with the Government. We were fighting with the Government on major economic issues. During those days, I remember, the Left had suggested several things. On banking reforms, we had our own position; on the question of removing the cap of 26 per cent in the insurance industry, we had our own position; on pension funds, we had our own position; on FDI in retail trade, we had our own position. We did not agree with the Government. We did not agree with the understanding of our Prime Minister or the Finance Minister. We said that this would not do and this could not be in the country's interest. Now, had the Government gone for investing the pension funds, in the stock market in the backdeap of the global financial crisis, what would have happened in India? People should realise now. I can say that due to this present financial crisis in the United States of America – I have a figure, if somebody challenges that figure, I can stand corrected – savings of common people to the tune of 1.3 trillion dollars has been lost, 1.3 trillion US dollars. If I compare this figure with our GDP, I think, our GDP amounts to more or less 1 trillion dollars. If the pension funds had been invested in the stock market, if the Government had gone full steam for finance sector liberalisation, our entire GDP would have been lost and the Government would have been on the streets - and our people would have been bankrupt. This is the point the Government will have to take serious note of.

Then, Sir, this Government is determined to go again with the finance sector reforms, the so-called second generation reforms or the third generation reforms, whatever name they can give it. But, time has come when we should have a re-look at the finance sector reforms, whether these finance sector reforms are in our interest. In the past, several issues were discussed. A few months back, our Finance Minister announced that the CRR must be increased in order to have more liquidity in the market in order to control the liquidity. (*Time-ball*). Now, the CRB has been decreased again in order to pump in some one lakh twenty five thousand crore rupees. ...(*Interruptions*)... Once increased and once decreased. These are the steps that the Government is taking in order to manage the liquidity in the market. What I am trying to say is, even now the Government is talking about investing the Provident Fund in private sector. I think, the Hong Kong Prudential Fund or the Reliance Capital or the ICICI Bank, all these are being talked about. Are these proper measures for

saving the economy? The Government will have to think over this. That is where the Left continues to oppose the finance sector liberalisation or reforms as conceived and tried to be implemented by the present Government. They are not in the country's interest.

Then, we also oppose the total convertibility. Even the Prime Minister went on record on 19th May, 2006 to say that the time has come for capital convertibility, whether it is total convertibility or partial convertibility.

MR. DEPUTY CHAIRMAN: Please conclude, Mr. Raja.

SHRI D. RAJA: Sir, this is not in the interest of our country. Now the rupee is depreciating. These issues will have to be taken note of. The Government cannot go on for this kind of financial sector liberalisation. Here, I would like to emphasise that the Government should give up the idea of going for this kind of callous financial sector liberalisation. The Government should really stop contemplating to reduce the equity in banks. In the very same House, we heard the Finance Minister several times declaring, 'as long as the UPA Government is in power, the Government equity in public sector banks would not be brought down below 51 per cent.' It is not the question of percentage. It is the question of policy. You cannot weaken the public sector banks in the given situation, and you cannot remove the FDI cap in the insurance sector. All these measures must be given up and put on hold if we want to save our economy.

Finally, Sir, the challenges before our economy today are; one, the chronic poverty, which our people face. Two, the deepening crisis in agriculture. The Government will have to address this issue. We have been demanding that the farmers must get credit at a simple rate of four per cent if we have four per cent growth in agriculture as target. I think that the Government needs to do this. But the agriculture continues to be in crisis. Despite the announcement and implementation of loan waiver, farmers continue to commit suicide, and weavers continue to commit suicide. The suicide committed by our people is a national shame.

MR. DEPUTY CHAIRMAN: Please conclude.

SHRI D. RAJA: On the one hand we talk about some of the Indians who have joined Fortune-500 Club. But on the other hand, we have millions of 'misfortune' in our country. We should think of these millions who are poor, and who are under distress. This is where there is a need for change of our economic policy and implementation of these policies.

Finally, Sir, when I talk about poor people they also belong to unorganised sector. They constitute, more or less, 93 per cent of our total workforce. Their contribution to the GDP is 63 per cent. But the Government is not ready to spend even three per cent for their welfare and security. And this is going to be a very serious issue. It is a question of certain policy approach.

Here I would like to emphasise that capitalism, as it is today, cannot solve our problems. Certain theoretical issues are raised in the House. I must point out that. How could you say that capitalism

was the future? Many people are saying, 'save capitalism from capitalists.' Some people went to the extent of saying, 'save capitalism from stupid capitalists.' I do not know how capitalism can be saved like this. You can have accusations against socialism and whether socialism can provide answer.

MR. DEPUTY CHAIRMAN: Please conclude.

SHRI D. RAJA: But capitalism has failed to provide answers. There is no question of defending this system. We will have to think of a new way which suits our own country, and which helps us in solving our problems.

SHRI ARJUN KUMAR SENGUPTA (West Bengal): Sir, I want to speak on this occasion not so much to talk about the specific plans or appropriations for which the Finance Minister is asking approval of the House. As Mr. Yashwant Sinha pointed out, this is a fait accompli. They would go to the Lok Sabha. So there is not much point talking about the details of those appropriation demands. But the reason why this discussion on supplementary grants is important is that it gives us an occasion and opportunity to discuss some of the major problems that the country is facing, and today, these problems are undoubtedly of a catastrophic nature. Unfortunately, because of the way the functioning of the Houses is managed, we shall have no chance to discuss that. If there is any subject that should have been discussed threadbare in the system today, that is this particular crisis. We do not have a chance to talk about this. So, we are only giving some kind of ideas without having a proper, thorough discussion. I would approach the whole discussion from that point of view. I must say and I always think and I have said publicly that Mr. Yashwant Sinha has been and continues to be a very major economic reformer, and I want the Finance Minister to hear this. I have no doubt that Mr. Yashwant Sinha knows how to do liberal reforms, and therefore, the current version of Mr. Chidambaram, which is Chidambaram-1 plus, will also agree with him that many of the things that are being done are not quite in tune with the liberal theory. Current account deficits are going up, fiscal deficits are going up, this extra budgetary way of financing expenditure are going up, plus the fact that today he has brought before us a bill of expenditure much higher than what he brought at the time of the Budget. All these things I am absolutely certain that Mr. Chidambaram will agree are not a very good and healthy exercise. There can of course be a difference of opinion. I would not mind talking about Sitaram Yechury who is now not listening to the debate but is talking to somebody. But Sitaram could have said that okay, current account deficit may be bad after a point; fiscal deficit is not bad *per se* unless it is properly used. So, the difference is that we have to talk about what use you are making of any particular instrument. But in terms of the liberal theory, Mr. Yashwant Sinha is absolutely right, and I can assure you that this would be shared by all other liberal economists in the country. Mr. N.K. Singh spoke just a few minutes before us. He would say exactly the same thing, twin deficits are increasing, budget deficit is increasing, current account deficit is increasing and they are very bad. The problem is, whether we can differentiate between the use that they are put to, and this is particularly relevant in the current situation.

I want to point it out whether Mr. Chidambaram would like to hear this or not, the difference between Chidambaram-1 and Chidambaram-2 is that Chidambaram-2 is the Finance Minister of a

Government which is committed to the poor people of the country. He cannot take a policy completely oblivious of what happens to the poor people. Fortunately, for Mr. Yashwant Sinha, he was not constrained by those considerations. Today, Mr. Chidambaram has to take policies of farmers' loan waiver, he has to take policies of NREG, he has to take policies of helping the small and marginal farmers, he has to take policies of many social development programmes. Mr. N.K. Singh was saying that he is constrained, he is boxed. But he is not boxed. He is the Finance Minister of this Government which has come to power on a clear assurance to the people that we are here to do something for the common people and not just look after the high rate of economic growth. So, this is the major difference between the NDA and the present Government and if we can build upon that we can go quite far. I do not have the time to talk about it. So, let me come to the current problem. Our current problem today is very serious because the financial crisis is showing all the tendencies of going into a deep economic crisis, and if we do not do something about it, this is the worst outcome that will come. I may mention this to the Finance Minister that we tried our best to do something for the poor people; we have done quite a lot, but not enough; not enough because we did not follow the kind of designs that the policy should have been formulated. On this question, he may not agree with me. But we had the occasion, we had opportunity to do something for the common people. We have only done it partially. This Social Security Bill which is coming here, probably today or tomorrow, has taken three years. It was, first, initiated by the Sonia Gandhi Committee. But it took three years before it has been able to come before the Parliament for passage. This is something which is totally different from what we actually set out for.

Similar examples I can provide. The Rural Employment Guarantee Scheme. Those of us who are aware know how difficult it was for the Rural Employment Guarantee Scheme to pass through the system. But it has now gone through. It has come forward because this Government is committed towards that, and, therefore, those expenditures have to be accounted for.

In this present situation when there is a melt down in the financial system, the immediate effect of that has been that our stock markets are going down. I come from this point of view because this is, as Shri N.K. Singh was talking about, capitalism and all that. It is capitalism. The stock markets in India are going down because the stock markets in the world are going down. People who had invested here are taking away their money, whichever way the investors may come from even the Indians will be taking away money; if, not abroad, they will keep under the carpet, in dollars and other currencies. So, there is a stock market fall because of the international system. What is the effect of that? The effect of that is that a large number of our corporate units have lost their capital; the capitalised values of their assets have gone down significantly, 50 per cent or more. Even the TATAs have lost that. So, one immediate result is that they are finding it very difficult to borrow from the system because the bankers are not willing to take their risks. They are asking these units to fill up this fall in their which were collaterals, formal or national, to their borrowing. Now, maybe, the TATAs can do it; maybe, the Reliance can do it; raise money from other sources to fill up these

losses. But a large number of corporate units are facing a real crisis. Either they will have to sell their assets or they will go bankrupt. The effect of that will be immediate on the people in terms of employment and output.

The second point, and this is another very major point, is that this crisis, financial crisis, has done, at least, one thing to the small and marginal enterprises, just to remove them from any consideration of additional credit. These, people do not have credit for investment, for working capital, and as a result of that, they, one after another, are closing down. It has nothing to do with the export sector. I am sorry to say that this particular proposition, that has come up again and again, that the exchange rate has now moved against exports and, therefore, exports are declining, is not true. The size of markets are declining and the exchange rate elasticity of our exports is not that much to overcome that. I mean one can get into this question further but the fact of the matter is that there is no money for them to invest in working capital, to invest in a little bit of machinery. The banks are just saying, "Sorry, we are not willing to give you any further loans!" Why? And this is where Mr. Yashwant Sinha was absolutely right. Any liberal economist will be right. A non-liberal economist like Mr. Sitaram Yechury will also be right because this is a problem of confidence. The system has lost confidence; the investors have lost confidence, and the banks have lost confidence in the borrower's capacity to repay. If you want to do something in the system, to pick it up, we have to attack the problem, how to build up this confidence

Can you do that by increasing liquidity? I ask a very simple question. Sir, the liquidity was withdrawn to control inflation. I think that was a wrong policy; we do not have to go now into that. But it was withdrawn. Now, it is being pumped in. Nothing has happened in the inflationary situation. Now, it is amiss to say that because the international prices have come down, it will lead to our domestic prices coming down. That can come down only if there are imports. And import prices are lower than the domestic prices, even when the rupee is depreciating. And you are allowing them to pass through leading to a fall in the prices in India. Sitaram was talking about reducing the petroleum prices. That is the worst possible policy that you could think of. I can never understand how the Left can talk about reducing the petroleum prices when most of the petroleum products are consumed by the rich people. If you talk about kerosene, I understand. If you talk about LPG, I understand.

SHRI SITARAM YECHURY: What about diesel price?

SHRI ARJUN KUMAR SENGUPTA: If you want to talk about diesel for the use of small agriculturists, you talk of a different policy. You can talk of a policy of dual prices. I am sorry to say that you don't use these instruments properly. You now want to reduce the price of diesel saying that it will help poor transporters. All the money will be taken away by the rich transporters.

SHRI SITARAM YECHURY: What about the prices of commodities?

SHRI ARJUN KUMAR SENGUPTA: I am sorry to say that the price of commodities would increase only by a fraction even into a rise in the transport cost due to a rise in diesel prices.

MR. DEPUTY CHAIRMAN: Mr. Arjun Sengupta, you please address the Chair. Don't address him.

SHRI ARJUN KUMAR SENGUPTA: All right. I am just talking about the demand for reducing the petroleum prices. It is absolutely difficult to digest. I can understand Mr. N. K. Singh saying that. ...*(Interruptions)*... FM has never listened to me. He has seldom listened to Mr. Sitaram Yechury. So, he will not do any dual pricing of diesel. What I am saying is this. I can understand the industrialists asking for reduction of petroleum prices because this has a major effect on their production. But why should all of us, who are interested in the poor people, say that we should reduce the prices of petroleum products? We should increase the tax on the price of petroleum products to take away all these extra purchasing power that people like you are spending on your beautiful cigars.

On the other point, I fully agree that you have to do something to contain the prices of essential commodities. That is a different subject. We made a mistake by reducing the liquidity or money supply hoping that as a result of that the prices of all these essential commodities will come down. Now, whether it is subject to speculative demand is a different issue. I don't agree that the speculative commodity market has been the cause of inflation. But a specific policy has to be followed to increase the supply of these commodities, not reducing the liquidity. Now, the Government did that, till a few months back. Today, suddenly they realise that as a result of that there is a severe liquidity crunch. Don't forget the month of October which is a busy month. There is a tremendous demand for finance in this season, plus that money is being taken away and so the liquidity crunch is going up. Now the Reserve Bank is also intervening because the rupee is depreciating too much. So, you withdraw rupee to prevent that. As a result of all these, there is a liquidity crunch. Therefore, I don't disagree that there should be some injection of liquidity. But if you think that as a result of that the crisis will be over, you are totally wrong because when you increase the liquidity there will be no investment. Those of us who are educated in the old orthodox economics use a term "the Keynesian liquidity crunch", where you go on pumping money and the money is kept by the system either as cash or other more liquid instruments. They don't go in for investment or they don't go in for expenditure. For that you have to increase the demand for investment. How can you increase the demand for investment? By making the investors confident that tomorrow they will get back the money. Unfortunately, today, it is that confidence which is missing, the confidence of the investors to increase investment and the confidence of the bankers to lend to the investors that they will be able to repay. I am afraid, if you don't meet this problem by just increasing or pumping liquidity, you will not be able get out of the crisis.

MR. DEPUTY CHAIRMAN: How much more time will you take?

SHRI ARJUN KUMAR SENGUPTA: I will take just two or three minutes. One effect of that, I am afraid, if you continue to do this liquidity injection you will again face a similar inflationary pressure. Now, this pressure will be coming from the demand side. Earlier it came from the supply side. If you

have too much liquidity in the system, which is not going to go to investment, there would be increase in the demand for commodities and the commodity prices will go up. There is a serious possibility of inflationary pressure coming up again. But what should you do in this kind of a situation? In this kind of a situation, the only thing that you can do is to increase investment. Who will do the increase in investment?

SHRI SITARAM YECHURY: Here you agree with me.

SHRI ARJUN KUMAR SENGUPTA: I agree with you on many points. Increased investment, when private investors are worried about the system, can come only from public investment. Unfortunately, for many of my liberal friends, today our public sector corporations are efficient. They are earning huge profits. If you just look at their profit schedules, you would find that they are doing extremely good business and they can execute projects efficiently. They are executing projects all over the world. They can execute projects very well in this country. What prevents the Government from telling the NTPC to go ahead and build power plants here and there? What prevents the Government from telling different public sector corporations to go and invest in road construction, ports, communication and this kind of infrastructures? In fact, if I were Mr. Chidambaram, I would come to Mr. Yashwant Sinha saying that you are talking about expenditure, but please look at the way I have increased the revenue. It is a great achievement of the Finance Minister the way our revenues have actually increased. But the pitiable thing is that in spite of this increase in revenue, infrastructure investment has not increased. In spite of the fact that the Prime Minister goes on saying that infrastructure investment will increase, it has not increased. This is where the question of agency is important. We have to tell an agent, which is not guided only by market sentiments, to do the things that the Government thinks is best doing.

Now I come to the question. This is a question which Shri Yashwant Sinha will ask; Shri N.K. Singh will ask and I don't know whether Shri Chidambaram will ask or not. The question is, "How do you finance this investment?" My point here, is, if necessary, I shall create deficit and finance this deficit by money creation. Let me explain to you what you are doing, by money creation means, you go and borrow from the Reserve Bank of India. The Reserve Bank of India gives you money and you spend that. This is monetized budget deficit. I am afraid the effect of monetized budget deficit is no different from the effect of increasing and pumping liquidity into the system. It has exactly the same effect on money supply; except in the first case the Reserve Bank of India's assets come down and in the second case the Reserve Bank of India's liabilities go up. That is the only difference that comes up, unless I have the FRBM which notionally constrains me from raising any rate of deficit. Why am I pointing it out? In this situation....

MR. DEPUTY CHAIRMAN: Please conclude. There is one more Bill which we have to take up.

SHRI ARJUN KUMAR SENGUPTA: Sir, let me just complete this argument. Just give me two minutes. In this situation, when you are pumping liquidity, it is all right. You do that. But do it in a different way. Do it in a different way by increasing infrastructure investment. The effect will be

exactly the same. The second point is this which we all must consider. It is only the direct policy of the Government which can increase lending to the small and marginal enterprises. You have to do something about that. Markets will not do that.

Now this is my last point which is an answer to Shri N.K. Singh. Capitalism is not dead; it cannot be dead. It will mutate. Let me put it this way. It will mutate. It is a correct word. It is difficult for it to go. But the fact of the matter is, the world today recognises that the markets fail. Yesterday, they did not believe that. When we said that markets fail, they said, "No, no, those of you who are talking about market failure, are all dirigiste. Sir, I remember on this floor, the Finance Minister told Shrimati Brinda Karat – she is not here – that we are not dirigiste. We don't believe in this kind of an intervention. But today the whole world has accepted that the Government will have to intervene when the market fails. The only question is they have to intervene in a clever manner, in an intelligent manner when that actually works. This is the kind of programme that I am talking about which will be addressing that particular situation. Thank you.

SHRI JESUDASU SEELAM (Andhra Pradesh): Mr. Deputy Chairman, Sir, I stand to support the proposal of the hon. Finance Minister for appropriating certain amounts from the Consolidated Fund of India to be used in the financial year. Now, I am not getting into the thickest of the controversy as to what type of economy we need and all that. What I am concerned is the outcome. I was keenly listening when Shri N.K. Singh was talking about the quality of appropriation. I am sure, you would appreciate that appropriations are required at this point because it is mainly for building of social infrastructure, like, supporting the farmers.

Sir, there was food crisis last year, and in between, we had the fuel crisis. Now, we have the financial crisis. We could overcome the food crisis with the help of farmers, who are the backbone of this country. I am sure, this appropriation of debt relief to the extent of Rs. 15,000 crores is very vital for them. Also, the fertiliser subsidy is vital because the prices of inputs have gone up; import prices have gone up. The price of Naptha has gone up. All this has necessitated having subsidy on fertilisers, the subsidy on food; a part of it is foodgrain subsidy. It is because of contributions by the farmers, and the good monsoon that we had, we could overcome the food crisis. Now that the barrel rate has come down, I am sure, we will also overcome the fuel crisis. Shri Yashwant Sinha was saying that there should be one dose, a booster dose, instead of routine monitoring. I am sure, in a dynamic market situation, the Government is taking various measures, both monetary and fiscal, apart from administrative measures, to control inflation and price rise. But there are certain concerns which I would like to place before the hon. Finance Minister.

The first concern relates to the debt-waiver scheme. When the scheme was introduced in 1969, the artisans and weavers were also included. Unfortunately, in this debt-waiver scheme, the weavers and artisans have been excluded. Around 1 crore weavers should have been included, which would have cost around Rs.2,000 crores more. You have spent Rs.73,000 crores. But with an additional Rs.2,000 crores, you could have covered one crore weavers. Thanks to the Government of Andhra

Pradesh, the Chief Minister of Andhra Pradesh has announced that around Rs.300 crores, which is part of the Andhra Pradesh component, would be waived. Similarly, in this waiver scheme, what about the people who have already paid their money? In the discussion which we had earlier, the Finance Minister said on the floor of the House that he would do something for covering those people who have promptly paid before the scheduled date of February, 2008. I would again inform this House that the hon. Chief Minister of Andhra Pradesh has been able to pay Rs.5,000 per acre to those farmers who have promptly paid before the due date. I think, something has to be done in that direction. These are the two concerns as far as the debt waiver scheme is concerned. Still, the weavers and the artisans expect the Finance Minister to take a re-look at this scheme extending the waiver to the weavers as well, as had been done in 1969. Similarly, some Members have mentioned about the all-inclusive growth. They said that because of certain defects, the all-inclusive Growth, as has been pronounced, could not be achieved. But I would submit that it is not the policy which is defective, but it is the implementation. We have no problem about the all-inclusive growth. But, unfortunately, in this country, given the socio-economic culture, all-inclusive policy is leading to exclusion of marginalized section of the society. For instance, we do have the flagship programmes. Apart from social infrastructure, I do agree with Shri N.K. Singh that the requirements of roads, ports, highways and other related infrastructure need to be fulfilled and much more money has to be given for all these projects. Much more money has to be given and there has to be a regular monitoring of implementation. At the same time, schemes like the Sarva Shiksha Abhiyan, the Mid-Day Meal, the National Rural Employment Guarantee Programme, and the National Health Mission have definitely benefited in a very, very positive way the people of this country, especially the marginalised sections. But, here, the all-inclusive growth has a problem. There has to be a rider that we have to adopt a bottom-up approach because in the whole process, for instance, take the Sarva Shiksha Abhiyan, the school buildings are built where the richer sections live, leaving the Scheduled Castes and the Scheduled Tribe areas.

There is one other point that I would like to make to the hon. Finance Minister. The Common Minimum Programme has certain points which you have still not touched. You have mentioned in the CMP that all the land belonging to the Scheduled Castes and the Scheduled Tribes will be comprehensively taken up for irrigation. That has not been done. You said that the landless Scheduled Castes and the Scheduled Tribes would be provided with land. That has not been done. Sir, you are about to complete your tenure but you are not bothered about this Common Minimum Programme. You had promised a National Fund for the Unorganised Sector. Nothing has been done about it. Why are you not coming forward with those things, not only for SCs/STs but for the Other Backward Classes also? Sir, we are not getting into the poll mode. Is it not the time to come before the House for further appropriations? I request you to kindly keep in mind promises made in the Common Minimum Programme. You have not touched that so far because these are in the interests of the common man, in the interests of the poor man. These programmes should also be taken up at this juncture.

MR. DEPUTY CHAIRMAN: Mr. Moinul Hassan. You have only five minutes because your party time is over.

SHRI MOINUL HASSAN (West Bengal): I will be very brief, Sir.

When the Budget was passed, a lot of discussion had taken place about the *Aam Aadmi*, I have some straightforward questions regarding the present status and position of the *Aam Aadmi* in the country. Today, does the *Aam Aadmi* and his family have enough to eat, especially as compared to what he used to have earlier? Secondly, can he afford to make any saving from his income in the light of the high cost of commodities? Can the common people of this country think of borrowing money for building a house or buying a vehicle? The other point is whether the common people are fearlessly sending their children out for shopping and thinking that they would come back safely? What about the farmer? The farmers get relief in terms of credit in flood and drought-affected areas. I feel this has not been addressed at present. I would like to know where that poor lady, Kalavati, is. What is her position now? Or, Shashikala? I don't know. But this is an extreme situation and, yet, it is not being addressed properly. We have talked about inflation and price rise. I am not going to repeat anything. But I read a book titled 'A View from Outside' written by our hon. Finance Minister. The book was shown here by our former Finance Minister in the morning. I am not in a position to show the book. But I would like to seek your indulgence and quote a great economist of the world, Keynes, who said, "Inflation is a form of taxation which the public finds the hardest to evade and even the weakest Government can enforce when it can enforce nothing else". This is an opinion. I have no comments on this. This is an opinion. I have no comments on this. But, only one proverb I would like to cite here, "When Rome was burning, Nero was fiddling". I won't make any comment on that. Our hon. Prime Minister and hon. Finance Minister are doing this. What about the food scarcity? Mismanagement of food is going on. Millions of people in our country are going to bed with a hungry belly when the FCI godowns are flooded with foodgrains. Why is it happening? We have the *Antyodaya Scheme*; we have the *Annapoorna Scheme*; we have the Mid-day Meal Scheme and we have the Food-for-Work Programme. Why are all these schemes going on when we cannot feed our hungry people? If we do not improve the system immediately, the failure will come today or tomorrow or the day after tomorrow.

Sir, my third point is about agriculture. Sir, the Minimum Support Price is one of the important factors, but it is not properly addressed. As a result, the farmers are suffering. Sir, one thing I would like to say about the jute growers. The problems of the jute growers were raised during the Question Hour today. The JCI has shut down its windows. So, the jute growers are left at the mercy of middlemen. They are not getting the proper price of jute. So, what is the Government doing to solve their problems? There is lack of irrigation for agricultural crops. The NREGA is a very important flagship programme throughout the country. But, who is monitoring this programme? It is left to the State Governments. I would like to tell the House that the average job creation under this programme is absolutely indiscriminate throughout the country. Why is it going on like this? It is a fact. There is

flood, drought, etc., throughout the country. Even then, indiscriminate job creation is going on. It is not a successful programme. It could be a good programme, but nobody is monitoring it. The real thing is, nobody is monitoring this programme.

Sir, my next point is about the development of the minority and backward classes. Since long we had raised the sub-plan for the minority, but till date it has not been provided by the Government of India. I would like to say one thing that in the last Budget the hon. Finance Minister announced various programmes for the education of minority and backward classes. He said about giving credit to the minority people. We know that the minority people require more credit because they are working in the unorganised sector as artisans throughout the country. But, despite the direction of the RBI, all the banks are lagging behind in providing proper and timely credit to the minority people throughout the country. Nobody is looking into it. I would like to know the present position of it from the hon. Finance Minister.

Sir, since there is paucity of time, I would like to make my last point. So far as the meltdown in the financial sector is concerned, it is there throughout the world and it is aggravating. I want to know the basis of this crisis. Why did this Wall Street model collapse? I think, it is because of unregulated finance, drive in speculation and greed for quick profits. This issue has been discussed at great length by Shri Sitaram Yechury, Shri Yashwant Sinha and other hon. Members. So, I am not going into the details of it. But, in this perspective, what is our direction? What is the direction of our country? What is the direction of the Government of India? I think, there is a big complacency on the part of the Government of India. I say that this complacency must stop. If the direction is to open up the insurance and banking sectors for more foreign capital, if the direction is to invest the pension fund of Government employees in the stock market, if the direction is to continue the capital account convertibility in the name of the so-called liberalisation, I think, the day is not far when it will lead to the collapse of our economy. At one point, I agree with Dr. Arjun Sengupta – he is not here – so far as the collapse of the Lehman Brothers and others is concerned. But, in our country, the small and medium enterprises have lost their capital. Lakhs of people have lost their jobs. Shri Sitaram Yechury, in the beginning has told about the seven-point programme, Shri Yashwant Sinha has told about the twelve-point programme. One must consider the total situation. The country is ours. The country does not belong to the Governments only. The country is ours, it is of billions of people. Let us join together and fight the situation squarely. This is all I wanted to say. Thank you.

श्री टी.एस. बाजवा (जम्मू और कश्मीर): उपसभापति महोदय, आपने मुझे सप्लीमेंटरी ग्रांट्स पर बोलने का मौका दिया, इसके लिए आपका बहुत-बहुत धन्यवाद। महोदय, हमारे माननीय सदस्य जो बोल रहे थे, उन सबको मैं बड़े ध्यान से सुन रहा था। जब माननीय मंत्री जी ग्रांट्स पेश कर रहे थे, उसमें, उन्होंने किसानों को जो कर्ज माफ किया, उसका जिक्र आया था। जनरल बजट में सरकार ने घोषणा की कि लगभग साठ हजार करोड़ रुपए के करीब किसानों का कर्ज माफ किया जा रहा है। उसके बाद उसे बढ़ाकर 70 हजार करोड़ से ज्यादा की कर्ज माफी की, जिससे हमारे देश के किसानों में खुशी की लहर दौड़ गई। महोदय, इस कर्ज माफी के संबंध में मेरा अपना जो अनुभव है, मैं उस अनुभव के आधार पर एक बात हाऊस के सामने कहना चाहता हूं। जो कर्ज माफ हुए हैं, वह 1997 के बाद के करंट कर्ज माफ किए गए हैं। उससे पहले के भी कुछ कर्ज किसानों के ऊपर हैं। जब वी.पी. सिंह जी की

सरकार थी, उस वक्त भी कर्ज माफी की घोषणा की गई थी। उस वक्त जिस किसान के ऊपर दो हजार रुपए का लोन था, आज वह सूद को मिलाकर तीस हजार के करीब बन गया है। आज भी किसान जो आत्महत्याएं कर रहे हैं, उसका एक बहुत बड़ा कारण यह भी है कि वे कर्ज, जो 1997 के पहले के कर्ज हैं, माफ नहीं किए गए। जिस वक्त बजट में यह घोषणा की गई थी, उसमें ऐसा कोई प्रावधान नहीं रखा गया था कि हम 1997 के पहले के कर्ज माफ करेंगे या उसके बाद के कर्ज माफ करेंगे। महोदय, माननीय मंत्री जी यहां बैठे हुए हैं। मेरा उनसे अनुरोध है कि वे जो 1997 के पहले के किसानों के ऊपर कर्ज हैं, वे कर्ज भी माफ होने चाहिए। इससे किसानों में बहुत अधिक रोष है कि जो नए कर्ज हैं, वे तो माफ कर दिए गए हैं - जिसने 2002 में कर्जा लिया, उसका कर्जा तो माफ किया गया लेकिन जिस किसान के ऊपर पुराना कर्जा था, उसे माफ नहीं किया गया। इससे किसानों में बहुत अधिक रोष है। सर, हमारा देश एक बहुत बड़ा देश है। यह कृषि प्रधान देश है। इस देश में लगभग 27 करोड़ के करीब लोग गरीबी रेखा से नीचे रह रहे हैं, जो बिलो पावर्टी लाइन हैं। अगर हम दूसरे देशों की बात करें तो यूएसए या जो दूसरी कंट्रीज हैं उनकी पापूलेशन बीस-पच्चीस करोड़ है। हमारे देश में 27 करोड़ के करीब लोग गरीब लोग हैं। इसलिए मैं यह कहना चाहता हूं कि जो कर्ज 1997 के पहले के कर्ज हैं, वे भी माफ करने चाहिए।

दूसरा, आप जानते हैं कि जम्मू-कश्मीर लगभग 20 साल से ज्यादा अरसे से बहुत बड़ी मुसीबत में फंसा हुआ है जिसके लिए हमारी सरकार ने बॉर्डर के ऊपर फेंसिंग लगायी हुई है। सर, मुझे इस हाऊस में आए 6 साल होने को हैं, मैं अगले महीने रिटायर हो रहा हूं लेकिन उससे पहले की जो फेंसिंग जम्मू-कश्मीर में लगी हुई है, मुझे बड़े अफसोस के साथ यह बात आज पार्लियामेंट में कहनी पड़ रही है कि जहां हम इतने बड़े-बड़े दावे कर रहे हैं, किसानों के इतने बड़े कर्ज माफ कर रहे हैं, देश में बहुत बड़ी-बड़ी स्कीमें चला रहे हैं, कहीं भारत निर्माण चला रहे हैं, कहीं नेशनल रूरल इम्प्लायमेंट गारंटी स्कीम चला रहे हैं, कहीं नेशनल फूड सिक्योरिटी मिशन की बात कर रहे हैं, कहीं नेशनल रूरल हैल्थ मिशन की बात कर रहे हैं लेकिन हमारा जो जम्मू का किसान है, जो बिल्कुल बॉर्डर के ऊपर रह रहा है, सात साल से उनकी जमीन पर फेंसिंग लगी हुई है।

लेकिन उनको अभी तक एक पैसा भी कंपेंसेशन का नहीं मिला है। मैं इससे पहले भी इस बात को सदन में उठा चुका हूं। महोदय, मैं आपके माध्यम से माननीय मंत्री जी से, सरकार से कहना चाहूंगा कि ये जो बॉर्डर के किसान हैं और जो बिना पैसे के वहां एक दीवार की तरह काम कर रहे हैं तथा वहां ऐसे-ऐसे किसान हैं जिनकी पूरी की पूरी जमीन फेंसिंग में आई हुई है और सात साल होने के बाद भी उनको कुछ भी कंपेंसेशन नहीं दिया गया है। इसलिए मैं आपके माध्यम से सरकार से कहना चाहूंगा कि उनकी तरफ पूरी तरह से गौर करना चाहिए। वहां किसान बॉर्डर पर बहुत मुश्किल हालत में रह रहे हैं। अगर हम बॉर्डर पर एक जवान को भी तैनात करें तो उसको हमें बीव-पच्चीस हजार रुपए महीने की सेलेरी देनी पड़ती है। लेकिन हमारा जो किसान बॉर्डर पर रह रहा है, वह बिना पैसे के हमारी एक दीवार की तरह काम कर रहा है। जहां हम कह रहे हैं कि हमारे देश का नौजवान पढ़ा-लिखा होना चाहिए, लेकिन जब उस किसान के पास पैसा ही नहीं होगा तो वह कहां से अपने बच्चों को पढ़ाएगा तथा उनके लिए कैसे कपड़े खरीदेगा तथा अपने घर का पालन-पोषण कैसे करेगा। इसलिए मेरा आपसे अनुरोध है कि बॉर्डर के किसानों को फौरी तौर पर कंपेंसेशन देना चाहिए।

सर, इसके अलावा मैंने पहले भी कई बार एक अन्य इश्यू भी रेंज किया था कि 1947 में जब हिन्दुस्तान-पाकिस्तान का बंटवारा हुआ तो उस समय पाकिस्तान से वालिस-पचास हजार फैमिलीज आकर जिसको हम पाक-आकूपाइड कश्मीर कहते हैं, जम्मू कश्मीर में वहां एक्सट्रीम बोर्डर पर बस गई थी। सर, उनको भी कंपेंसेशन देने का मामला है। मुझे याद आ रहा है, मैं उस वक्त पोलिटिक्स में नहीं था तो उस समय के प्रधान मंत्री राजीव गांधी जी वहां गए हुए थे, जिनको मैं सुनने के लिए चला गया था। उन्होंने वहां अनाउंसमेंट की कि जब यहां हमारी

सरकार बनेगी तो उनके कंपेंसेशन की समस्या हम हल कर देंगे। राजीव गांधी जी आज नहीं हैं। जब 2004 में लोक सभा के चुनाव हुए थे तो हमारे डा. मनमोहन सिंह जी ने वहां जाकर एक मीटिंग को सम्बोधित किया था। वहां पूरे के पूरे रिफ्यूजी लोग हैं जो पाक-आकूपाइड कश्मीर से आए हैं। उस समय डा. मनमोहन सिंह जी प्रधान मंत्री नहीं थे लेकिन उन्होंने वहां यह वायदा किया था कि जब हमारी सरकार बनेगी तब हम आपकी समस्या हल करेंगे। महोदय, मैं कहना चाहूंगा कि जो 1947 के रिफ्यूजी हैं, उनमें 1947 के भी हैं, 1965 के भी हैं, 1971 के भी हैं, उनकी यह एक बहुत बड़ी पैडिंग समस्या है। यहां माननीय वित्त मंत्री जी बैठे हुए हैं। जहां हम दो लाख सैंतीस हजार करोड़ रुपए का बजट अभी पास करने जा रहे हैं तो उसमें अगर उन गरीब किसानों के लिए तथा 1947 के जो रिफ्यूजी बैठे हुए हैं, उनके लिए भी अगर थोड़ा-बहुत, मैं कहता हूँ कि अगर सौ करोड़ का प्रोविजन भी इसमें रखा होता तो इससे पूरी की पूरी समस्या हल हो जाती। सर, आपने मुझे समय दिया, इसके लिए मैं आपका आभार प्रकट करता हूँ। धन्यवाद करता हूँ।

SHRI P. CHIDAMBARAM: Mr. Deputy Chairman, Sir, I am grateful to Shri Yashwant Sinha for initiating this discussion and I am grateful to the other nine hon. Members who have participated in this discussion. Sir, before I reply briefly to the number of issues that were raised, this has been a wide-ranging discussion. Let me quickly deal with the subject of the discussion, namely, the heads under which we are asking for more money. I read out the list in my opening statement. Fertilizer subsidy and subsidy for imported edible oil are unavoidable in today's context. The alternative to not granting these subsidies is to increase prices. But I do not think any section of this House wants us to increase any of these administered prices. Therefore, the demand for fertilizer subsidy and the demand for more money for subsidy for edible oil, I assume, is universally accepted in this House. The next is the Central Pay Commission. I do not think anyone in this House opposes the Sixth Pay Commission award. In fact, the demand is to give more, not to give less. We have improved upon the Sixth Pay Commission award. In fact, the improvement on one head namely, on the fitment by modifying the formula suggested by the Sixth Pay Commission, that head alone has cost us an additional Rs. 10,000 crores. Therefore, when I asked for about Rs. 26,000 crores to pay for the Sixth Pay Commission arrears, I assume that no one in this House is opposing it. Then, there is the foodgrain subsidy. I did not combine it with fertilizer and edible oil for a particular reason. The more we procure, the greater the element of subsidy is. In fact, after our rather bitter experience in 2006-07 when we could not procure enough and we had to import foodgrain, procurement was stepped up substantially, monitored closely and in 2007-08 there was a record procurement of wheat and a record procurement of paddy or rice. In this connection, I want to particularly thank the State Governments of Punjab, Haryana and Andhra Pradesh who have cooperated with us in procuring a record amount of wheat and paddy or rice and when we procure we are able to supply more to the PDS and that increases the foodgrain subsidy for which I come for Rs. 4064 crores. I assume, Sir, that nobody is opposing that either. Then, there is this farmer's waiver and debt relief. Please remember that when we announced the scheme I said I have Rs. 10,000 crores available with me today, but I would need another Rs. 15,000 crores to pay the first instalment. This number is approximately estimated at Rs. 60,000 crores. But, only when we implement the scheme we will

know the exact number. I will come back to the House for Rs. 15,000 crores. This was not a new head. I told the House that I will come back to the House for Rs. 15,000 crores. We have to pay Rs. 25,000 crores to the banks. I have got already Rs. 10,000 crores. So, I come to this House to ask for Rs. 15,000 crores and I assume that no one in this House is opposing that either. We are giving Rs. 4297 crores as additional Central assistance to the States. Being the Council of States, I don't think any hon. Member will oppose additional Central assistance to the States.

SHRI SITARAM YECHURY: We may have problems with some States.

SHRI P. CHIDAMBARAM: Well, that is the formula of the Finance Commission, it is not in my hands either. Then, Sir, we have the National Rural Employment Guarantee Scheme. We have universalised the scheme. It is now extended to all the districts of India. There is greater demand; there is greater awareness. At the same time, there is some criticism. A scheme of this magnitude and scale, there is bound to be some shortcomings. But, I would respectfully ask hon. Members who all represent States, who is implementing the scheme? It is the State Governments which are implementing the scheme. The scheme is being implemented by the district collector and the district administration. The function of the Central Government is only to provide funds. If there is good work done under the scheme the State can legitimately take credit. But if there are shortcomings in the implementation of the scheme, it is the State which must bear the responsibility. How can the State shirk its responsibility? As I know that there are shortcomings, the Minister for Rural Development has circulated a booklet only last week to all hon. Members about what has been achieved under the scheme, the number of mandays of employment that has been created, what proportion has gone to women, what proportion has gone to Scheduled Castes and Scheduled Tribes, what is the average wage that has been paid in each State. So, when I come to this House and ask for Rs. 10,500 crores, I am asking for Rs. 10,500 crores additional money that will be provided to the States to implement the scheme. I assume that despite the shortcomings in the Scheme which is really the responsibility of the States and it is the responsibility of the States to plug those shortcomings, no one is opposing this demand for Rs. 10,500 crores.

This leaves only one item which is the increase in our contribution to the IMF. I am happy to report to this House after 2 or 3 years of determined struggle, a struggle that has been going on for many years, for the first time, India's quota and voice in the IMF has increased. And, as a result of India's quota and voice having increased in the IMF, we are obliged to contribute a sum of Rs. 2,912 crores to the IMF which, I think, we will happily contribute, because it raises our voice and our voting rights in the IMF. Sir, each one of these Heads is beyond controversy. When each of these Heads is widely accepted in this House, that accounts, as I said, for 99 per cent of the cash outflow. So, there is nothing that I have asked which is illegitimate, nothing that I have asked which is controversial, nothing that I have asked is disputatious and nothing that I have asked is extravagant expenditure.

On this short note, this House should vote the demands. But, the debate extended to a number of things and let me, briefly, reply to that debate.

We had a lecture on Marxism by hon. Sitaram Yechury. I am grateful. We had a lecture on Keynesian economy by Dr. Arjun Sengupta. I asked Mr. N.K. Singh how I should describe his lecture. He said, 'call me a pragmatist.' So, he lectured on pragmatism. Mr. Yashwant Sinha was not here. Otherwise, I would have asked him how I should describe his lecture. But, his friend, Mr. N.K. Singh, helpfully suggested, maybe, I should call you a neo-liberal lecture. So, we have had on Keynesian economy, on Marxist economics, on neo-liberal economics and on a self-styled pragmatic administrator. Sir, I am bound by my Government's policy. And, my Government's policy is finally set by the Cabinet presided over by the Prime Minister, I have a disagreement with the Government's policy, I should put in my papers. But, I am bound to implement the Government's policy which is the Common Minimum Programme. We have coalition partners. There is a Cabinet and a Prime Minister. That is precisely what we are doing. Like each one of us, it has its own set of beliefs and values. ...*(Interruptions)*...

SHRI S.S. AHLUWALIA: Sir, whose mobile is ringing?

MR. DEPUTY CHAIRMAN: That will be enquired later on. They are examining the jammers, because some new towers have installed and they are creating problem.

SHRI S.S. AHLUWALIA: How can any one install a tower near this area without the permission of the Government?

MR. DEPUTY CHAIRMAN: No, no. It is one of the possibilities. That may be one of the reasons. They are examining this.

SHRI S.S. AHLUWALIA: Wireless licence is given on the basis of technical specifications. How can it barge into your jammer?

MR. DEPUTY CHAIRMAN: Mr. Ahluwalia, this is not only happening in this House, it is also happening in the Lok Sabha. Yesterday, the Speaker of the Lok Sabha confiscated one mobile also.

SHRI SITARAM YECHURY: Sir, I am glad that my mobile has not been confiscated.

MR. DEPUTY CHAIRMAN: No, no. I did not do that.

SHRI SITARAM YECHURY: It is in our knowledge that hon. Communications Minister submitted resignation to his party leader. Maybe, there are lapses that are going on. In which case, we want this House to take cognizance of it.

SHRI P. CHIDAMBARAM: Therefore, when we implement a policy, it is a policy of the Government.

I am very happy that Mr. Yashwant has bought my book. I am also happy that Mr. Paswan also bought my book. I only request him to buy a few more copies and distribute them among its party

members. There was some discussion about the fiscal deficit. Memories are short. But it is sometimes useful to jolt people's memories. I did not want to make this debate a contentious one. But this has been made contentious by the lead speaker. He has introduced an element of political partisanship, and even concluded the debate with a scorecard for me. And, therefore, it is only proper that the House is aware of the record of the NDA Government and the record of the UPA Government. The NDA Government, at the end of 1997-98, inherited a fiscal deficit of 4.8 per cent. When Mr. Yashwant Sinha stepped down from the office of Finance Minister, the fiscal deficit had increased to 5.9 per cent. When Mr. Jaswant Singh stepped down and the term of the Government came to an end, the fiscal deficit was 4.5 per cent. In a period of six years the fiscal deficit was reduced from 4.8 per cent to 4.5 per cent. So, the record of Yashwant Sinha, mark - II, I will remind him about Yashwant Sinha mark - I presently. Yashwant Sinha, mark - I, in 1991 left a fiscal deficit of 7.8 per cent. Be that as it may, we inherited a fiscal deficit of 4.5 per cent. We also had the FRBM Act for which I compliment him. But the Act had not been notified. It was passed by Parliament, but it had not been notified. It is the UPA Government that enforced upon itself the discipline of FRBM by notifying the Act within a few days after the Government took. I know I was criticised by the Leftists that why I was notifying that Act; why we were imposing upon ourselves this discipline. Nevertheless this Government, under the Prime Minister, Dr. Manmohan Singh, said, "This Act was passed by the previous Government, by the previous Parliament, and this is a discipline that is necessary for this country. So, we must notify this Act." And, this Act was notified within days after coming to office. And, as a result of that, we brought down the fiscal deficit. Let me tell you the record of bringing Down the fiscal deficit. In 2004-05, the Budget estimated the fiscal deficit at 4.4 per cent, the actual was 4.0 per cent; in 2005-06, the estimate was 4.3 per cent, the actual was 4.1 per cent; in 2006-07, the estimate was 3.8 per cent, the actual was 3.4 per cent; in 2007-08, the estimate was 3.3 per cent, the provisional actual is 2.8 per cent. Our record of containing the fiscal deficit and maintaining fiscal responsibility is far superior than NDA's. I take pride in it. These are numbers that the economists today and commentators today can access; these are numbers that ten years on today, 20 years on today when commentators write about the economic history of this period, these are numbers which nobody can deny. These are carved on stone. This is a difficulty. I estimated a fiscal deficit of 2.5 per cent, but I said, I am glad that Mr. Sinha conceded to what I said, I am leaving myself a headroom for anticipated expenditure. He is right that how can you accommodate all additional expenditure in that headroom. But, I have left myself a headroom. If my earlier record is good, and believable and credible, then, 2.5, all other things equal, what we call *ceteris paribus*, 2.5 could become 2.2. Therefore, my headroom will be even larger than the headroom I have left for myself. Nevertheless, I agree with Mr. Sinha and he knows his numbers. I have great respect for his ability and knowledge. He knows his numbers. All the additional expenditure that I have asked for cannot be accommodated in the headroom. But, borrowing is not the only source of meeting expenditure. I have non-tax revenues. I have savings and tax buoyancy. As I speak today, gross tax collection is running ahead of target. So, there are many, many ways in which we will meet this

expenditure. I am confident that if we continue to follow the path of fiscal prudence and discipline, if I continue to get the cooperation which I have got so far from the Direct Tax Department and the Indirect Tax Department, who have always exceeded their targets, and if I continue to be able to find some savings at the end of the year, if I continue to get non-tax revenues – my friend, Shri Raja, has promised me some good non-tax revenues and spectrum – then, I am confident that this expenditure can be met. We may not be able to adhere to a 3 per cent deficit. But, let me quote what Paul Krugman has said. He is, after all, the flavour of the day. Paul Krugman three days ago said, "This is no time to talk about the deficit." This is not the year to talk about deficit. If our deficit settles not at 3 per cent, but at 3.3 per cent or 3.2 per cent, so what? This is not the year to worry about .2 or .3 deficit over the target. But I assure, Mr. Sinha, I have great respect for what he said. I have carefully noted what he has said. I will do my best to adhere to the FRBM target. But, if the target is breached by a few decimal points, so be it, this is not the year to talk about the deficit when there is a global financial crisis and we are suffering the ripple effects of that crisis. Sir, I am grateful to Mr. Arjun Kumar Sengupta for drawing our attention to that.

SHRI YASHWANT SINHA: Sir, I was talking about the off budget liabilities.

SHRI P. CHIDAMBARAM: I am coming to that in a moment.

SHRI YASHWANT SINHA: Are you coming to that?

SHRI P. CHIDAMBARAM: Yes, of course, I am coming to that. Sir, what are these off budget liabilities? The off budget liabilities are really accounted by two items, oil bonds and fertilizer bonds. These are the two items, rest are all minor items. Now, what is Mr. Yashwant Sinha suggesting? Mr. Yashwant Sinha is suggesting to provide the subsidy in the Budget. If you cannot do that, the inevitable consequence of that is raise the petrol and diesel prices. There is no other way. I must either provide the money in the Budget; money which we do not have, or raise the prices of petrol and diesel. Similarly, in fertilizer subsidy, I have to provide the money. I have provided Rs. 30,000 crore or so in the Budget. Now, we find that fertilizer prices have gone through the roof. I have to provide Rs. 38,000/- crores in the Budget, which I am providing Rs. 38,000/- crore additional. Then, Rs. 14,000 crore bond, provide it in the Budget or raise the prices. Now, I have no doubt in my mind that nobody in the BJP wants petrol prices or diesel prices to be raised. If so, he must stand up and say so. And, nobody on this side of the House wants any of these prices raised. The only other way is to provide the money. ...*(Interruptions)*... We are providing Rs. 38,000/-crore additional cash for fertiliser subsidy. I am not providing Rs. 14,000/- crore, I am providing it by way of bond. If I did not issue the bond, I would have to provide Rs. 14,000/- crore more and that only means I will have to borrow Rs. 14,000/- crore more. The choice, therefore, is, borrowing today, and showing it in the Budget or borrowing in a manner that this can be paid over the next few years. Are off budget bonds a novelty introduced by the UPA Government? Did not the NDA Government have off budget subsidies? Your off-Budget subsidies in 1999-2000 were Rs.5,223 crores. In 2000-01, it was Rs.

1,479 crores. In 2001-02, it was Rs.14,878 crores. In 2002-03, it was Rs.3,281 crores. In 2003-04, it was Rs.3,986 crores. So, you had off-Budget subsidies when petrol prices never crossed \$ 35 a barrel. And, today, petrol prices, during this year, touched \$147 a barrel. It has come down to \$ 73 a barrel when fertilizer prices were contained. Fertilizer prices are double and triple today. Therefore, when these- prices go up, the size of the off-Budget subsidy also goes up. But, at least, I have done two things. For the first time in this Budget – I didn't do it in the first four Budgets – the NDA Government didn't do it in the Sixth Budget – I have shown it in the Budget document as a below the line item. At least, I have expressly stated what the off-Budget subsidy is and I have done one thing more. I have referred the matter to the Finance Commission to say how these off-Budget subsidies, which is, indeed, a burden upon the generation that will come tomorrow and day after, can be liquidated and how we can have an FRBM two part, I recognise that there are off-Budget subsidies, but off-Budget subsidy is not a novelty of the UPA Government; this is a practice that has been adopted by the NDA Government too, except that the size of the off-Budget subsidy has ballooned - thanks to the ballooning of crude oil prices and ballooning of fertilizer prices. If I had a benign crude oil regime in the world, if crude oil prices had been \$ 35 a barrel, with the kind of revenue collection that we have done, we could have worked wonders.

SHRI YASHWANT SINHA: Sir, it is not a fact. In our case. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: Off-Budget is off-Budget.

SHRI YASHWANT SINHA: Off-Budget is off-Budget. Rs.3,000 crores is one thing and Rs.2,50,000 crores is something else. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: But I am giving you the reason. ...*(Interruptions)*...

SHRI YASHWANT SINHA: No, no. You are concealing your fiscal deficit.

SHRI P. CHIDAMBARAM: No, I am not.

SHRI YASHWANT SINHA: That is the charge I am making. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: Sir, he is not yielding now. ...*(Interruptions)*... He has made his point.

SHRI YASHWANT SINHA: I also referred to the Comptroller and Auditor General statement. ...*(Interruptions)*... saying that it is financial indiscipline. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: Of course, it is. Who says 'no'? \$ 35 a barrel was the luxury enjoyed by the NDA Government.

SHRI YASHWANT SINHA: It was ...*(Interruptions)*... in March 1998 when I took over. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: Nobody is denying this. ...*(Interruptions)*...

SHRI YASHWANT SINHA: It went up to \$40 a barrel ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: No, no; it never crossed \$ 35 a barrel ...*(Interruptions)*... The average was well below \$ 30 a barrel. ...*(Interruptions)*...

SHRI ARJUN KUMAR SENGUPTA: May I make a correction, Sir? This was first introduced by Chidambaram-1. When the first petroleum - oil bond was there, I was a party to this whole thing. And, this is perfectly defensible.

SHRI P. CHIDAMBARAM: Thank you.

SHRI ARJUN KUMAR SENGUPTA: The only point is that you are not showing it in the Budget deficit but it is a Government bond. ...*(Interruptions)*...

SHRI YASHWANT SINHA: That is what the C & AG has said, "Show it in the Budget." Then, you will not have the comfort of 2.5 per cent or 3.3 per cent fiscal deficit. ...*(Interruptions)*... This is what I am saying. ...*(Interruptions)*... You are concealing your fiscal deficit. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: Sir, off-Budget subsidies have never been shown in the Budget. For the first time and this time I showed it in the 'Budget at a Glance' as a below the line item. In previous years, it was not shown even as a below the line item, it was kept as off the Budget document. I have included in the Budget document today and I have referred it to the Finance Commission and I am grateful to Dr. Arjun Sengupta, it is a Government borrowing. The bond is only a Government borrowing. The borrowing is through the Oil company, or, through the Fertilizer company. There is no difference. Nobody is hiding the facts. The C & AG's comment is well taken. When oil prices decline, then we don't have to issue these bonds; when fertilizer prices decline, then, we don't have to issue these bonds. Nobody will issue these bonds.

SHRI SITARAM YECHURY: What about farm-loan waivers?

SHRI P. CHIDAMBARAM: That is paid by cash.

Sir, as for revenues, in 2003-04 the peak revenue collection during the NDA regime was Rs.2,54,348 crores. They came to office in 1998-99 when the tax-GDP ratio of the previous year was 9.1 per cent and when they left office, the tax-GDP ratio was 9.2 per cent. From 9.1 per cent, if I may say this without meaning any disrespect, they crawled to 9.2 per cent - - for six years. When this Government took over, we had 9.2 per cent and last year the tax-GDP ratio was 12.4 per cent and this year, if my tax targets are met, it will touch 13 per cent. It means, as against Rs. 2,54,348 crore collected by the NDA Government in the last year of office, this year, according to Budget which we will achieve, we will collect Rs. 6,87,715 crore and all that money is money being made available for NREGA, for debt waiver, for NRHM, for *Bharat Nirman*, for *Sarva Shiksha Abhiyan*, etc. Each head I can read out to you, the money that has been allotted. Is it not a creditable record of tax collection and expenditure for what Parliament votes. We can only propose. But it is ultimately the Parliament which says, 'yes, we approve of your spending money on these heads.' From Rs. 2,54,000 crore, if

we have raised revenues to Rs. 6,87,000 crore, after cutting tax rates, after improving the tax base, after increasing the exemption, put your hand on your heart and say, is it not a creditable record of this Government?'

Sir, there was criticism about export decline. That is not correct. Although towards the end of the year, there was some fear that last year, we may not achieve the target. The final figures are out. We have exceeded the target of last year, which was 160 billion and this year the exports are growing, April-August, at 35.1 per cent in dollar terms. So, it is not correct to say that the exports are not growing. Shri Arjun Sengupta was right. The elasticity of the exchange rate does not impact exports to a great deal. When the rupee was appreciating, exports were growing. When the rupee is depreciating, exports are growing. You know, I know, exporters will come and complain. They will complain when the rupee is appreciating, they will complain when the rupee is depreciating. We have to take these complaints in stride and address them where it has to be addressed. But to say that the exports have crashed, it is not correct. I can give you the figures for export of textile sector. Yes, it has moderated over the previous year. But that doesn't mean that there is a decline in export. Last year, we achieved the export target. The Commerce Ministry put out the figures only ten days ago. We crossed 160 billion dollars ultimately, and this year the exports are growing by 35.1 per cent so far.

Sir, when I say, 'the fundamentals of the economy are strong', Mr. Sinha takes exception. All I can say is, the Prime Minister in his statement made in Parliament three days ago said, 'the fundamentals of economy are strong.' So, the next time when the Prime Minister comes to this House, please put him the question, how does he come to the conclusion that the fundamentals of the economy are strong. We believe, firmly that the fundamentals of the economy are strong. And, Sir, it is not a new phrase that I invented. I have heard Mr. Sinha say that several times when he was the Finance Minister. ...*(Interruptions)*...

SHRI T.K. RANGARAJAN (Tamil Nadu) : Excuse me. When fundamentals are strong, why is the stock market going down?

SHRI P. CHIDAMBARAM: I am glad that you are looking at the stock market more often than I am looking at it. ...*(Interruptions)*... I am glad that you are looking at the stock market. I can understand why. There is a substantial CPM investments in mutual funds in which you have made some money. ...*(Interruptions)*... I understand that. ...*(Interruptions)*... There is. You don't know your accounts; I know your accounts. ...*(Interruptions)*... You made money. It was published. You made Rs. 1.9 crore. You made Rs. 2 crore last year and the year before. It is good. There is nothing wrong with that if am glad you are looking at the stock market. You should continue to look at the stock market. That is one index. Please remember that the stock market is only an index of 30 shares in the Sensex and 50 shares in Nifty. It is based upon the price-earnings ratio. Now, if the anticipation is that the earnings will be high, the price multiplier in the mind of the investor is high, the

price is high. If the anticipation is that the earnings will be low because of a slowdown in the economy or slowdown in that sector, the price will come down, if more people are selling stocks, the price will come down. If more people are buying stocks, the price will go up. Today, what has happened is, as Mr. Sinha rightly pointed out, FIs are selling. Why are they selling? They are selling because of the redemption pressures back home. I know two major investment banks which were told to sell their entire portfolio on one particular day because their bosses in New York said, 'sell and send the money back here.' Therefore, when there is selling pressure, market prices will come down. Markets will go up; markets will come down. But don't be alarmed by that. Even if you go by the record, when this Government came into office, the BSE Sensex was 4844, and, even at the current level of 10,000, it has a compounded annual return of about 22 per cent over the last five years. So, it is not a bad return. Of course, 21000 is a much higher return. But I do not think you should worry too much about the stock market. The stock market will go up and will go down. What we should worry about is whether the real economy is working. The real indicators are, and I respectfully submit to you, what will be our wheat production this year, what will be our paddy production this year, what will be our steel production this year, what will be our coal production this year, what will be our power production this year, is our services sector functioning normally, are enough loans being given, what is the credit growth this year. The credit growth, so far, has been 24.8 per cent at the end of September and, I am told, in October, it is higher. So far as farm loan is concerned, my goal is Rs. 2,80,000 crores. If I believe Shri Sharad Pawar, he says estimate for the rabi crop is extremely good and the procurement of rice now has been extremely good. These are the real indicators we should be concerned about. Our farmers are sowing their fields. Our farmers are working hard. Our workers are working hard. Our factories are churning out goods. Our services sector is still growing at a very high rate. The worst estimate that has been made is that India's GDP will grow at no less than seven per cent. That will still make us the second fastest growing economy in the world, when all over the world we are talking about zero per cent growth or a recession or a prolonged recession, a seven per cent growth is something which we can be satisfied about even if we are not very proud of it. Therefore, believe me, our fundamentals are strong and I concede the point made by Mr. Raja; our fundamentals are strong because we have not embraced capitalism in the way the West has embraced capitalism. Who has embraced capitalism in that way? When we came into office, remember that the policy of the then Government was that equity in banks will be diluted to 33 per cent. Did I not stand up in this House and speak, Mr. Raja? I formally abandoned that policy. Our equity in banks will not go below 51 per cent. Did I say that or not? Therefore, is that embracing capitalism? That is not embracing capitalism. ...*(Interruptions)*... Wait a minute, you have nothing to do with that.

Banks were nationalised by a Congress Government, by a Congress Prime Minister. Now, banks were recapitalised for the first time when I was the Finance Minister. Banks have since been recapitalised. Today, I have announced with the Prime Minister's permission that the seven banks which have a CRR of below 12 per cent, well above 8, which is the Basel Norm, well above 9 which is

the RBI stipulated norm, but they are below ten, I have said, we will help them, recapitalise those banks and bring it up to 12 per cent. This, recapitalisation of banks, public sector banks and embracing of capitalism! We have never embraced capitalism in that sense. Equally, we have never embraced communism in that sense. We are not embracing capitalism, nor are we embracing communism. The Congress Party and the UPA Government have a particular philosophy, the philosophy of mixed economy, an economy where, I have said many times, what the Government alone can do the Government should do, what the Government and the private sector can do, they should do it in partnership, and there are some things which the private sector alone can do efficiently, we must leave that to the private sector. Look at the Chandrayan Mission. I hope you congratulated the scientists this morning. It is a completely public-private partnership where the public role is much greater than the private sector's. But don't deny the private sector of its role. You heard Mr. Madhavan Nair say this morning who said, "I thank the private sector which has contributed components, equipment, electronics and contributed various other things". So, what the Government alone should do, the Government should do and we are never saying that. We have rehabilitated more sick public units than any other in the four-year period. Can you deny that? Mr. Yechury, you were there when I read out the numbers in that function held in Andhra Pradesh.

SHRI SITARAM YECHURY: Yes, we admit that you have rehabilitated more sick public units than any other Government, but you did so because you were under pressure from us! ...*(Interruptions)*... Please, Sir, I would like to answer him since he has yielded. ...*(Interruptions)*... You had the Privatisation of Pension Fund Bill. It is ready, it has been stopped for four years. Has that not helped you?

SHRI P. CHIDAMBARAM: It has not helped us in any way. ...*(Interruptions)*...

SHRI SITARAM YECHURY: The insurance limit has been increased from 26 to 49 per cent. We stopped you for more than four years. Has that not helped you not embrace capitalism the way that we wanted you to embrace it? Coming to foreign banks taking over private banks, we stopped you. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: You are wrong there. I shall answer your question. ...*(Interruptions)*...

THE MINISTER OF SCIENCE AND TECHNOLOGY AND THE MINISTER OF EARTH SCIENCE (SHRI KAPIL SIBAL): You wanted us to embrace you.

SHRI SITARAM YECHURY: Not embrace us, Sir, but we helped you not to embrace capitalism. That is how you are saved. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: All I am saying is, we have not embraced capitalism, nor have we embraced communism. As Mr. N.K. Singh said, each country has to find its own mix of policies and that is precisely what we are doing and these policies again are not carved in stone. These policies have to be attuned to the changing times. Therefore, this Government has rehabilitated more public

sector units; we have created Nav Ratnas and Mini Ratnas. We have given them the freedom to invest. A lot of public expenditure and public investment is taking place. And today all that we are doing is, enhancing expenditure. Of course, this is non-Plan expenditure. That is because the quality of our expenditure has shifted to the social sector. But expenditure is expenditure and all this will benefit the economy and the steps that we are taking will ensure that our economic fundamentals remain strong. Sir, there is this debate about inflation and growth. I recognise the issue raised. There is always a balancing between growth and inflation. Every Government has to do that. There are times when inflation is benign, we can press the accelerator and press for growth. There are times when high growth spurs inflation, high demand spurs inflation and at those times we have to apply the brakes on inflation. The current inflation or the inflation that we have experienced over the last few months is entirely the result of crude prices, commodity prices and some supply side mismatches. We have overcome, more or less, the supply side mismatches. But crude and commodities are declining now. We are seeing the beneficial effect of it. I have not removed my guard against inflation. Inflation is still over 11 per cent. It will moderate over the next weeks and months as these commodities and crude prices come down. But we cannot be complacent and we are not complacent. I recognise Dr. Arjun Sengupta's point. We are infusing liquidity today. We have to be very careful in infusing liquidity because it should not trigger another bout of inflation. But, as I said, in all these policies we have to be nimble-footed and flexible. We have to revise policies whenever the policies have to be revised. There was a time to impose restrictions; there is a time to lift restrictions; there is a time to suck in liquidity and there is a time to infuse liquidity. That is precisely what we are doing. Now, why are we infusing liquidity today? We did not experience any grave difficulty until the middle of September. In September, suddenly there was a liquidity tightening. It was originally felt, although I had cautioned against it that this liquidity tightening may be the result of advance tax collection and some Government borrowings but it might ease in about few days. But I had my reservations. I cancelled the Government auction for Rs. 10,000 crore. When I found the liquidity had tightened, the call money rate had gone very high and that people bangs the last window for accessing very large amounts of money, then it was time to take decisive steps. Between October 6 and October 20, in a matter of 14 days, we have taken steps that have been decisive and have completely altered the liquidity situation. Something which the United States has taken over two months to do, something which Britain has taken almost a month-and-half to do, our authorities, our Government acted with great speed and in a matter of 14 days we have taken a number of measures which has restored liquidity. If liquidity is not there, the whole economy will come to a grinding halt. Credit is a lifeline of an economy. SMEs must get credit, farmers must get credit, business must get credit, borrowers must get credit and everybody must get credit. We have restored that. Today, nobody is come to money for repo window. Call rate is now between 4.5 and 6 per cent. Therefore, we then took the next bold step, the RBI took the next bold step. Now, the call rate has come down. We can take the risk of reducing the repo rate. The repo rate has been reduced from 9 to 8. I am aware of the 12-Point Programme of the BJP. I would have been extremely grateful

if they have sent me a copy. I read it in the newspaper. I am not complaining, Yashwantji. I read the 12-Point Programme. They are now advocating an aggressive cut of repo and aggressive cut of CRR.

But, if you are in Government, you are responsible for the consequences. You can do that only in a calibrated fashion. We have done it on a calibrated fashion. CRR has been reduced by 250 basis points. The repo has been reduced by 100 basis points. And, we are watching the situation. If the liquidity situation remains benign, there is no reason to infuse further liquidity. And if inflation continues to moderate, we can again revisit these rates. But there is no hard and fast rule and I cannot stand up here and say I accept your twelve-point recommendation or I reject it. I keep that in mind. The CPM has got a seven-point agenda. My friend, Mr. N.K. Singh, has given a pragmatist agenda. My friend, Mr. Arjun Kumar Sengupta, has given me a Keynesian agenda, monetize the fiscal deficit. All these things actually one cancels the other. But, that is a different matter. But, let me keep all that in mind. And, please believe me, the Prime Minister is fully involved in these decisions. He is hands on on these decisions. He has taken a number of meetings. And, whatever decisions we take on economic policies, policy rates, what Government should do on the fiscal side, what RBI should be requested to consider to – it is an autonomous body. RBI should be requested to consider on the monetary side – these all decisions are taken with the full involvement of the Prime Minister. We are acting on the Prime Minister's advice. And, therefore, please be assured the fundamentals of economy are strong and we shall ensure that the fundamentals remain strong.

Sir, I think, I have dealt with most of the matters. I would respectfully request the hon. Members to vote the Supplementary Grants and return the Appropriation Bill. I want to assure every one while there is a global crisis blown across the world, while we are suffering ripple effects, we have taken preventive measures and we are drawing upon the inherent strengths of our economy. We will overcome this crisis and we will build a strong and prosperous India for our children and our grand children. Thank you, Sir.

SHRI SITARAM YECHURY: Sir, can I ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: No, no ...*(Interruptions)*...

SHRI SITARAM YECHURY: I will rest my case before the hon. Finance Minister asking to give the devil its due. ...*(Interruptions)*...

You just tell us, when you wanted to disinvest the BHEL, did we not stop you from doing it? When you today talk of the ...*(Interruptions)*... All that I am saying is, give the devil its due. Accept it. I mean, there is nothing ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: I didn't want to get into a debate with Sitaram Yechury. But actually when Mr. Yechury was speaking and pleading for Marxism to take over the world, I thought he was running as the third candidate in the US elections. Maybe if he had run as a third candidate in the US elections, he might have become the President of the United States and declared America a Marxist country. ...*(Interruptions)*...

SHRI SITARAM YECHURY: They have nationalised more than the Soviet Union has done. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: They are not nationalising. ...*(Interruptions)*... They are not nationalising. As Kapil told you privately, they are re-capitalising their institution. They are not nationalising. And, they have made it very clear. There is a re-capitalisation in which it will be disinvested over a period of time.

Sir, regarding BHEL, the idea was not to make BHEL a non-public sector. In fact, when NTPC was went through, the same Mr. Yechury and his Party supported the Government when we made a small disinvestment in NTPC.

SHRI SITARAM YECHURY: Two per cent.

SHRI P. CHIDAMBARAM: Ten per cent was disinvested in NTPC and they supported us. Then we said, if NTPC can be disinvested, listed in the market, it is subject to market discipline, we should do it for all public sector because they will come under market scrutiny, public scrutiny, independent directors, clause 49 of the listing agreement. It will improve corporate governance. But when we proposed it for Neyveli Lignite Corporation, one of our allies protested. When we proposed it for BHEL, one of our allies protested. We said all right, if our allies are protesting, we will not touch the Navratnas and we have taken out. So, where is the question of giving the devil its due? The devil supported us in NTPC. The devil did not support us in BHEL. ...*(Interruptions)*...

SHRI SITARAM YECHURY: That is the due. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: In fact, the only consistent element ...*(Interruptions)*... the only consistent element in the statement is they want to call themselves devil, we will call them devil. ...*(Interruptions)*...

SHRI SITARAM YECHURY: The devil is because it is in the quotation. What you call us. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: The very same 'devil' said you can disinvest in NTPC. We did it. The very same 'devil' said you can't do it in BHEL, we said all right. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: We have some more business. ...*(Interruptions)*...

SHRI ARJUN KUMAR SENGUPTA: Why Shri Sitaram Yechury is so keen. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 2008-09, as passed by Lok Sabha, be taken into consideration."

The motion was adopted.

MR. DEPUTY CHAIRMAN: Now, we shall take up clause-by-clause consideration of the Bill.

Clauses 2 and 3 and the Schedule were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI P. CHIDAMBARAM: Sir, I move:

That the Bill be returned.

The question was put and the motion was adopted.

MESSAGES FROM LOK SABHA

(III) The Indian Maritime University Bill, 2008.

(IV) The Airports Economic Regulatory Authority of India Bill, 2008.

SECRETARY-GENERAL: Sir, I have to report to the House the following messages received from the Lok Sabha, signed by the Secretary-General of the Lok Sabha:

(III)

"In accordance with the provisions of rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose the Indian Maritime University Bill, 2008, as passed by Lok Sabha at its sitting held on the 21st October, 2008."

(IV)

"In accordance with the provisions of rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose the Airports Economic Regulatory Authority of India Bill, 2008, as passed by Lok Sabha at its sitting held on the 22nd October, 2008."

Sir, I lay a copy each of the Bills on the Table.

MR. DEPUTY CHAIRMAN: Now we shall take up the Unorganized Sector Workers' Social Security Bill, 2007. You just introduce the Bill and then we will take it up tomorrow.

THE UNORGANIZED SECTOR WORKERS' SOCIAL SECURITY BILL, 2007

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES): Sir, I beg to move:

"That the Bill to provide for the social security and welfare of unorganized sector workers and for other matters connected therewith or incidental thereto be taken into consideration."

The question was proposed.

MR. DEPUTY CHAIRMAN: Tomorrow we will take it up. Now, we shall take up Special Mentions.

SPECIAL MENTIONS

Need for generation of power and fuel from agriculture residues

SHRI VIJAY JAWAHARLAL DARDA (Maharashtra): Sir, presently agriculture is trapped in a low growth rate of around three per cent per annum primarily due to its being non-remunerative. But if