

SHRI DIPANKAR MUKHERJEE: Sir, my humble submission is that every day a particular newspaper is doing this to get publicity. ...*(Interruptions)*...

श्री सभापति: आप रेलवे बजट सुनिये। ...*(व्यवधान)*... Shri R. Velu to move a motion for consideration of the Appropriation (Railways) Vote on Account No. 2, Bill, 2004.

#### **THE APPROPRIATION (RAILWAYS) VOTE ON ACCOUNT NO. 2 BILL, 2004**

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU): Sir, I beg to move:

"That the Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 2004-2005 for the purposes of Railways, as passed by Lok Sabha, be taken into consideration".

*The question was put and the motion was adopted.*

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

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

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

SHRI R. VELU: Sir, I beg to move:

*"That the Bill be returned".*

*The question was put and the motion was adopted.*

#### **THE BUDGET (GENERAL), 2004-2005**

MR. CHAIRMAN: Now, we shall take up the General Budget. Shri Yashwant Sinha.

SHRI YASHWANT SINHA (Jharkhand): Mr. Chairman Sir, I rise to offer my comments and the comments of my party on the Budget which has been presented by hon. Finance Minister on the 8<sup>th</sup> of July, 2004. Let me begin Mr. Chairman by congratulating the hon. Finance Minister for presenting the first Budget of the UPA Government. The first Budget of any

Government is a very important occasion because not only people of this country, but in view of our growing importance globally, people elsewhere also watch with very keen interest the Budgets of the Government of India; and specially if it is a new Government, they look for policy initiatives, policy guidelines and direction from the Budget which is presented.

(THE VICE-CHAIRMAN (SHRIMATI SARLA MAHESHWARI) IN THE CHAIR.)

Of course, the hon. Finance Minister has presented Budgets on two earlier occasions. He had a CMP even then in those regimes. If I start by complimenting him on being a great expert on common minimum programmes, I do not think it will be a misplaced compliment to the hon. Finance Minister. Madam, every Budget is presented in a certain economic context. The economic context of this Budget is something which has been described in the Economic Survey, which was presented to Parliament by the hon. Finance Minister. It has been mentioned in his Budget speech and from all accounts the economy that he inherited clearly is in the pink of health. In the very first sentence of the Economic Survey, under Macro Economic Review, it says, "The economy appears to be in a resilient mode in terms of growth, inflation and balance of payments, a combination that offers large scope for consolidation of the growth momentum with continued macro economic stability." Madam, underline the words "growth, momentum with macro economic stability." In his own Budget speech also, he has accepted that the economy is doing well. This is a context which he has been extremely lucky to inherit because I cannot think of any Finance Minister, in recent years, having had this advantage, having had this kind of elbowroom to frame his economic policies. But, there is a longer-term perception also of the economic situation of this country. There is a perception which has been very deliberately cultivated and which needs some explanation, at this stage, as I speak in this House, that in the regime of the Congress Party, between 1991 and 1996 and in the two years that the present Finance Minister was the Finance Minister of this country, the economy was growing at a very high rate and it was only when we the NDA came into office in 1998 that the economy slowed down and various figures have been quoted from various resources to make this point. I have here, in Economic Survey, the growth rates of the previous years and it is important for us to understand this because if the Finance Minister does not keep this in his mind then somewhere down the line he is bound to lose his way. The growth rate in the first year, when Mr. Chidambaram was the Finance Minister was, no doubt, 7.8 per cent, with a growth in agriculture

which was one of the highest in recent years — 9.6 per cent - and the growth in industry standing at 7.1 per cent. It was this combination of growth in agriculture, industry and also buoyant growth in the services sector, 7.2 per cent, which gave us a growth rate of 7.8 per cent. But, this growth rate declined in 1997-98, which was his second year as Finance Minister, to only 4.8 per cent. It was only 4.8 per cent. It was not merely contributed by a decline in agricultural value added which came down to -2.4 per cent but also because of a very substantial decline in the industrial sector which stood at 4.3 per cent.

(MR. CHAIRMAN in the Chair)

The point I am trying to make is that somewhere in that year, the momentum of growth rate of the industrial sector was lost. It had happened - I am not blaming him in person -- because as we are aware a number of international factors happened. There was the crisis in the East Asia. Additionally, the surplus capacity, which had got created in our economy, could not find markets because the assumptions on which that surplus capacity or excess capacity or additional capacity had been created did not prove to be true. Then, there were six years of the NDA Government, with growth rates of 6.5, 6.1, 4.4, 5.8 and, finally, 8.2 per cent, last year. I am mentioning all this because, as I said, it is important to remember the economic context. And, there are some gathering clouds - unfortunately, not so much in the sky - as else where to which I will come later. But this is the economic context. A buoyant agricultural sector and the industrial sector, which has started picking up again, and propitious international context in which this Budget had to be framed. The Finance « Minister, in his Budget speech, has made some claims. He has also sought to create some impressions through the Budget speech. I think, it is very important for us to examine those claims; it is very important for us to examine those impressions, which he has sought to create, and find out where exactly do we stand, as far as those claims and those impressions are concerned. I would like to assure the hon. Finance Minister, through you, Sir, that in judging him I would go entirely by the documents that he has presented to Parliament - his Economic Survey, his Budget speech, and his other Budget documents. I would also like to judge him by the standards and claims he has made, not our standards, not somebody else's standards, but his own standards; by the benchmarks that he has set, not the benchmarks that were set by us, not the benchmarks that were set by others.

Where are we, as far as that issue is concerned? I am not referring to the grandiose statement that he has quoted in his Budget speech, which was made by the Prime Minister in his 'Address to the Nation', which talks about a whole lot of things because the Finance Minister has made that the starting point. But I will refer to paragraph 5 of his Budget speech, where he mentions the difficulties that he faces, both in terms of shortage of time and otherwise. Then, he goes on to say, I am quoting, "Under the circumstances, it was considered optimal to allow the on-going programmes to continue until the Planning Commission completes an exhaustive review and reorients the expenditure pattern to conform to the National Common Minimum Programme Objectives". So, he has lost time because of the political process, this year -- making it possible for the Budget to be presented only in July. However, this is not for the first time that a Budget has been presented in the month of July. The hon. Finance Minister had presented his first Budget, he will recall, also in the month of July. But expenditure is an on-going exercise. As there was an interim Budget, expenditure did not come to a stop or stand still on the 1<sup>st</sup> of April this year. But if he wants time, nobody will grudge him this privilege; nobody will grudge the Planning Commission the privilege to carry an exhaustive review and make suggestions, on the basis of which the expenditure pattern will, then, be reviewed. But the point that I would like to make is that clearly, as far as this Budget is concerned, as presented to Parliament and the programmes and policies in this Budget -- by his own admission - for the time being - and I don't know how long the 'time being' will be, how long the Planning Commission will take to make this exhaustive review of expenditure -- all the existing programmes will go on. There will hardly be any change, as far as programmes are concerned. I would like to refer to another very significant statement that the hon. Finance Minister made in paragraph 95 of his Budget Speech. As far as the taxation proposals are concerned, he said this, and I quote: " I am a votary of tax reforms but it would be unwise on my part to attempt to do tax reform in a hurried or piece-meal manner. Seven months from now there will be another Budget, and there will be an occasion to visit the subject of tax reform." So, as far as expenditure reorientation is concerned, there is nothing which has been done, according to the Finance Minister's own admission, as far as this Budget is concerned. As far as the tax reform is concerned, he himself says that this was not the occasion for tax reforms because he would like to revisit it when he presents his next Budget. Now, this is the admission; this is the confession part of the Finance Minister's Budget Speech. How far he

remains true to his own confession remains to be seen. I will clarify sum of this as I go along. But, Sir, I was talking about the impressions, which were sought to be created by the Finance Minister through this Budget speech. I am referring also to the repeated statements, which I have seen in the media, that he has made on various occasions about these impressions. What are these impressions? These impressions are, basically, that the previous Government, namely, the NDA Government neglected certain sectors of the economy, namely, agriculture, education, health, rural development, employment, etc., and that under the National Common Minimum Programme, this Government is going to set it right; that we made mistakes and they are going to correct those mistakes. This is the impression, which has been sought to be created. And, it is very important, Sir, for us to examine, at least, these five sectors in some detail to find out where exactly do we stand, and that is exactly what I propose to do from the documents that he has presented to Parliament; and by the Budget Speech and Budget documents that he has given to Parliament.

Sir, let us take agriculture in the first instance. I am referring to pages 166 and 167 of the Economic Survey. And I am, in particular, referring to an issue, which has been discussed in this House repeatedly; an issue, which is very important, and that is the gross capital formation in agriculture. This is a very important issue; nobody can really deny that unless there is investment and unless there is gross capital formation in the agricultural sector, we cannot expect results. I would like to draw the attention of the Finance Minister and the House, Sir, through you, to the figures, which are quoted at Table No. 8.22 of the Economic Survey. What do the figure reveal? The figures reveal that in 1990-91, the gross capital formation in agriculture at 1993-94 prices was 1.9 per cent of the GDP. By 1997-98, let me assure him that we had nothing to do with it because we were not in the Government in 1997-98 - it had come down to 1.4 per cent of the GDP. Between 1998-99 and 2002-03, for which we have figures in the Economic Survey, it hovered between 1.3 to 1.4 per cent of the GDP. That means, Sir, very clearly, these figures show that the declining trend in gross capital formation in the agriculture sector was arrested when we were in office. It was not allowed to decline any further. Were we able to raise it? I would like to refer to the Economic Survey again. It says, and, I quote, "However, there is indication of a reversal of this trend of late with the public sector investment in agriculture attaining a five-year high in 2002-03." So, clearly, when we get the figures for 2003-04, perhaps we will be wiser, but the point I am making is that through the attempts that were

made in previous years of the NDA regime, this trend is sought to be now reversed and gross capital formation in agriculture has started going up.

Now, the other important issue in agriculture clearly is agricultural credit, and I dare say, Sir, that we both, me when I was the Finance Minister and my distinguished colleague, the hon. Leader of the Opposition in this House now, concentrated on facilitating credit in the agricultural sector, and as the figures in this Economic Survey will show, from Rs. 32,000 crore roughly in 1997-98, the credit flow to agricultural sector increased to Rs. 80,000 crore in 2003-04. These are figures quoted in the Budget. It may not be doubling in three years which is the Finance Minister's target, and I hope we will all live to see the day when the target will be achieved and we will be very happy. But I will say, in four years, we doubled it. What he is saying is 'we will double it in three years', theirs is a promise; ours is a performance that in four years we had doubled and if we look at Rs. 32,000 crore and Rs. 80,000 crore, in those 6-7 years it went up by two-and-a-half times.

Now, this is one part. Sir, on the agricultural credit, the *kisan credit card* was an instrument that the NDA Government had devised. Now, it is very interesting, and, I think, the House must take note, Sir, of these figures. According to the norms which have been set by NABARD, there are 4.27 crore farmers in this country who are eligible for the issue of *kisan credit cards*. My successor in Office, the present Leader of Opposition, had set the target of making the *kisan credit card* available to all the eligible farmers in this country before the end of the last financial year, and I am happy to be able to tell you, Sir, that according to this survey itself, 4.13 crore farmers were issued the *kisan credit card* by the 31<sup>st</sup> of March as against 4.27. The remaining work which has to be done by the hon. Finance Minister, therefore, is to provide it to the remaining 14 lakh farmers in this country, unless he changes the norms and increases the coverage of the *kisan credit card*; and, a sum of Rs. 98,000 crores - a sum of Rs. 98,000 crores; these figures are in this Economic Survey -- has been advanced to those who hold *kisan credit cards* in this country. I do not think it is a mean achievement, Sir, that in six years, or, five years because we started in 1998, we have been able to do this and what goes with the *kisan credit card* is also an insurance package. Every *kisan credit card* holder gets an insurance package against death, disability, permanent injury, etc. So, that is the other issue. Now, the Finance Minister, Sir, has created an impression -- because I was confronted with this when I appeared on a

particular television channel -- that he has made available a sum of Rs. 8000 crores additionally through what is called the Rural Infrastructure Development Fund. Now, the rural infrastructure development fund, Sir, is an on-going exercise, and, as we are all aware, what happens is, if there is a shortfall in lending by the banks to the agricultural sector from the targets which have been set, then this deficit is mopped up and placed at the disposal of NABARD, which then lends through the RIDF mechanism. It has been going on every year, and we have sought to increase it by Rs. 5,00 to a 1000 crores every year.

Sir, what happened when Shri Jaswant Singh was the Finance Minister was that he thought that instead of these small amounts of Rs.5000, Rs. 6000 and Rs. 8000 crores, we should have a more comprehensive approach to agriculture credit, and also, credit for the creation of infrastructure. And, therefore, he set up a new fund, which he called the Lok Nayak Jai Prakash Narain Fund for agricultural infrastructure and credit needs of the farmers. This has been described in great detail in the Economic Survey, which the hon. Finance Minister has presented, at page 161. It shows, what Shri Jaswant Singh had said in his Interim Budget Speech was that this fund would replace the existing RIDF; activities such as rural connectivity, primary health centres, major irrigation and medium irrigation, which are currently covered under RIDF, will not be included in the new Fund. And this fund was also operationalized on 17<sup>th</sup> February, 2004. Finance for infrastructure through State governments was placed at Rs. 30,000 crores; finance for investment in agriculture and on commercial infrastructure through banking system was placed at Rs. 18,000 crores, and for the development measures and risk management mechanism, the amount was Rs. 2000 crore.

Then, he went on to say that in the first year of operation, 2004-05, the funds required would be around Rs. 12,000 crores, and that provision of Rs. 12,000 crore was made subject to augmentation later by Shri Jaswant Singh. Now, this Rs. 12,000 crore has actually been reduced to Rs. 8000 crore. But the Finance Minister takes credit for the fact that he has made Rs. 8000 crore additionally available to the agriculturists! That is not true.

**श्री संजय निरुपम (महाराष्ट्र):** वह 4 हजार करोड़ कहाँ गए?

**श्री यशवंत सिन्हा:** 4 हजार करोड़ कहाँ गए, यह तो वे बताएंगे कि उन्होंने क्या किया।

Mr. Chairman, Sir, I raise another issue which I consider to be very important, and is connected with our emotions, our sentiments. Finance Ministers come and Finance Ministers go, governments come and governments go, sometimes quickly, like the present government would go!

SHRI JIBON ROY (West Bengal) : That would happen only in your dreams!

SHRI YASHWANT SINHA : We set up schemes, we structure schemes; we name schemes after some very distinguished people. This scheme was named after Lok Nayak Jai Prakash Narain, and I don't think anyone in this country, anyone, will dispute the fact that he was one of the greatest sons of India, one of the greatest sons ever. I am sure, my colleagues in the RJD would agree.

Now, we never did this. When we were in office for six years, we never changed the name of a single scheme. So, you have the Indira Awaas Yojana, you have the Rajiv Gandhi Technical Mission for Drinking Water. You have all the names, which we had inherited when we came into power, and I dare say, with emphasis, that we did not change the name of a single scheme, Sir. And what has hurt me a great deal is that this Government comes into office, and the first thing it does in its first Budget is to completely erase the name of Lok Nayak Jai Prakash Narain and go back to RIDF!

SHRI RAVI SHANKAR PRASAD (Bihar) : Sir, Shri Jai Prakash was not provided even with proper medical assistance when he was arrested during Emergency. We cannot expect anything more from this Government! We know this very well.

SHRI YASHWANT SINHA: Sir, my very humble plea to the hon. Finance Minister and to this Government will be that let us not play these petty games. And, I am sure, Prof. Bhandari has just come, he will support us in this and all those who were involved in this movement in 1974-75, and all those who have respect for Jai Prakash Narayan will, that this name should not be changed and that even that Rs.8000 crore, instead of Rs. 12,000 crore, that the Finance Minister has made available, RIDF, the name could be Lok Nayak Jai Prakash Narayan Fund even if he wants to do away with, which he should not, the very wise, the very well-thought-out scheme that Mr. Jaswant Singhji had introduced in his Budget.

Now, there is another point, which I am sorry I will have to make. The Finance Minister, in his Budget speech, talks about the Accelerated



Irrigation Benefit Programme (AIBP) and he says, "I am making a provision of Rs.2800 crores." Even when I heard it, because I had lost touch in these two years, I thought some massive fund allocation had been made for the AIBP, may be Mr. Jaswant Singhji had reduced it to Rs. 2000 crores, or, whatever it was. Then, I went into the figures and I found that it was exactly Rs.2800 crores in the last Budget. It was exactly Rs.2800 crores in the Interim Budget. There is no addition of even one *paisa* to the allocation by the Finance Minister and he had made a claim that he is placing Rs.2800 crores for the AIBP. If you go through the Budget speech, I mean one follows a certain pattern while writing a Budget speech, preparing a Budget speech. I will refer to paragraph 17, for instance, where he talks about allocation for Scheduled Castes and Scheduled Tribes. He mentions, "I am raising it from this to this; I am raising it from this to this." You have done it in paragraph 17, Sir, why didn't you do it when you mentioned AIBP and say I am placing Rs. 2800 crores as Budget allocation which is exactly what it was in the previous year. That should have been, perhaps, more honest approach. But, AIBP is a very useful scheme. AIBP had conditions which were difficult and that is why, the States were not able to use it. We made it more State Government-friendly and I am quite sure that AIBP has moved on. Some schemes, at least, have been completed. But, I would like to issue a note of warning to the hon. Finance Minister. As he said in his Budget speech, funds will be available only for schemes, which are going to be completed by 31<sup>st</sup> March, 2005. Then, I am afraid, most of the allocation will remain unutilised because ongoing irrigation schemes only some of them will be completed. Put pressure by all means on the State Government, but have a rolling plan, have something which will enable States to get money to complete schemes by 31<sup>st</sup> March, 2006; have schemes which will be completed by 31<sup>st</sup> March, 2007. But, you cannot starve schemes of funds and suddenly say that now you complete it within the next few months and then we will give you the money. Sir, we had started and I am happy that the Finance Minister has kept those schemes - National Agricultural Insurance Scheme, the Farm Income Insurance Scheme. But, I am a little intrigued once again when he talked about horticulture and he said we are going to have a National Mission on Horticulture. Let us take horticulture, Sir. Page 156 of the Economic Survey. What is it saying, "as a result", it described the steps which had been taken, and then it says and I quote, "as a result, the horticulture sector has grown significantly over the years." Which "over the years"? Obviously, our years; when we were in office. "India has maintained leadership in production of many commodities like

bananas, lichis, mangoes, etc." And, then it talks of four steps which were taken for horticultural development. There is already a Technology Mission on Agriculture which is functioning; which has been functioning for quite some time. And, at the end of the agricultural sector, we have these sentences, "In recent years, there has been a considerable emphasis on development of horticulture and floriculture through the creation of critical infrastructure for cold-storage, refrigerated transportation, processing, packaging, and, quality control". In recent years all this is there. Cold-storage facility of three million tonnes has been created in the last five years. Sir, it is three million tonnes. But, I am unable to understand as to what is the difference between a National Mission on Horticulture and a Technology Mission on Horticulture. I will be very grateful if the Finance Minister would enlighten the House and say as to how a National Mission is different and more effective than the Technology Mission, which has been functioning, and, which has made all these achievements possible.

Horticulture, or, floriculture, all these are very important areas of agriculture, which need to be promoted, and, which we had promoted. Now, I would speak about the allocations, the increased allocations for agriculture. I looked at Agriculture and allied activities, and, when I went into the figures, I found that between the Interim Budget and the final Budget, which Mr. Chidambaram has presented, the Budget allocation has gone up by only Rs. 136 crores.

But, I will not go into the allocations at this stage because he says that he is going to reorient expenditure. When he was presenting the Budget, in his speech, he said, \*f ^ TTl He will be there.

I do not know whether I should make it a point now or later, but, I will make it now. He has increased the plan allocation from the Interim Budget by Rs. 10,000 crores, from Rs. 1,35,000 crores to Rs. 1,45,000 crores, and, he has done a very-very smart thing, my hats off to the Finance Minister because, in the paragraph 13 of his speech -- what does he say? - he said, "while the Planning Commission will make the final allocation, I may assure the House that crucial programmes, and, mind you, crucial programmes such as Food for Work, Sarva Shiksha Abhiyan, Mid-day Cooked Meal Scheme, Basic Health Care, Railway Modernisation and Safety, Accelerated Irrigation Benefit Programme, Drinking Water, Investment in Agriculture, Provision of Urban Amenities in Rural Areas (PURA), Roads, Science and Technology including Bio-Technology will receive priority, and, will be provided additional funds'.

**1.00 p.m.**

So, for his famous Rs. 10,000 crores allocation, these are the priority areas, and, there will be other areas, naturally, there will be other claims. I have said he has done a very smart thing, because we cannot talk about allocations at this stage, because allocations are what they were generally, when the Interim Budget was presented by Mr. Jaswant Singhji. So, we will have to wait for the day, when the Planning Commission makes the allocations, and, the Finance Minister comes back to Parliament and informs us as to what those allocations are. For the time being, we have to, go by what he said, मैं हूँ ना। 10,000 करोड़ रुपया है ना।

10,000 करोड़ रुपया है ना। Whether it is agriculture, 10,000 करोड़ रुपया है ना। Whether it is irrigation, 10,000 करोड़ रुपया है ना। Whether it is education, 10,000 करोड़ रुपया है ना। Whether it is health care, 10,000 करोड़ रुपया है ना। Whether it is this, that, or, anything, 10,000 करोड़ रुपया है ना। मैं हूँ ना।

Sir, now I come to Rural Development. Compared to the RE, the allocation has gone down by almost Rs. 4,000 crores. Now, where is the catch of this? The catch is that there is a special component in the Rural Development Programme. We had started Food-for-Work Programme on a very large scale, on a very large scale. We were giving a special allocation in terms of food-grains to the State Governments whenever a district was affected by a calamity and we had a report from the State Governments of those calamities. Now, I know, it is not my case that calamities can be anticipated at the beginning of the year. But, some provision, on the basis of past experience, should have been made. What the Finance Minister has done is that he has left it to be met as we go along in the course of the year knowing full well that there will be certain districts in this country which, whether we like it or not, and however unfortunate it might be, will be affected by calamities. Floods are already ravaging some of the States, including Bihar. There is the fear of drought in certain States. God forbid, if that were to happen, we will have to ...*(Interruptions)*...

**श्री सभापति:** कार्य मंत्रणा समिति ने तय किया है कि हाउस भोजनावकाश लिए आज स्थगित नहीं होगा।

**SHRI YASHWANT SINHA:** Now, therefore, Sir, what worries me ...*(Interruptions)*...

**श्री संजय निरुपम:** क्या मंत्री जी जा रहे हैं लंच के लिए?

श्री सभापति: कोई नहीं जा रहा है इस हाउस से।

SHRI YASHWANT SINHA: Sir, what worries me is that this reduced allocation and this amount, Sir, as I said, is an amount of Rs. 4,000 crore.... *(Interruptions)*...

श्री संजय निरुपम: चेयरमैन सर, मैं इसलिए पूछ रहा हूँ कि जब यशवंत सिन्हा जी बजट पर आपने भाषण की शुरुआत कर रहे हैं तो मंत्री जी वहां बाहर जाकर फोन पर बात कर रहे हैं। इसलिए मुझे लगता है कि इस पूरे विषय को बहुत गंभीरता से नहीं लिया जा रहा है। इसीलिए मैंने पूछा है।

श्री सभापति: नहीं, वे वापिस आ रहे हैं। आ गए हैं। ...*(व्यवधान)*...

प्रो. राम देव भंडारी (बिहार): अगर नेच्युरल कॉज होगा तो वे क्या नहीं जाएंगे।

श्री मोती लाल बोरा (छत्तीसगढ़) मैं हूँ ना।

श्री सभापति: आप इस झगड़े में क्यों फंस रहे हैं।

SHRI MOTILAL VORA: We are all here, Sir.

SHRI YASHWANT SINHA: Sir, it is not a matter of prestige, as far as I am concerned, if the Finance Minister has some very pressing engagements ... *(Interruptions)*...

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): No, no, there are no pressing engagements. I did not know about the cancellation of the lunch hour. There is a meeting with the Sri Lankan Prime Minister. I have said that I am not able to join the meeting which I had to. I hope, you will appreciate this.

SHRI YASHWANT SINHA: So, Sir, the point I was making about rural development was that this fund would be required in the course of the year whether the Finance Minister makes allocation now or makes allocation later specially as far as the calamity-affected districts are concerned. I hope and pray that by reducing the allocation, compared to the RE of last year, it is not his intention to deprive those calamity-affected districts and the Sampoorna Grameen Rozgar Yojana of funds because it is a very important scheme, as the Economic Survey and his own Budget documents will show and that this will continue. Sir, I would like to say that there is no shortage of foodgrains in Government godowns. One of the major achievements, if I could take a minute of the House's time, was that between 1998 and 2004, we dramatically changed the food situation and from a net importing country, India became a net exporting country of foodgrains. And, therefore,

despite all that..(Interruptions)..What is this?...(Interruptions)... No, no, you are laughing in a derisive manner. I am making a serious point ... (Interruptions)...

श्री सभापति: बैठिए, बैठिए ... (व्यवधान)...

SHRI JIBON ROY: Per-capita consumption of food is going down ... (Interruptions)...

MR. CHAIRMAN: Please, take your seat.

SHRI YASHWANT SINHA: The point I am making is there is no shortage of foodgrains in the Government godowns even at this stage and, therefore, this allocation to the States which you are making free of charge could continue if there are conditions which demand this. Sir, as I have already mentioned, as for education, the whole world is aware that the *Sarva Shiksha Abhiyan* was started when we were in office. The Fundamental Right to Elementary Education was inscribed in the Constitution, when we were in office. And this, *Sarva Shiksha Abhiyan*, has proved to be a very powerful tool for taking literacy to the children of this country. And what has been the dramatic shift is something that is already very well known. But as far as expenditure, on agriculture as well as education, is concerned, this Government has said that that they would like to take the expenditure on education to 6 per cent of the GDP from the present level of around 3 per cent, and on health, they would like to take it to 3 per cent of the GDP from around one per cent. I am just quoting the figures. According to my estimation, as far as education over the next five years is concerned, this will mean an allocation of Rs.93,000 crore, as the Finance Minister and the President have said. That is Rs.18,000 crore per year, and as far as health is concerned, an increased allocation of Rs.62,000 crore, that is, Rs.12,000 crore per year. Which means for education and health alone, the annual allocation should go up by something like Rs.30,000 crore if they want to meet those targets. लेकिन 10 हजार करोड़ रुपया है न इस साल।

The other point, which I would like to make here, is that the Finance Minister said that he was imposing a cess of two per cent for supporting education in this country. And according to his own estimates which he has given, something like Rs.4000-5000 crore will accrue to the Government through this education cess. Though he says at the end of his Budget Speech, when he has finished part B, that from all his taxation proposals, he is expecting a net gain to the Government of Rs.2,000 crore which meant

that part of the gain in the education cess was being erased by concessions in taxation that he has given elsewhere. But that is not the important point. The important point is that whatever be the receipt within this year and as far as direct taxes are concerned, the Minister is as well aware as I am, that it will be for the whole year. In Indirect taxes, it will begin from the 8<sup>th</sup> of July. So despite the fact that he might have lost three months and one week, he has still got almost nine months of this year as far as indirect taxes are concerned. So the figure of receipt under the cess could be Rs.3,500 crores, it could be Rs.3000 crore. And we will expect to see that when the allocations are revised for education after the exhaustive review by the Planning Commission, this entire amount will go only for education and nowhere else. This is very important because if it goes anywhere else, then he will have to face our protest because the whole country-is going to pay the education cess.

Sir, again as far as health is concerned, I have already said, it involves another Rs. 12,000 crores. But the point, which I would like to make here, is that in our Government we had said that we would set up six institutes like the All India Institutes of Medical Sciences, Delhi. I find from the budgetary allocations that for this and for other purposes, the Minister has made available a sum, so far, of only Rs.10 crore, which, I am sure, will be inadequate for carrying out this very ambitious programme.

Now I come to the most important issue, and what is the most important issue -- employment. We were repeatedly criticized, railed and put on the mat, for what - for our failure to keep up the promise of creating one crore additional jobs every year. Though the Economic Survey says that 84,00000 lakh jobs were created... according to a Sample Survey which they carried out. ...(*Interruptions*)...

SHRI DIPANKAR MUKHERJEE (West Bengal): Thin Sample Survey!

SHRI YASHWANT SINHA: Thin or *mota* does not matter. But there was a Sample Survey and the Sample Survey has proved that 84 lakh jobs per year were created. Now, this Government, under the National Common Minimum Programme...(*Interruptions*)...

श्रीमती सविता शारदा (गुजरात):जब आपका टाइम आए तब बोलिएगा। ...(*व्यवधान*)...

श्री दीपांकर मुखर्जी:तो क्या तालियां बजा दें? ताली अगर बजती तो क्या आप लोग उधर बैठते? ...(*व्यवधान*)... He does not want to quote that. ...(*Interruptions*)...

That says, it does not give you correct measurements. Why should you hide? Please read the last sentence. ...(*Interruptions*)...

**श्री यशवंत सिन्हा:** अच्छा, नहीं क्रिएट किया। हमने 84 लाख जॉब्स क्रिएट नहीं की। हमने चार लाख भी नहीं की, हमने कुछ नहीं किया। ठीक है। उसी से संतुष्ट हैं तो मान गए सुनिए, बड़ी जनता की बात करते हैं। दस हजार करोड़ है ना सब उसमें आ जाएगा। Sir, the point I am making is that in the National Common Minimum Programme, this Government, in the Rashtrapati Abhibhasan, has promised that it will have a Job Guarantee Scheme, and what has the Finance Minister said in his Budget speech? He has said that his colleague, the Labour Minister, will bring a legislation before Parliament shortly. That shortly has not been defined, and where is the allocation for creating those jobs, one per family, from the BPL families in this country? Where is the allocation? But why should I ask this question? Rs. 10,000 crores are there.

Sir, after having dealt with these five issues, there are some other issues which I would like to mention. The first is the State finances, and I am referring to the State finances because out of this Rs. 10,000 crore, Rs. 3,900 crore is the allocation for the States and Rs. 6,100 crore is the allocation for the Centre, and it is important for us to keep this distinction in mind because, what the Finance Minister will have available for spending within this year as far as Central schemes are concerned or Centrally-sponsored schemes are concerned, will be Rs. 6,100 crore and the other Rs. 3,900 crore will be made available to the States when the Planning Commission meets to finalise the State plans, and this money will go to the States, to be spent, maybe, for the National Common Minimum Programme objectives. But it will be at the disposal of the State Governments, not at the disposal of the Central Government. The Central Government will have Rs. 6,000 crores. But there are two points which I would like to make. One is, the State finances are in a very, very difficult situation. They continue to be difficult, and I have no doubt in my mind that the hon. Finance Minister is aware as nobody else perhaps in this country is, of the damage which was done by certain actions which were taken in 1997-98 to specially the State finances, and the States have barely recovered from that damage. So, the State finances are still in a mess. The States are also the implementing agencies of the Government of India's programmes. You are not going to set up a separate body. You might set up a separate body for overseeing and supervising the implementation of the National Common Minimum Programme. | You are welcome to do it. But you will have to implement it through the State Governments, and this is where the rub lies. This is the

crux of the matter. Make any kind of allocations available, if they are not properly spent, then all your schemes will remain on paper. Therefore, this is an issue which calls for a great deal of attention, and I hope that attention will be forthcoming. But I would like to make a comment here about the so-called Bihar Package, and my friends from Bihar, representing Bihar in the Rajya Sabha, the Council of States, are sitting here. What has the Finance Minister said as far as the Bihar Package is concerned? He has said:

"Under the Rashtriya Sam Vikas Yojana, he will make available a special package to Bihar."

And then he says--and this is where the catch is:

"A provision of Rs.3,225 crores has been made available for the present."

A Rs.3,225 crore provision! This is for Rashtriya Sam Vikas Yojana. It is not merely for Bihar, and my friends from Bihar, Sir, should take note of this fact, because an impression has been created that this whole sum belongs to Bihar, that there are backward districts in Orissa, there are backward districts in Andhra, and the Rashtriya Sam Vikas Yojana was conceived by us, Sir, because we wanted to pay special attention to these most backward districts in our country. Therefore, in order to take equity and justice to these most backward districts, we had created the Rashtriya Sam vikas Yojana, and the Rashtriya Sam Vikas Yojana has this provision. But apart from that, I have information that when we were in office, we had held discussions with the Bihar Government, with the Orissa Government and others, for the operationalisation of the Rashtriya Sam vikas Yojana, and a sum of Rs.2,531.35 crores had been made available to Bihar by the Planning Commission. And I will ask the Minister to check up; he has answered in reply to a question in the other House. This sum of Rs.2,531.35 crores was made available to Bihar, in the first instance, to complete a list of schemes, which also I have here. And as I said, Sir, a meeting had been held in the Planning Commission, and the hon. Chief Minister of Bihar had participated in this meeting. She had made a statement. And what did she say at the end of it? I would like to quote that for the benefit of my colleagues from Bihar. And I am quoting:

"बिहार के विकास की समस्याओं में योजना आयोग के माननीय उपाध्यक्ष महोदय ने बहुत दिलचस्पी ली है। तिवारी जी...



Mr. D.N. Tiwari who was a member of the Planning Commission then.

“तिवारी जी ने भी तत्परता के साथ इसमें बहुत समय दिया है। पटना आकर उन्होंने मेरे पदाधिकारियों एवं मुझसे विचार-विमर्श किया। इस विशेष योजना को मूर्त रूप दिया, इसके लिए मैं आभारी हूँ। मुझे विश्वास है, आपके सहयोग एवं सहायता से इसी योजना-काल में बिहार का विकास तेजी से हो सकेगा।

This is the statement of the hon. Chief Minister of Bihar. The amount I have mentioned. I am making this point because our colleagues from Bihar should be under absolutely no illusion that something good, great and new has happened to Bihar. Nothing at all has happened to Bihar. What has happened had already happened, and that money is already available. And I will urge upon the Members from Bihar, Sir, on this side and our side, that the important thing to be done in Bihar is to enable the Government of Bihar, to persuade the Government of Bihar...*(Interruptions)*...

**श्री मंगनी लाल मंडल (बिहार):** आप भी तो मूल बिहारी ही हैं।

**श्री यशवंत सिन्हा:** हाँ, बिल्कुल हूँ, इसीलिए मैं दर्द के साथ बोल रहा हूँ। ...*(व्यवधान)*... इसीलिए मैं दर्द के साथ ही बोल रहा हूँ। that the important point in Bihar is not the availability of funds; the important thing in Bihar is the capacity of the State Government to be able to spend the funds for development, and I hope that all of us will contribute to creating that capacity in the State of Bihar, Sir.

Now, I know that we will get another opportunity to discuss the taxation proposals when the Finance Bill comes. So, I would not like to take the time of the House in giving the details as far as that point is concerned. I will only refer to some points which the Finance Minister may kindly keep in mind when he sits down to revise the proposals in the Finance Bill. He has very kindly stated that, through a mechanism that he has created, people earning Rs.1,00,000, a taxable income of Rs.1,00,000, will not be required to pay income-tax. Now, in this process what he has done is that he has sacrificed a very salutary principle of taxation and that salutary principle of taxation is that through your taxation measures you should not reduce the income of one category which is earning more compared to the income of another category which is earning less. How will this operate? Up to Rs.1 lakh it will be rebated. So, they will not pay any tax. ' But if your income is, as every one knows, is Rs.1,01,000--Shri Ramachandraiah is a very eminent Chartered Accountant--you will end up paying over Rs.9,000 by way of tax. Your real income will come down to Rs.92,000, and a person who is earning an income of Rs. 1,00,000 will be

able to carry home Rs.1,00,000. I will request the hon. Finance Minister to be honest. If he really wants to help, if he really does not mind pushing that 1.4 crore people out of the tax net, then raise the exemption limit from Rs.50,000 to Rs. 1,00,000. That will be the more important and better way.

SHRI P. CHIDAMBARAM : Why didn't you raise it then?

SHRI YASHWANT SINHA: I raised it from Rs.40,000 to Rs.50,000.

SHRI P. CHIDAMBARAM: Why didn't you raise it further?

SHRI YASHWANT SINHA: The then Finance Minister, Shri Jaswant Singh, had made a promise. Shri Jaswant Singh had promised in his Interim Budget Speech that this was exactly what we were going to do.

SHRI P. CHIDAMBARAM: Do you support this exemption up to Rs. 1,00,000 or not? Let us be categorical. Give a straight answer.

SHRI YASHWANT SINHA: About which exemption are you talking? I am saying that this is dubious.

SHRI P. CHIDAMBARAM: Do you support rebating of tax for those who are earning Rs.1,00,000 or not? Say, yes or no. Give a very straight answer.

SHRI YASHWANT SINHA: The NDA Government's intention was very clearly stated by my colleague, Shri Jaswant Singh, when he presented the Interim Budget. Please go through his Interim Budget Speech. Our political commitment is already there.

SHRI P. CHIDAMBARAM: If Shri Jaswant Singh, when he returned as Finance Minister, had done this, I would have supported him. Now we have done it. So, I want you to support us.

SHRI YASHWANT SINHA: We will support you, but not on this proposal. We will support you when you actually raise the exemption limit from Rs.50,000 to Rs.1,00,000. That will be the straight line method of doing it.

SHRI P. CHIDAMBARAM: For five years you didn't do it.

SHRI YASHWANT SINHA: Please do it. I have already raised the issue of education cess. The transaction tax is engaging, I believe, the attention of the hon. Minister. But I would only like to say that this kind of a proposal should have been thought through. I don't see that application

of mind in the imposition of a transaction tax of 15 basis point because the kind of *situation... (Interruptions)*...

SHRI P. CHIDRAMBARAM: I am asking, do you support the principle of transaction tax?

SHRI YASHWANT SINHA: I support what my colleague had done. If you go through his Interim Budget Speech...

SHRI P. CHIDAMBARAM: There is no reference to it.

SHRI YASHWANT SINHA: If you go through his Interim Budget Speech...

SHRI P. CHIDAMBARAM: Do you support the principle of securities transaction tax?

SHRI YASHWANT SINHA: We have an alternative proposal. *...(Interruptions)...* We have an alternative proposal. *...(Interruptions)...*

SHRI P. CHIDAMBARAM: Why are you avoiding answering? Why don't you say 'yes' or 'no'?

SHRI YASHWANT SINHA: Why should I say? I am not standing in a court of law that I should answer 'yes' or 'no'. I am saying that Shri Jaswant Singh in his Budget Speech of 2003-04 had abolished long-term capital gains tax. He said, "we will watch for one year", and in his Interim Budget Speech he had clearly indicated, in reply to the discussion on the Interim Budget, that he proposed to carry it forward. Now, if you really want to be an honest man, Mr. Chidambaram, the best thing for you is to follow the example set by Shri Jaswant Singh and abolish the long-term capital gains tax. Now, you have abolished it and replaced it by a transaction tax.

SHRI NILOTPAL BASU (West Bengal): So, Mauritius-based funds can come.

SHRI YASHWANT SINHA: The Mauritius-based funds have nothing to do with this. The point I am making is that you have not given the assessment as to how much you are receiving by way of long-term capital gains tax. You have not said as to how much you are going to receive through transaction tax, and you have landed yourself in difficulty. If you are enjoying the present state, please carry on with your Left colleagues. I have absolutely no problem.

SHRI P. CHIDAMBARAM: Sir, let us be very clear about what was done and what was not done. What was done by my distinguished predecessor was to grant a one year exemption for BSE 500 Sensex shares. This is a limited exemption granted to a limited number of shares. I have concluded and I want you tell me whether you agree with me or not, that we should abolish the long-term capital gains tax in securities, reduce the short-term capital gains tax in securities and replace it by a neat and efficient tax which eliminates tax avoidance. That is the philosophy. Now we have proposed a 15 basis point tax. People have come and given representations. That is why there is the Finance Bill. There is a proposal. There are some difficulties for certain categories of people. I said, "Yes, we will revisit the numbers". We are revisiting the numbers. I had spoken to you when we met outside and I said, "I am revisiting the numbers". That is the right approach to take. The point I am asking is: Do you support the principle of transaction tax? If you do, I am grateful. If you don't, I would like to know why you are opposed to the transaction tax. The transaction tax will eliminate tax avoidance. You have put a question to me: How much will be our capital gains? Nobody knows it. You did not know it when you were the Finance Minister. Shri Jaswant Singh did not know it. There is no way in which anyone can calculate as to what is the capital gain on securities. Just look at market capitalisation. Market capitalisation went up by Rs. 300,000 crores. Even if we assume that short-term was half and long-term was half, even if we assume an average capital gains of about 20 per cent in short-term, we should have collected almost Rs. 25,000 to Rs. 30,000 crores as capital gains. But we did not collect. Our entire income tax collection will show that we did not collect that much. Therefore, the best course is to eliminate tax avoidance, I believe, a securities transaction tax is relevant. We can revisit the numbers. I want to hear if you have got any idea on numbers. I am sure other hon. Members would have the numbers. But why are you avoiding the question? Do you support the principle of securities transaction tax or not?

SHRI SANJAY NIRUPAM: What is the margin in the debt market?

SHRI P. CHIDAMBARAM: I am asking on principle. I am revisiting the numbers. If you have any idea, please give it to me.

SHRI YASHWANT SINHA: Sir, there are lots of ideas that we can give to the hon. Minister. Sir, if you can extend the time available to my party, I am prepared to enter into a discussion on the transaction tax.

**श्री संजय निरुपम:** 3 लाख करोड़ का जो मार्केट आप बता रहे हैं, वह derivative market है और उस derivative market का जो basic point है, वह ज्यादा-से-ज्यादा 3-4 हजार या 10 हजार करोड़ होगा...

**SHRI YASHWANT SINHA:** Not only the derivative market, the transaction tax levied by you is on all securities. Therefore, it applies to derivatives; it applies to mutual funds....

**SHRI P. CHIDAMBARAM:** Give the number.

**SHRI YASHWANT SINHA:** Mr. Minister, if you think that we have some ideas, let us have a discussion on this.

**SHRI P. CHIDAMBARAM:** We are having a discussion.

**SHRI YASHWANT SINHA:** No, we are not having a discussion. I would like to take permission of the Chair. Sir, if he wants me to discuss it with him and take the time of the House, I am prepared to do that. But the time taken by me should not be counted towards the time of my party. ...*(Interruptions)*... There are many issues involved. Where should it be levied? Should it be levied on the purchaser? Should it be levied with the seller? At what stage should it be levied? What should be the percentage basis points? Should it apply to derivatives also? Should it apply to the debt market also? Should it apply to the mutual funds also? These are all issues which shall have to be debated. The simple point I am trying to make is, here was a very important issue of replacing the long term capital gains tax with a transaction tax. The Finance Minister without looking at the sensitivities of the derivatives market, the mutual fund market and the debt market, imposed across the board 15 basis points tax on all securities transactions. This is where he went wrong and that is the point which I am making. I am happy that he is going to correct it. Mr. Minister, you correct it and come back to the House and then we will see it.

**SHRI P. CHIDAMBARAM:** How can it be?

**SHRI YASHWANT SINHA:** It is for you to make proposal.

**SHRI C. RAMACHANDRAIAH:** It has got an impact on the debt market. That is more important.

**SHRI P. CHIDAMBARAM:** Do you accept it in principle?

**SHRI C. RAMACHANDRAIAH:** That is a different matter. What exactly is the impact on the capital market, especially on the debt

market and to what extent it has got the impact on the economy is more important.

SHRI YASHWANT SINHA: I would like to go into another statement which the hon. Finance Minister made when he was presenting this year's Budget. In Paragraph 102 of his Budget speech, he said, "Hon. Members are aware that I abolished the gift tax in 1997".

SHRI P. CHIDAMBARAM: Sir, I accept the mistake. Actually, he had abolished the gift tax. I should have said, "You abolished". I accept the printing mistake.

SHRI YASHWANT SINHA: It is not a printing mistake.

SHRI P. CHIDAMBARAM: You have to accept my word. We corrected it but the correction was not carried out.

SHRI YASHWANT SINHA : I would like to inform the Minister that I have presented five Budgets; I know how the Budget speeches are prepared and how much time a Finance Minister devotes to every word of the Budget speech, not only every sentence but every word of the Budget speech, and I am unable to accept this as a printing mistake when he says, "The hon. Members, Sir, are aware that I abolished the Gift Tax in 1997." If it is a mistake, I will take your word. If you admit your mistake, then, there is nothing more I would say...*(Interruptions)*...

SHRI NILOTPAL BASU: It is a pity that he didn't have the opportunity to present yet another Budget, and this kind of mistakes could have been avoided perhaps.

श्री सभापति: अब आप जल्दी समाप्त करिए।

SHRI YASHWANT SINHA: . There is another point which I would like to make for his consideration and, I am sure, it is under his consideration already. I am referring to his Budget speech of 1997-98 wherein he had said in Paragraph 105, "Taxing financial intermediation goes contrary to the principle of sound public finance". And, if this is the starting point, then, I have a copy of the Finance Bill. Here, I am somewhat surprised that he has taxed various banking instruments including operation of bank accounts. In Page 35 of the Finance Bill, it says, when he describes other financial services, namely, lending, -- lending will be taxed -- issue of pay order, demand draft, cheque, letter of credit, bill of exchange, bank guarantee, overdraft facilities, bill discounting facilities, safe deposit

lockers, safe vaults and operation of bank accounts; these would be levied 10 per cent service charge. If that is not his intention, then, he should clarify; he should amend the Finance Bill because this goes against the theory that he himself had propounded in 1997 when he said that financial intermediation should not be taxed.

Sir, then, there is a lot of tokenism in this Budget. He has said, "massive schemes", like restoring water bodies in the country. And, how much is the allocation? Rs.100 crores! Then, he says, "I am going to introduce food stamps." In how many districts? In two to three districts of this country! Then, flood control. Flood is ravaging this country; it is a current issue. But, how much is the allocation for this massive programme? Rs.30 crores. These tokenisms need to be avoided, and I will be happy if the Finance Minister could re-visit some of these issues.

Now, Sir, I will come to the overall Budget figures which the Finance Minister has given. This is extremely important. I have already said that apart from Rs. 10,000 crores, there is nothing as far as the Plan expenditure is concerned. On the non-Plan expenditure side, I find that against the trend growth rate of non-Plan expenditure, in the current year, 2004-05, he is actually showing a decline of 5.94 per cent. Now, I know that this will be on account of one service that he has not factored in and that is the Debt Swap scheme of the State Governments. But this is something which has been happening over the last two years and, therefore, today, it is not difficult to make an estimate of those figures. It would have been perhaps more proper if the Finance Minister, instead of creating this impression that he is reducing the total non-Plan expenditure by almost 6 per cent, had factored that also in. And, then, he would have been able to compare the increase with the increase of the previous years.

**श्री सभापति:** अब आप जल्दी समाप्त करिए।

**श्री यशवंत सिन्हा:** जी। The point I would like to make is that on account of short provisioning made, under-funding under the Sampurna Grameen Rozgar Yojana, Delhi Metro, fertiliser subsidy, etc. Fertiliser subsidy is very important; he has not taken into account the fact that the fertiliser prices have gone up. Internationally the fertiliser prices have gone up. These are on record. And, we will end up paying more as far as the fertiliser subsidy is concerned. But, petroleum subsidy is very important. But the petroleum subsidy has been reduced by Rs.3,000 crores. It is true that it was reduced in the NDA Budget. We were proceeding according to

a plan. Now, you say that you are going to change that plan. Your Petroleum Minister says, "We are revisiting the issue of petroleum prices." Now, if you are revisiting the issue of petroleum pricing, then, how can you reduce the Budget Estimates from the previous year by as much as Rs.3,000 crores? There are only three possibilities. One, that you will raise the price of LPG and kerosene in the course of the year, that you are waiting for the Parliament Session to be over. The second is, that you will transfer this liability to the public sector oil companies or, third, that you will come back to Parliament with a Supplementary Demand. But, even if only these four are there, when I made an analysis, I found that the expenditure Budget has been under-estimated by something like Rs. 13,000 crores. Now, what about the taxation Budget? The taxation Budget, if I remember the figures right, Sir, the Finance Minister has raised the gross revenue receipts by something like Rs. 18,000 crores, compared to the Interim Budget, and he himself has said that through all the resource mobilisation measures that he has devised in this Budget, the additionally will be Rs.2,000 crores. But, where is the balance Rs. 16,000 crores going to come from? He has not clarified that. He said that he is depending on collection of arrears in direct taxes revenue. I wish him good luck. We all have made our efforts-to ensure that we collect as much of the arrears as possible, but this Rs.16,000 crores, Sir, is clearly an over-estimation, including a rise in Corporation Tax by 40 per cent, a rise in income-tax by 25 per cent, and an overall tax growth rate of nearly 25 per cent, when the trend growth rate over the last seven years has been 10.5 per cent. So, in the six, seven, eight months that you have left, you want to work out a marvel, a *chamatkar*, and he will be able to collect Rs.18,000 more. With all my sympathy for the Finance Minister, I will say, looking at the receipt and the expenditure side, this Budget is clearly over-estimated the receipt side, under-estimated the expenditure side and the fiscal deficit, therefore, is likely to go up by, at least, one percentage point, a 100 basis point, that is what I find at this stage. Now, the Finance Minister has made much of the fact that he has only a short time within this financial year. I have mentioned to him that Budgets have been presented earlier also. But, I would like to conclude, Sir, by saying that I have concerns, I have worries. My biggest worry, Sir, is on the inflation front. There are proposals within this Budget which are inflationary in nature. We know that inflation has a rising trend today. It has already gone up, according to the latest figures, to 6.16, point to point, over last year. And, there is pressure globally. The US, Fed has raised its interest rates by 25 basis points. All Over, there is a rising, growing trend of raising



interest rates. When we had gone in for a softer interest rate regime,

Sir,

and it is a very important point that I am making, and I want the Finance Minister to take note of it, it was predicated on a very low rate of inflation. Now, with your inflation crossing six per cent already, and rising, and with all the budgetary measures that you have taken, not yet reflected in the price rise, you cannot have a six per cent or five per cent deposit rate in the banks and a rate of inflation which is six per cent, and therefore, this needs to be revisited. I don't know what is going to happen to the EPF rates, but the SDS rates, he has not increased. He has fixed it at eight per cent. This is an issue which needs to be taken into account. A low, softer interest rate regime can operate only in an environment of low inflation; it cannot operate in an environment of high inflation. But from all the accounts of the Budget that I have presented to the House, it is clearly proved beyond doubt, as far as I am concerned, we are concerned, that the Finance Minister had made claims which are not justified, that the Finance Minister has sought to create impressions which are not borne out by the documents that he has presented to the Parliament, that the Finance Minister has indulged - every Finance Minister does this, but, not, maybe, to this extent — in fudging the figures, much out of line both on expenditure and on the revenue fronts, that the Budget has elements which will fuel inflation further and will add pressure on interest rates. This is going to be a difficult economic situation. Therefore, what is it that I would like to tell the Finance Minister, through you, Sir, is in those six years we managed the economy of the country, I can only say हम लाए थे तूफ़ान से किस्ती को निकाल कर Keep it safe. Do not play around with a macro-economic indicator. Let us not try to be clever by half; let us not fudge figures, let us not make claims, which are not sustainable. I hope the Finance Minister will take note of the points that I have made. Thank you, Sir.

**श्री सभापति:**माननीय सदस्यों से मैं एक निवेदन करना चाहूंगा कि अनेकों सदस्यों की जेब में मोबाइल सैट है। वे कृपया बाहर छोड़ दें।

**श्री आनन्द शर्मा (हिमाचल प्रदेश):**जैमर काम नहीं कर रहा है।

**SHRI JAIRAM RAMESH (Andhra Pradesh):** Mr. Chairman, Sir, I rise to make my maiden speech in Parliament today and support the General Budget for 2004-2005. Before I do so, however, Sir, let me say that I am deeply conscious of the privilege that has been granted to me to be a Member of this assembly, the most distinguished Chairman of whose portrait is hanging in front of you. I hope that every morning when I come here I will be inspired by his example. However, Sir, I should say

that in the two weeks that I have been a Member of this House, I looked forward to active debate and discussion. But what I saw was disruption and demonstration. I say this with a heavy heart and I hope that this was not the shape of the things to come and we will continue to function with some dignity and decorum which is associated with the great name of Dr. Radhakrishnan. What makes it even more surprising to me as a new comer is that we show friendship, camaraderie and warmth outside this assembly, but the moment we enter this hall, we are spewing fire and venom at each other. This collective hypocrisy I have rarely seen in my short life so far.

Sir, I will make five points on the Budget and I will try to avoid phrases like 'non-application of mind', 'fudging of figures', which, unfortunately, the distinguished former Finance Minister has used. I will try to keep this presentation very sober and to the point. I will make five points. I will talk about the background to the Budget, which the former Finance Minister has also spoken about. I will deal with some of the criticisms of the Budget that have been made by the Opposition Benches. The hon. Finance Minister is perfectly capable of defending himself. But I will take some of the major criticisms that have been made and I will deal with them. Third, I will talk about the state of public finances which is alluded to by the former Finance Minister. I will talk about tax reforms which the Finance Minister has alluded to in his Budget Speech. Finally, I will talk about one industry, which has the subject of reform in successive Budgets, namely, the textile industry, because I believe that is very central to our economic future, both in terms of exports as well as employment. So, let me begin, Sir, by talking about the background to this Budget. Sir, I do so, conscious of the fact that there are two distinguished former Finance Ministers and there is a serving Finance Minister present. Sir, what is the background to this Budget? The background to this Budget, apart from the fact that it was formulated in about 30 day's time, apart from the fact that it reflected the electoral mandate of the 2004 elections, that saw a decisive and overwhelming rejection of the so-called, much hyped India Shining campaign. The Finance Minister has talked about this, he has talked about the political background to this Budget, the complex verdict that was thrown up in the elections but a verdict that was clear and decisive against the ruling BJP and NDA. I will talk about the economic background to this Budget, not the political background to this Budget. I will just take three variables. I will take growth, I will take investment and I will take employment because I think these three are central to understanding the background to any Budget and I will use the same *Bhagawat Gita* that the

former Finance Minister has used, namely, the Economic Survey, from which he has quoted so copiously and I will prove to you, Sir, that the same document can be used to prove exactly the opposite of what he was trying to say. Sir, the Economic Survey is with all the Members of Parliament. I would invite their attention, and I would invite the former Finance Minister's attention, to page S.10 which gives the annual economic growth rates from 1951 to 2003-2004. Sir, it is true that in 2003-2004, economic growth averaged 8.2 per cent per year. Of course, it is true that in one year, last year, economic growth, because of a good monsoon, because of the fact that 2002-2003, saw a very low growth of four and a half per cent, 2003-04 showed a very impressive 8.2 per cent rate of economic growth. So, surely Sir, we cannot base economic comparisons on the basis of performance of six months or twelve months. We always look at longer time frame to understand the direction of the economy and the economic growth. That is why the accepted practice of this country has been to look at five-year period. We have Five-Year Plans, we have plan period and in order to avoid fluctuations associated with monsoon - good year, bad year - we take a five-year average. Sir, I am not quoting from any Congress manifesto, I am quoting from the Economic Survey by which the former Finance Minister swears. Using this very table, Sir, the economic growth rate in the last six years of the BJP-NDA -- using these very numbers - the economic growth under the BJP-NDA Government was 5.7 per cent per year. This is not something that can be challenged; these are numbers put out by the Government. What does it compare with? Between 1980 and 1985, the economic growth rate averaged 5.7 per cent per year. Between 1985 and 1990, economic growth rate averaged 5.9 per cent per year; 5.7 per cent went to 5.9 per cent. If you leave the crisis year of 1990-91 aside, the crisis year which saw the then Finance Minister pledge 40 tonnes of gold to solve India's economic problems -- and it is no mystery who the Finance Minister was at that point of time -- if you leave that period aside, the economic growth rate between 1992 and 1997 was 6.7 per cent per year. ...*(Interruptions)*...

SHRI YASHWANT SINHA: Will you yield to me for a minute? I know whom you are referring to because you said that the whole world knows who the Finance Minister then was. I had pledged 20 tonnes of gold which was under the SBI's possession which was smuggled gold which we placed at the disposal of the State Bank of India. When the Congress Government came into office in the June of 1991, they pledged 40 tonnes of RBI gold to get over that crisis. That is one point. The second point is you

cannot leave out one year. If I were to tell you that in every year we have some massive crisis or the *other...*(*Interruptions*)...No, no. You cannot say 1991 which gives you relief and we will..*(Interruptions)*...

SHRI JAIRAM RAMESH: Sir, the point is...

SHRI YASHWANT SINHA: Just a moment..*(Interruptions)*...We will take what suits us and we will leave which does not suit us is not correct..*(Interruptions)*...

SHRI JAIRAM RAMESH: Sir, I am not yielding. Sir, I listened to you for one-and-a-half hours.

SHRI YASHWANT SINHA: I asked for your permission.

SHRI JAIRAM RAMESH: I listened to you for one hour.

SHRI YASHWANT SINHA: If you do not yield, I will not stand up. I am a very disciplined Member of this House. I asked for your permission. And, if you yield, as I yielded to the Finance Minister, then I will make my point. This is a very wrong premise to begin with that you leave out one year which does not suit you and take all the other years which suit you. And, in our case, you take all the other years. Then, we leave out when we had a 4 per cent growth and we leave out when we had a 4.4 per cent growth and then we will compare, let us see what happens?

SHRI JAIRAM RAMESH: Mr. Chairman, Sir, this is not a debate of numbers or statistics. I am making a point which is well accepted by the economics fraternity. I would appreciate if I am allowed to complete my speech with the same silence with which I listened to the previous speaker.

Sir, the point I was making is 5.7 per cent was the growth rate in the first half of the 80S, went to 5.9 per cent in the second half of 80s, went to between 6.5 per cent and 6.7 per cent in the first half of the 90s and then dropped to 5.7 per cent during the last six years. No doubt, there was a growth rate of 8.2 per cent. No doubt, I acknowledge, whatever may be the reasons, the fact that last year there was a growth rate of 8.2 per cent. The Government of the day deserves credit for that 8.2 per cent growth rate. I am not small enough not to say that this was the Government, the Opposition was in power at that time when they had 8.2 per cent rate of growth. But, the fact is, over a five-year period, the economic background to this Budget is growth deceleration, not growth acceleration as the former Finance Minister tried to make out. We have had 5.7 per cent rate of

economic growth in the last five years and that is growth background to this year's Budget.

Let me take a second indicator -- investment. What causes growth? Investment causes growth. The more you invest, the more you grow. Of course, it depends on the productivity of the investment and the efficiency of investment. We are not very productive and not very efficient in investment. But, nevertheless, the general point is true that the more you invest, the more you grow. And, indeed, the key difference between China and India is, China is investing more and India is investing less as a proportion of its national income. It is not my contention that absolute levels of investment fell in the last five years. Of course, every year the economy invested more and more because the GDP was growing. But the index that you use to measure investment growth is the rate of investment. We are not talking of investment levels *per se*. We are talking of investment rates. What proportion of the national income is the country investing? Sir, here, again, if I were to use this very document that the former Finance Minister has used, at page s-9 which gives gross domestic savings and gross domestic capital formation, which in simple English means gross investment from 1950 to 2002-03, you will see that in the last five years, there has been a decline in the rate of investment and today from a peak of something like 25 per cent or 26 per cent of the GDP in mid 90s, this has declined to about 23 per cent in the last couple of years. Manufacturing investment has been, particularly badly hit. And, last year saw the lowest levels of manufacturing investment. On growth, you have had the lowest period of economic growth in the last five years. This is important because no Budget is written on a clean slate. No Budget is written on a blank paper. So, there is a certain economic background to the Budget. So, on the growth front, it is a story of deceleration. On the investment front, while investment levels have been increasing in absolute numbers, the rates of investments have been declining.

Let us take the third indicator - employment. The former Finance Minister has quoted from the Economic Survey. He has quoted it very selectively, I am afraid, to point this out. It is true that paragraph 1.55, on page 13, says, I quote, which he has also quoted, "In absolute terms additional employment of 84 lakhs per year, on an average, in 2002, fell short of the target of additional employment of one crore per year." And, he took pride in saying that as against the target of one crore, eighty-four

lakh employment opportunities were generated. But he forgot to quote the next two lines. I quote them, "However, these estimates are based on thin samples, which may contain large sampling errors." It is not a question of 'may contain', they 'do contain'. And, every time you can do a comparison between 'thin samples' and, to use his own language, '*mota*' samples -- 'thick samples', you will find an enormous difference. In the past, thin samples showed increase in poverty, but when we got the full sample data, we saw the poverty ratios were actually coming down. This is not the only selective quotation in which the former Finance Minister has indulged in. In the same document, the Economic Survey, at page 210, under the title 'Employment in the Organised Sector' you will find, Sir, never before in the history of India has employment in the organized sector fell so continuously as it has in the last five years. This is a matter of record. This is not a political statement. This is not a Congress Party's manifesto. This is a matter of record in the Economic Survey. In the last five years, 800 thousand jobs were destroyed in the organized sector - the organized public sector and the organized private sector. This has never happened before. Jobs may have been created in the unorganised sector -- building roads, setting up internet centres. It is quite possible. But in the organized sector 800 thousand jobs had been destroyed in the last five years. This is not my calculation. This is a number of the Economic Survey.

So, Sir, to summarise the background to this Budget, it is important to understand the background. The background to this Budget, any Finance Minister who would have come at this point of time, would have had to contend with lower economic growth, would have to contend with a declining rate of investment, and would have to contend with questionable numbers on employment in the unorganised sector, and a definite fall of employment in the organized sector. This is the economic background. The economic background to this Budget was not 'India shining'. The economic background to this Budget was 'India in deep distress -- in growth, in investment, in employment'. That is the reality that, I believe, this Finance Minister has, in my view, tried to address modestly in this Budget.

Let me, now, turn to the criticisms of the Budget that have been made. Sir, four days ago, the former Chief Minister of U.P., and the former Agriculture Minister, levelled the most serious charge on this Budget. He

**2.00 p.m.**

levelled a charge that is the most serious of all the charges of 'fudging numbers', and so on, which were levelled by the former Finance Minister. The former Agriculture Minister, four days ago, said, "The sanctity of the Budget has been destroyed completely because the Finance Minister has no explanation for where Rs. 70,000 crores have vanished." The records will show this statement of Shri Raj Nath Singh. He said, "The sanctity of the Budget has been completely destroyed because Rs. 76,000 crores have been eaten up, and he does not know where this money has gone". Sir, the hon. Member is a Post-Graduate in Physics. And, a Post-Graduate in Physics should understand a simple concept, like 'rounding off'. Now, if you see the Budget document 'The Budget at a Glance', it is true that the revenue deficit is shown at 2.5 per cent of the GDP and the fiscal deficit is shown at 4.4 per cent of the GDP. Actually, if you were to do the calculations, the revenue deficit works out to 2.453285% of GDP. That is the precise number.

And that the fiscal deficit works out to 4.425550% of GDP. The figure of 2.45 has been rounded off. Any eighth standard student of Arithmetic will tell you that the figure of 2.45 is rounded off as 2.5, and 4.425550 is rounded off as 4.4. That is what accounts for this huge difference of Rs. 76,000 crores, on which the hon. Member said that the sanctity of the Budget has been destroyed. Sir, in 2002-03, a Budget that was presented by the speaker before me, this difference of Rs. 70,000 crores, which is supposed to have destroyed the sanctity of this Budget, this difference because of rounding off was Rs. 48,000 crores. So, I think, Sir, when criticisms like this are levelled; serious charges are levelled, I expect that some basic homework is done. A serious charge was levelled and a Privilege Motion was sought to be brought on this issue, on the basis of the incomplete information; on that basis of a complete distortion of facts to say that Rs. 70,000 crores have vanished, and the Finance Minister has destroyed the sanctity of this Budget. This is the first criticism that was made.

Sir, the former Health Minister made a very serious charge during the Question Hour, three or four days ago. She put the Health Minister on the mat, and she said, "We started six hospitals. Where is the money for these six hospitals? You have not provided any money for these six hospitals." I listened to her for ten minutes, spewing fire at the Health

Minister, who happens to be a doctor himself. Sir, the former Finance Minister who should have known a little better says, "Only Rs. 10 crores have been provided." Sir, there are Demands for Grants. In one of the documents that is circulated along with all the Budget documents that are circulated, if you look at page 129, what is the Demand for Grant of the Ministry of Health? It is establishment of six All India Medical Institute type of hospital-cum-teaching centres. What is the allocation? Sir, the allocation is Rs. 60 crores. So, Rs. 60 crores allocation for an announcement that is made before the election is more than adequate for acquiring land and building compound walls. This is how projects get started in this country. You cannot expect that Rs. 4000/- crores is going to be allocated in the first year just because the Minister has made a statement and got you, Sir, inaugurate one of the hospitals also. This second criticism that there is no allocation for health is completely not true as per the facts.

Sir, as regards allocation for backward areas, Members from Uttar Pradesh were aghast that Bihar has got a special package. Today, the former Finance Minister has tried to point out that the special package for Bihar is neither special nor a package. I leave it to the Finance Minister to deal with this issue. But let me say that in the Budget Speech, if I remember right; if my memory serves me right, there was also a provision for setting up a full-fledged separate Backward States' Development Fund for Rs. 25,000 crores, spread over a five-year period. This Backward States' Development Fund would take care of States like, Rajasthan, Madhya Pradesh, Chattisgarh, Orissa, Bihar, and, of course, it will take care of Uttar Pradesh, where the bulk of poverty and backwardness lie. So, to argue that the whole focus of backward areas in this Budget is only Bihar, again, Sir, is not borne out by facts.

Sir, let me deal with two or three other statements that have been made by the former Finance Minister. He has complimented himself saying that we made India a net food exporter from being a net importer. Let me remind the former Finance Minister, India became self-sufficient in foodgrains in the year 1980, not in 2004. It was in 1980 that for the first time India became self-sufficient in foodgrains. These are facts; these are not political statements. This is a fact that in 1980, for the first time, India became self-sufficient in foodgrains; in rice and wheat, and that was because of the Green Revolution. Now, he goes on to say that 'during our time, food stocks dramatically increased.' Now, Sir, why did food stocks increase? I also - when I was in the Opposition - used to wonder why food stocks



are increasing, and the answer to this paradox of full godowns and empty stomachs is given in page 94 in this very same Economic Survey that he has quoted; table 5.4. Sir, what happened in 2003-04? Out of 37 tonnes of wheat that were allocated for ration shops, only 10 million tonnes of wheat were taken from ration shops. Similarly, out of 34 million tonnes of rice that were allocated to ration shops, only 12 million tonnes of rice were used from the ration shops. We had food stocks because people were not buying food from ration shops, and people were not buying food from ration shops because the prices of foodgrains had been increased to levels that they couldn't buy from ration shops. So, what are you talking about? On the one hand, we are saying that we became an agricultural exporter; yes, we became an agricultural exporter, but we became an agricultural exporter long before the previous Government came. And, Sir, the answer to this fact as to why we had huge foodgrain stocks lies in the fact that the Public Distribution System had collapsed in the last five years. People were not buying rice and wheat. And, if people are not going to buy rice and wheat, obviously, you are going to have mountains of foodgrain stocks in your FCI godowns. So, this, I am afraid, Sir, is a complete non-argument, a non-criticism of the Budget.

Sir, the other points that have been made relate to allocations. Now, Sir, it is a favourite pastime indulged by all of us. I had done this when I was in the Opposition. And, it was not unexpected that the former Finance Minister has done this, but you compare allocations and you say, if allocations have increased, you have done very well, and if allocations have come down, you are faltering in your commitments. But what are you comparing? You have to compare apples with apples; you have to compare oranges with oranges; you have to compare Budget Estimates with Budget Estimates. You can't compare Revised Budget Estimates with Budget Estimates. Now, I grant the former Finance Minister the fact that there was an Interim Budget presented and that one basis of comparison could be the Budget Estimate of the interim Budget and the Budget Estimate of the new Budget. It could also be the Budget Estimate of the previous year with the Budget Estimate of this year. And, Sir, if you do that type of a comparison, the criticisms that have been levelled by him on agriculture, on rural development, particularly, don't stand the test of scrutiny.. Sir, let me just read out two or three numbers to you. I read these numbers out because the former Finance Minister made a big point of referring to these numbers. Sir, this is a document, "The Expenditure Budget of 2004-05, Volume II", a Budget which few people actually see, but

a document in which there is a minutest of detail on every Government programme and I wish the critics of the Budget read this document before they make sweeping generalisations. Sir, what does it show? It shows, for the Department of Rural Development, as opposed to a Budget Estimate last year of Rs. 10,000 crores, the Budget Estimate in this Budget is Rs. 11,500 crores. Rs. 10,000 crores has gone up to Rs. 11,500 crores. There is another Department in the Ministry of Rural Development which the hon. Member knows, the Department of Land Resources for which the allocation has gone up from Rs. 1000 crores Budget Estimate last year to Rs. 1300 crores Budget Estimate this year. Sir, similar is the story in agriculture. If you compare like one thing with like one thing, if you compare Budget Estimate with Budget Estimate, there is absolutely no denying the fact that Budget estimates this year, allocations this year, are substantially higher, both in agriculture and rural development. Now, whether allocations by themselves mean lesser poverty, whether allocations by themselves mean a better quality of life is a separate issue which no Budget is competent to handle because, after all, a Budget is a very small element of a Government's economic policy package. The Budget can only set the broad direction. And, Sir, contrary to what is being made out, in agriculture, in rural development, I think there has been substantial, not an insignificant, step-up in terms of what the Budget Estimate was last year and what the Budget Estimate this year has been.

Now, Sir, much fun has been poked at by the former Finance Minister on the current Finance Minister's use of a Hindi expression -- I know that he does not know any Hindi, so, it must have been very difficult for him -- he must have said, "मैं हूँ न"। I couldn't catch his pronunciation when he said, "मैं हूँ न"। Although, the first time I saw Hindi films and dialogues in the Budget Speeches was started by the distinguished former Minister himself; that provided much amusement for us as well!

Sir, Rs. 10,000 crores have been provided as an additional gross budgetary support for social welfare, poverty alleviation and other programmes, that are part of the commitments in the Common Minimum Programme (CMP). And the Finance Minister has said that the Planning Commission will work out the modalities of the allocation. Sir, the Planning Commission has just been constituted. The first full meeting of the Planning Commission took place just three days ago, and it is my information, Sir, that it was very much an agenda item as to where the priority lies, as far as the Rs. 10,000 crores was concerned. I wish to say here, Sir -- because

criticism was made that the Accelerated Irrigation Benefit Programme that incidentally, was started by the present Finance Minister in his earlier 'avtaar' in 1996 -- shows no increase in the allocation of Rs. 2800 crores. The Planning Commission has actually recommended to the Government day-before-yesterday that allocation for the Accelerated Irrigation Benefit Programme be increased by Rs. 700 crores this year, that is, in the year 2004-05. I am sure, the details of this will be made available very soon.

So, I would urge the former Minister to have a little patience, because the Planning Commission has just been constituted. They have had the first round of meetings. They are working out the allocations as to how these Rs. 10,000 crores is to be spent. But let there be no doubt that this amount of Rs. 10,000 crores is over and above what was committed in the Interim Budget. This additional expenditure of Rs. 10,000 crores on education, irrigation and social welfare is the beginning of the process of implementation of the Common Minimum Programme. Therefore, Sir, at this stage, all I can say is that the hon. Finance Minister has provided Rs. 10,000 crores, and the hon. Member should await the details of where these Rs. 10,000 crores are going to be spent. Sir, through you, I would like to request the Finance Minister to take us into confidence, sooner rather than later, as to where these 10,000 crores is actually going to be spent.

Sir, there are many other criticisms, small criticisms of the Budget, which I would not deal with. There is one criticism about the allocation for the favourite programme of the BJP-NDA Government. Sir, in the last four years, you couldn't travel on any National Highway in this country without seeing a waving photograph of a particular individual. It was made as if after Sher Shah Suri, only this individual had rediscovered the importance of National Highways. I have heard the criticism that this Government has not given enough importance to the National Highways Authority. The fact of the matter, Sir, is that if you look at this document, if you look at the allocation under the Ministry of Road Transport, if you look at the capital expenditure on National Highways, there is an increase, not an insignificant increase, in the allocation. So, to say that the National Highways programme, the favourite programme of the previous Government, or the 'Bharat Jodo Pariyojana' has been ignored, is not true.

If you look at it, Sir, just for a minute, the NHAI programme has become not just an economic programme, but a political programme as well. If you look at the allocations for the National Highways Authority, Sir, it

is very clear, and you will find, that there has been a very substantial step-up in the allocation, contrary to what has been said. This is on page 158-59 of the Expenditure Budget, and I won't bore you with the small details. So, as far as the criticisms are concerned, I think I will ...*(Interruption)*...

**श्री संजय निरुपम:** जरा एन.एच.ए.आई. के फिगर्स भी बता दीजिए।

SHRI JAIRAM RAMESH : I will tell you if you want. You can take the book. You know how to read it, why should I read it out to you? ...*(Interruption)*... I shall read it to you. Should I?

SHRI SANJAY NIRUPAM : Why are you hiding the facts? ...*(Interruption)*...

THE MINISTER OF INFORMATION AND BROADCASTING AND MINISTER OF CULTURE (SHRI S. JAIPAL REDDY) : You can tell them that National Highway Authority was constituted in 1995.

SHRI JAIRAM RAMESH : Sir, I don't want to go into the history of when the NHAI was constituted, or, who constituted the NHAI. Let us give the previous Government some credit. Shri Yashwant Sinha was the Finance Minister who levied the cess, who collected the money. Let us not make this into a BJP versus Congress issue. The fact of the matter is if a Member cannot read the allocation, it is not my job to read it for him. These figures are there on page 158-159 and we can discuss this off line and bilaterally. Sir, let me now just deal with the three issues that I really want to talk about. I did not want to use the same language used by the former Finance Minister, of *tu-tu-main-main*. Sir, I expected former Finance Minister to elevate the level of the debate. He did not. And, I am forced to respond to some of the criticisms that he has made. I would like now to elevate the level of the debate somewhat and raise three issues which are of great importance to us as legislators, to Budget formulators and to the country at large. Sir, public finance; a Budget is an exercise in public finance. But, we know, Sir, that all State Governments are bankrupt. We know that the Central Government is also virtually bankrupt. Now, Sir, unfortunately, instead of recognising the seriousness of the issue, the former Finance Minister tried to lay blame on the current Finance Minister by saying, "You were the Finance Minister when the Fifth Pay Commission was implemented." Sir, the fact of the matter is, when the Fifth Pay Commission was implemented -- I happened to be in the Finance Ministry at that time -- no political leader, no political party, -- Sir, I know you are smiling and I am going to compliment you very shortly -- no political leader, no political State

wanted the Fifth Pay Commission; not only did they want it to be implemented, but they wanted it to be improved. There was only one Chief Minister in the State, Sir, and your smile betrays who the Chief Minister was. There was only one Chief Minister who wrote to the Finance Minister protesting against this move, but I am sorry to say that the entire political establishment of this country collectively committed hara-kiri by not only introducing and implementing, but also improving on the Fifth Pay Commission. Sir, what did BJP-led NDA Government do when they came to power? They could have said, "No more Fifth Pay Commission". But, the new BJP-led NDA Government comes and changes the pension rules. I know there are many beneficiaries of revised pensions sitting in this House. It changes the entire rules of the pensions and improves on what the Fifth Pay Commission has recommended. So, it does not lie in the mouth of any political party to criticise the other on the Fifth Pay Commission. We are all party to it. Mr. Jaipal Reddy, you were also a party to that. So, we were all villains of the piece. So, what do we do now? That is the issue. Sir, in State after State, salaries, wages and pensions account for 90 per cent of the State's revenues. How are we going to run a Budget? What sort of a Budget are we going to present when salaries, wages and pensions and allowances account for anywhere between 75 to 95 per cent of the State revenues? How do you deal with the situation where over 40 per cent of the Central Government's revenues alone go for debt servicing. So, Sir, I think the State of public finances is very serious. It is not an economic issue. It is not a financial issue. It is a political issue. If the political class, if the political establishment, if the political parties are not able to see the writing on the wall, that the structure of public expenditure today bears no relation to our socio-economic priorities, I am afraid, we are engaged in a game of collective white washing. I would say that we are, fooling the poor of this country. What the Government is spending today and what the country needs today are two entirely separate issues. And, therefore, Sir, I hope that the Finance Minister will come back to the House with a political document asking the Lok Sabha and the Rajya Sabha for political directions on how the financial structure of both the Centre and the States has to change so that we can invest more in education, more on health, more on irrigation and more on agriculture, which are all objectives that are common to the Opposition benches and the Treasury benches. I hope that this does not become an exercise in archaic economics or finance. This is a political exercise

because this will involve controlling Defence expenditure. This will involve cutting Government expenditure.

This will involve increasing revenues from sections that have not been under the tax net so far. This is intensely a political exercise, and, I hope, Sir, that the Finance Minister will make a break with the past, take the House into confidence, and, tell us, as to what is required of us, as legislators, to make sure that the state of public finances both at the Centre, and, at the States improves.

Sir, today, I can categorically state that the public finances, both at the Centre and the States, are in complete shambles, and, all that we can say about agriculture, irrigation, education is good words, good poetry. In real terms, in real allocations, it means very little.

Sir, the second area about which I wanted to talk about is tax reforms. Sir, the former Finance Minister has rightly pointed out the need for tax reforms, and, the Finance Minister has said that he will revisit this issue. I would request the Finance Minister again to come back to the House with proposals for tax reforms, and, not make tax reforms again an exercise of civil servants, economists and the financial experts because there are political choices involved in tax reforms.

Sir, one of the cardinal principles of the reforms is that the exemptions and allowances must go. Are we prepared to see the exemptions and allowances go? We are not. Each section of the society wants exemptions and allowances. Each State wants special exemptions and allowances. So, if the political decision is not there to remove exemptions and allowances, you are not going to be having major tax reforms.

Sir, tax reforms means increased revenue collection. Are we prepared to take hard decisions on revenue collection? A few days ago, a distinguished Member from UP., when he got up on Special Mention, expressed his opposition to VAT. Sir, successive Finance Ministers including the distinguished former Finance Minister, who spoke before me, have made VAT the central element of tax reforms. But, we have not been successful in introducing VAT in this country. We have now said that the VAT will be implemented from April 01, 2005. I doubt very much whether we will be able to stick to this deadline because there are political issues involved in it, and, I think the Finance Minister should take us into confidence on VAT, on tax proposals. Let us have a special debate in this

House, not just on the Budget, but on tax reforms so that on April 01, 2005, we do have Value Added Taxation which will mean more revenue for the Government, which means more investment in education and health.

Finally, Sir, let me talk about textiles. Every Finance Minister has tried to do something for textiles. I publicly lauded the former Finance Minister when he started this process. It was continued by his distinguished successor, and, now the current Finance Minister has also proposed a fiscal package for textiles. Sir, I need not exaggerate the importance of the textile sector. It accounts for between 20 to 25 per cent of our exports. It accounts for between a-third to forty per cent of our industrial employment. It is the second largest employer in this country after agriculture.

So, what we do in textiles has enormous significance not just internationally, in terms of exports, but also domestically, in terms of social welfare and employment. Sir, we have fibre, we have yarn, we have fabric, and, then we have apparel. We have four stages. Then we have mill sector, we have powerloom sector, and, we have the handloom sector. Sir, for the last 7-8 years, successive attempts at reforming the fiscal policy regime for the textile industry have become captive to some sectional interest or the other. Mr. Sinha tried to clean it out, Mr. Jaswant Singh tried to clean it out, Mr. Chidambaram has also tried to clean it out. But, Sir, again, I think that this is not a fiscal issue. This is not an issue of excise, or, import duty. Textile is hard-core politics. Powerlooms are a political issue. Handlooms is where the lives of millions of people are involved, politics is involved. In fact, the maximum applause the Finance Minister got during his Budget Speech on July 8<sup>th</sup>, was when he said that all handlooms and powerlooms will be out of this CENVAT chain. What does it show? It shows the deep interest that all of us have in this industry. And, therefore, Sir, I think, rather than piecemeal changes, every Finance Minister coming and making a change, year after year, let us unveil a long-term fiscal package on 'how the textile industry in India is going to grow'. It is this industry that is going to provide jobs; it is this industry that is going to provide employment, the unskilled employment particularly; and it is this industry that is going to provide major expansion in export earnings. Therefore, my request to the hon. Finance Minister is not to announce textile policy changes as a part of the Budget. So much of secrecy is associated with this. Any Finance Minister is unable to deal and discuss with this. Therefore, in order to bring about a greater public debate and public transparency in these proposals, I would request him to unveil the relief

package much before the Budget so that it could be discussed, it could be debated and what is politically acceptable becomes implemented in the Budget. Sir, these things happened elsewhere in the world. We are the only country where so much of secrecy is associated with the Budget. I hope that in the months to come, the Finance Minister will make a departure from past practice and take the House, take the country, into confidence as to how we can build a modern textile industry in which handlooms, power looms and the mill sector are all thriving, providing export earnings and jobs. Sir, let me now conclude. You have been kind enough to allow me to speak for a long time. I believe that this Budget sets the broad direction. It is a Budget that has been formulated in just about thirty days' time. Given the constraints of time, given undoubtedly the compulsions of coalition politics, this Budget is not a purist's delight. This Budget reflects a political compromise; it reflects a conglomeration of divergent interest groups. I think, it sets the broad direction in consonance with the Common Minimum Programme. The *raga* is in the Common Minimum Programme, the *taal* is in this Budget. I am sure that in the Budget to come, the Finance Minister will elaborate many of the themes that he has presented. Thank you, Sir.

MR. CHAIRMAN: Thank you, Mr. Ramesh for your fine maiden speech.

SHRI NILOTPAL BASU : Sir, I find myself eminently disadvantaged because neither do I have the experience of Yashwant Sinhaaji who has presented, as he has stated so many times, five Budgets to this House, nor do I have the training in economics, as my friend Jairam Rameshji, who spoke just now, is having. Not to speak of the superlative articulation of the Finance Minister who initiated the debate by presenting the Budget before the Lok Sabha on the 8<sup>th</sup> of this month. Sir, I do not venture to try and play on an alien term. Sir, I would like to make certain observations on the Budget purely from the standpoint of a public representative and as a representative of a political force, which perhaps made this Budget possible.

(THE VICE-CHAIRMAN, (SHRI SANTOSH BAGRODIA) in the Chair]

Sir, it is very important to remember the fact that this is the first Budget of the new United Progressive Alliance Government which has come to power. I do not know how many of us are here in this House who were present about four months back in the first week of February when we were discussing the Interim Budget. Perhaps some of the criticisms that we had



made in course of the debate on the Interim Budget provide both the economic and the political background of this Budget. Sir, I am convinced that what our criticism was at that point of time was very correct, and though the media paid scant attention to the kind of things we were trying to articulate in the first week of February, people have given their verdict in the manner they have done.

Sir, over the last weekend, one of my colleagues and I were visiting some of the areas in Andhra Pradesh from where Jaipal Reddyji comes, that is, Telangana, where dozens of farmers are committing suicides daily. And, therefore, it is not difficult for us to understand why Mr. Yashwant Sinha has got everything wrong. The question in this country is whether the country is progressing or not in economic terms. I do not want to go into the microeconomic statistics, which Jairam Rameshji has raised. But, ultimately, whether any economic process is succeeding or not will be reflected in the fact whether the quality of life of people is improving or not. Now, I do not want to go into the figures that he has quoted about public distribution shops and their off take. But here it is internationally recognised. The Food and Agriculture Organisation says in its report that in the second half of the 90's, nearly two crore people have become malnourished as compared to the previous years. Now, we have figures. We can go through figures as to what has happened to agriculture. How the agricultural production was coming down; how the food production was coming down? And people were witnessing this obscene campaign of 'Shining India'. Therefore, Sir, this Budget has to be seen in the background of the all round livelihood crises where people are suffering and we have to see the Budget in the context of how we can best address the question of the livelihood crisis. And in that sense, we were looking at this Budget really not so much for numbers. I charge the Opposition that it is comparing allocations in the interim Budget with the present Budget figures. Who asked you to present an interim Budget in the first place? Was it politically correct to present the interim Budget while knowing that within two months, you are going for a full-fledged election and a full-fledged Budget to be presented by the new Government? It was a political impropriety that was committed. Therefore, the whole issue of re-prioritisation of allocations have to go to the Planning Commission. If somebody has created this political situation, it was the earlier Government. Why it went for an interim Budget? It could have straightaway gone for a two-month vote-on-account which we could discuss and after that the new Government would present its Budget. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM : You have allocated a GBS.

SHRI YASHWANT SINHA: How can there be a Budget without GBS?...*(Interruptions)*... This is not a point, which is well taken. Let us admit it ...*(Interruptions)*... No, we have to present whenever ...*(Interruptions)*... I will just tell you, if you yield for a moment. ...*(Interruptions)*...

SHRI NILOTPAL BASU: Obviously, your steps were also not well taken by the people. That is why you are there where you should be and we are there where we should be. ...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Mr. Nilotpal Basu, are you yielding? ...*(Interruptions)*...

SHRI NILOTPAL BASU: Why should I yield?

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): I am not asking you to yield. He wants you to yield. If you are yielding, I will allow him to speak, otherwise, I will not. ...*(Interruptions)*...

SHRI YASHWANT SINHA: Sir, he has misled the House. ...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA) : Mr. Sinha, I am helpless. He is not yielding.

SHRI NILOTPAL BASU: Sir, he cannot get over the hang over of presenting Budgets.

SHRI YASHWANT SINHA: Sir, he is misleading the House.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA) : Everybody misleads. Don't worry about that. Everybody does that. Because you differ, so, you are misleading. That is not the way. Mr. Nilotpal Basu, you go ahead. ...*(Interruptions)*... He is not yielding. I can't help it out.

SHRI NILOTPAL BASU: Sir, I had a friend who once upon a time... *(Interruptions)*....

SHRI C. RAMACHANDRAIAH: When everybody is misleading, why should we be in the misleading...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): You have not understood again. If you are differing, you always think the other man is misleading. So, these are all differences. ...*(Interruptions)*...

SHRI YASHWANT SINHA: No, it is not a question of difference. It is a question of procedure about how Interim Budgets are presented. He misled the House on that matter of fact. ...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA) : You clarify that point when your turn comes. If you want, I will give you time after his speech. But please don't disturb him. ...*(Interruptions)*...

SHRI DIPANKAR MUKHERJEE: Sir, he has misled the House when he quoted figures..*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA) : Mr. Sinha, please don't disturb him. If you want to speak, I will let you speak after his speech. But let him speak. I can't let you speak when he is speaking. Please go ahead.

SHRI YASHWANT SINHA: Sir, it should be the rule in future also.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA) : That is none of my business. Mr. Nilotpal Basu, go ahead.

SHRI NILOTPAL BASU: Sir, I can accept all his charges of misleading so long as he accepts the fact that his attempts to mislead the people of this country were defeated by the people. Therefore, Sir, I think, the whole question of preparation of this debate is crucially hinging on the proper reading of the mandate, what the mandate has meant and what is the kind of emphasis that the Budget has to reflect. On that, Sir, as I said, we were not interested as a party, as forces which have contributed to the formation of the background of this Government. We were really not so much into the figures. We were looking for certain emphasis, certain direction which we find coming back to the budgetary process. I will not go into war of words, that intentions that are there in preparing the Budget, they do not get reflected so much in financial allocation. There is no doubt about that. Here, I must share my concern with the House. The problem here is the revenue income figure that the Finance Minister has projected. There are a little grey areas given the kind of revenue buoyancy and overall situation that we have, whether it is possible for us to reach the revenue income figures, and in that, I would join along with Shri Jairam Ramesh on the question of transparency, because one area, where the Finance Minister intends to mobilise the 'tidy sum' as he mentioned, there, I think, the Government is becoming increasingly non-transparent. Sir, I have with me replies to questions asked in this House right from 25th July, 2000. Then I

have figures from 26 November, 2002, and now, the latest figure for 13th July, 2004. Now, the total unrecovered tax was Rs. 86,342 crores in 2002. But subsequent to that, on all questions asked, the reply given by the Government was: "The information is being collected." I think, there is no problem in sharing the information with the House, particularly, what the undisputed amount is which could easily be collected, which is not really stuck up in litigation. Now, therefore, if the revenue projection does not come through, then, there is a problem because there is the main philosophical area of concern as the Finance Minister has continuously gone back on the Fiscal Responsibility Bill. Despite having this uncovered revenue deficit and the insistence on keeping the fiscal deficit figures under check, what will happen to the expenditure? Again under the conditions prevailing in the economy, where there is depression of demand, where there is excessive expenditure and where there is unemployment, what will happen to the insistence on fiscal deficit figures if the revenue deficit is not met? We should try to bring down the revenue deficit. But even if, in conditions where revenue deficit cannot be covered, we insist on the budgeted fiscal deficit figures, what will happen? This mandate, I think, is to distinguish between fiscal fundamentalism and fiscal prudence. I hold no brief for fiscal prudence, but I would strongly like to say that given the kind of foreign exchange reserves that we have, given the overall situation where, perhaps, we could take a little more liberty, because as I understand, this mandate is for an investment-driven economy, to address the demand compression that is there in the economy, has to be the fundamental motive force which should drive our economic forces. And I think that is also all about the Prime Minister's statement concerning the liberalisation of a human face. What I mean is if the shining of the human face is to be retained, the process of liberalisation, wherever needed, will have to be tempered because what we have got as a mandate here in India is not something unique; it is happening all over the world. It is not an isolated development that these 15 years or 14 years of global economic reforms have created conditions not only in our part of the world but also in its different parts where you see a certain shift towards forces which are trying to address the livelihood concerns of the people in a more articulate manner. Therefore, that aspect has to be taken into consideration.

Sir, another point I would like to make about the allocation thing is this. The general point that has been made is not borne out by the manner in which allocations have been made for Defence. Why I am saying this is because I understand our difficulties because I have been part of the

Standing Committee concerning Defence. There is an increase of Rs.11,000 crores. Sir, if you go into the detailed expenditure, Rs. 7,500 crores is for Air Forces. I know the first tranche for the Advanced Jet Trainer will have to be paid. That is only Rs.1,600 crores. The kind of increased apportioning that has taken place in the Defence allocation does not match the general formulation of nonavailability of resources in reflecting the priorities of the CMP. I think the Finance Minister is kind enough to explain the point as to how all this was happening, how this could be done, and how greater investment in social structure and all these things could have taken place. It is true that we have to have growth in investment. I will not repeat much because some of the aspects have been taken care of by Jairam Rameshji. But, Sir, one of the major components leading to growth in investment also crucially depends on savings as he was pointing out. But what are the savings that we are having? When we are talking of consistently achieving a growth rate of eight per cent, generally, what kind of gross savings would we require? As the calculation goes, to achieve a consistent growth rate of 8 per cent, the domestic savings should be around 32 per cent. The kind of interest regime that we have is clearly loaded against the depositors. It is not in favour of depositors. Then, how can we achieve that growth rate? One of my colleagues, who will speak later, will go into the provident fund issue. I am not going into that. But the point is that the interest rate has gone up. Between March, 2002 and March, 2004 the interest rates offered by major commercial banks on term deposits of more than one year maturity declined from a range of 7.5-8.5 per cent to a range of 5-5.5 per cent. In contrast, the prime lending rates of five major commercial banks had witnessed a similar decline. Last weekend I referred to a point that the peasants, farmers, of Andhra Pradesh were getting loans at an interest rate of 14 per cent or 15 per cent. But today if you want to buy a Mercedes Benz car in Delhi, you will get the loan at 6.5 per cent. So, who is benefited by this soft interest regime? I am sure the Government is benefited. The interest payment outgo comes down. The big corporates are also benefited. What about the people who are at the receiving end? Why can't we share the benefits of the soft interest regime with the people who are saving? We are asking them to retain 78 per cent of the total accrual on the provident fund in the Government securities. But we are not prepared to transfer the benefits of the soft interest regime to the employees. It becomes anti-reforms. I think, there is a dichotomy. You have to understand that the people who are saving are at the receiving end, and the people who are saying that they

can invest more, if they are having the soft interest regime, are benefited. But what do the figures of investment show? In spite of getting the benefits of the soft interest regime, the investment rate did not go up in the manner in which it should. Therefore, there is a big question as to how we are going to realign the interest regime in a manner which would help us in addressing the investment concerns. That is the major priority item in the whole Budget process in the background of this.

Now I come to the question of FDI. It has hurt us. It has hurt us because we believe in coalition and coalition *dharma*. There is the CMP. In terms of implementation, we may have differences. We will raise our objection. But we will support it. But why should we insist on the main issues, which are beyond the Common Minimum Programme and on which there are stated differences?

[MR. CHAIRMAN IN THE CHAIR]

Look at the case of FDI in insurance. We had debated this issue in this House. We had studied the performance of the private sector insurance companies. It was stated that the insurance had to be privatised because the insurance income was a major boost for funding infrastructure and long-term projects. What has been the performance of the private sector insurance industry? They have got 12 per cent of the market access. If you look at the investment portfolio, as well as the income portfolio, you will find that they are skimming the cream. They are not in those areas which really the CMP objectives warrant. The yardstick should be, whether increasing the FDI will help us in achieving the objectives of the CMP. For us, the CMP is the Bible. In a Television programme on the day when Budget was presented, the Finance Minister said that the Left Parties and people like Nilotpal Basu were our conscience keepers. It is a very onerous responsibility. So I tried to remind him how we can function better. I concede that I do not have the training that Shri Jairam Ramesh has. But in the literature of foreign investment nowhere I have seen that the actual investment flows have got anything to do with caps. Caps do not determine investment flows. That is what I have learnt. If you see the actual functioning of the telecom sector -- people like Shri Jaipal Reddy know that I am studying this sector for the last ten years -- how far have they used this 49 per cent? I know there are two companies. Who will gain? These are the very same companies which have gained out of the largesse of the Vajpayee Government when we migrated from the fixed licence fee regime to the migratory regime. They are euphoric

because they are going to sell out their stake and go out. Where is the security consideration? The Defence Minister is not sitting here. The Finance Minister has allocated Rs. 11,000 crores for defence. But the latest activity that some Governments are undertaking in terms of defence preparedness is entirely an electronic warfare. Why was the proposal for 74 per cent FDI in the telecom sector rejected earlier? Why? It was done because of security considerations. Has the question of information security been taken care of? I am really lost. I respect the Finance Minister very much because of his argumentative skills. He is saying that since there are certain loopholes in this whole scheme of FDI for the telecom sector, therefore, he has legitimised it. That is a very strange kind of logic because there are specific things that could have been done to plug the loopholes. If this kind of argument comes from persons like Shri Arun Shourie or Shri Arun Jaitley, I would not mind it because they kept quiet all these five years about how preference share route was misused by corporates to increase the foreign equity component of companies. That can be plugged by amending Section 87(2) of the Companies Act or by arranging for payment of dividend from the reserve premium by amending Section 205 of the Companies Act. Instead of plugging the loopholes, he is talking of legitimising the loopholes. I think there will be no gain in terms of increased investment. We have also to go into it in detail because the growth that has taken place in the telecom sector in the last five years is extremely urban centric. The ratio of urban to rural teledensity has got further accentuated, which is 11:1. The telecom companies are not investing in infrastructure. Shri Arun Shourie will bear me out. The usage spectrum is far less than countries like China where investments are really going to reach out to new areas where it is getting extremely concentrated. Therefore, it is not in keeping with the formulations of the CMP. So far as the insurance sector is concerned, I would like to remind Finance Minister that people like Shri Murli Deora -- I was very surprised to hear him -- came out with a statement that only 100 million dollars will come. He was the Chairman of the Standing Committee on Finance when this whole Bill came through. Therefore, it is very necessary to revisit this whole question for political reasons, for economic reasons and for security reasons. And, -- Mr. Praful Patel is not here - the proposal on Civil Aviation - increasing the FDI from 40 per cent to 49 per cent. I think, on the FDI limit, he is more aligned to his pet projects. Otherwise, I don't find any reason why it should go from 40 per cent to 49 per cent. So, I think these issues are very serious, where we think we must overcome because the strength of this

Government and, as Shri Jairam Rameshji was saying, we think there is a need for revisiting some of the basic areas of economy and finance for overcoming the kind of challenges that we are faced with.

Yesterday, when I was in Andhra Pradesh, I can tell you; the people are helpless. There is a sense of desperation. They do not know what to do. There is no water. Mr. Sinha was flaunting his 4.13 crore cards. We visited 14 families and all the families had got their first loan but at the rate of 14-16 per cent. I don't know whether Jaitleyji had bought a car with six-and-a-half per cent interest. He could, if he wanted. Those poor farmers are not even getting their loans. So, they are going to private money lenders at 36 per cent or 40 per cent interest. They are not getting their prices. We are talking of crop diversification. The more the commercial crops we go for, there is greater capital investment needed, and there is a greater chance of failure. All these are problems. But I don't say that we will be backward looking. We need crop diversification. At the same time, contingency plans have to be in place for helping the people in distress. They don't want a repetition of the same kind of policies that were rejected by the people. I think that has to be the crux of the Budget.

On FN also, while I congratulate the Finance Minister on this principle of 'transaction tax', which the other side was wary of replying, because I know the story as I was a part of the JPC: What was the Mauritius' road? Who made use of the Mauritius' road? How double tax avoidance kitty was misused to fleece this country which led to the crisis in the UTI? How many investors lost out and what happened to them? All these stories are known to us. Therefore, we support the principle of transaction tax. At the same time, we cannot agree with the increase in the limits for the FII because there is a distortion taking place in the capital market. I don't know much about it. Sixteen months of association with the JPC and a little bit of understanding I have developed, I can tell you that 74 per cent of the investors in the capital market today are retail investors. But it is a dozen of foreign funds which are controlling the flow. Sanjay Nirupamji knows it; he is from Mumbai ...*(Interruptions)*... Yes; as Dipankerji is saying, he knows much more than me, perhaps, and I agree with him. But the point is, today, the market is so volatile, and they have become so political also. I don't know what you make out of the fluctuations which took place immediately after the election results. Shourieji perhaps knows; he mentioned earlier that he knows the cartels .who were trying to hammer down the issue prices of the ONGC and GAIL. But he did



**3.00 p.m.**

not share the names. He can help the Finance Minister on this. But the point I am making is, there is volatility in the market because of the nature of the globalised flows. We cannot just ignore the rules of the game. But it should be to the extent that we can control the volatility of the market; that we have to see. And, I think, increasing of the limits of the FII does not help, and this increased exposure of banks along with that will go to further fuel the volatility in the market, and I have never seen markets going up or markets crushing the retail investors' gain. It is always the big corporates who are the major beneficiaries of volatilities of the market.

Therefore, I think, it is not precisely that section, who really have expressed their concerns for the livelihood, which has resulted in the formation of this Government, in the drafting of the Common Minimum Programme and the direction which this Government has to take. Therefore, Sir, I think, we have discussed more or less the issues. We hope that the Finance Minister will take into consideration these concerns. We are very serious with this.

MR. CHAIRMAN: Serious to what extent?

SHRI NILOTPAL BASU: Because, if the Government tries to push through the issues on which there is no agreement, then, there will be a problem, Sir, in terms of really honouring the verdict that has given rise to this Budget. We hope that the Finance Minister will take care of all these concerns of the people. I have pointed out that we support the overall thrust of the Budget. We have no problem with that. It is also our hope that the allocations will improve subsequently. With these words, I conclude.

**श्री जनेश्वर मिश्र (उत्तर प्रदेश):**सभापति महोदय, सबसे पहले तो मैं अपना एक धर्म-संकट बता दूँ, हम लोगों ने तय किया है कि इस सरकार का समर्थन करेंगे, यह हमारा कमिटमेंट है, लेकिन कई बातें जब गलत होने लगती हैं और अभी तक जो आदत रही है कि सरकारों का विरोध कर देते हैं, तो कभी—कभी हम लोगों के मुँह से ऊट-पटांग भी निकल जाता है, तो धर्म—संकट आ जाता है कि गलती तो नहीं हो रही है, लेकिन चिदम्बरम साहब, आपके इस बजट का हमारी पार्टी समर्थन करेगी। आप नहीं मांगेंगे, तब भी करेगी।

SHRI P. CHIDAMBARAM: I seek your support. You are my old friend. We were in that Government

**श्री जनेश्वर मिश्र:**मैं उस पर आ रहा हूँ। यह पार्टी न भी समर्थन मांगे, तब भी हमारी पार्टी समर्थन देती है। मेरी तबियत करती है और मैं चिदम्बरम साहब को बधाई देता हूँ।

क्योंकि उस सरकार के भी आप वित्त मंत्री थे, जिसमें हम लोग थे, देवेगोड़ा साहब की सरकार में और आज की सरकार में भी आप वित्त मंत्री हैं। लगता है, वित्त मंत्री होना कोई कलाकारी है। यशवंत सिन्हा जी भी चन्द्रशेखर जी की सरकार में वित्त मंत्री थे और अटल जी की सरकार में भी वित्त मंत्री रहे। यह वित्त मंत्रालय कोई कला है और इसके लिए मैं दोनों को यहां मुबारकबाद दूंगा क्योंकि ये इस कला के माहिर हैं। मैं यह मुबारकबाद दे रहा हूँ, तारीफ भी कर रहा हूँ। यह सच है कि जब किसी राष्ट्र का बजट बनता है, तब उसमें जो कुछ भी लिखा-पढ़ी का काम होता है, राजा-महाराजा के जमाने में भी होता था, हम लोगों के घर-द्वार में भी होता है, परिवार में भी होता है, तो जो उसमें माहिर होता था उसी को रखा जाता है। चूंकि इस बारे में इन लोगों की एक्सपर्टाइज है, इसलिए मुबारक देना मेरा अधिकार बनता है।

सभापति जी, किसी राष्ट्र के बजट में केवल सालाना आमदनी और खर्च का तख्तीना होता है और उसमें कहां कितनी भूल-चूक हो गई, उसी के तहत हम लोग बजट पर बहस करते हैं। आज नहीं इसके पहले भी जितने वित्त मंत्री हुए हैं, टी.टी. कृष्णामाचारी से लेकर सुब्रह्मण्यम होते हुए लिस्ट जब मैं देखता हूँ तो बहुत काबिल-काबिल हुए हैं, लेकिन कभी भी हम लोगों ने यह चर्चा नहीं की है कि समाज का जो अंतिम आदमी है उस तक हमारे बजट का एक भी नया पैसा गया है या नहीं गया है। कभी हम लोगों ने इस बात को नहीं उठाया कि वह अंतिम आदमी तक गया या नहीं गया। नीलोत्पल बसु ठीक ही कह रहे थे कि एक तरफ हम लोग बजट तैयार कर रहे थे, दूसरी तरफ महाराष्ट्र और देश के दूसरे कोनों में किसान आत्महत्या कर रहे थे। गरीब आदमी जब भूख से मरता है तो जो शासक लोग होते हैं, वे झट से बोलते हैं डाक्टर को बुलाकर कि यह भूख से नहीं मरा है, बीमारी से मरा है। कुपोषण की बीमारी को वे लोग भूख की बीमारी नहीं मानते। बहाना बन जाता है। लेकिन जब कोई किसान आत्महत्या करता है, तो उसके लिए कोई बहाना बन नहीं सकता, किसी भी सरकार की तरफ से नहीं बन सकता। जिन दिनों माननीय प्रधान मंत्री जी किसान, खेती, गांव और गरीब की बात कर रहे थे और वित्त मंत्री जी बजट पेश कर रहे थे, जिसमें वे गांव और खेती को प्राथमिकता देने की बात कर रहे थे, उन्हीं दिनों किसान आत्महत्या कर रहे थे। इसीलिए मैंने जान-बूझकर कहा कि आज के वित्त मंत्री से नहीं, आज से पहले जितने भी वित्त मंत्री हुए, मैंने उन सबसे सवाल पूछा कि यह जो लम्बी-चौड़ी किताब लिखते हो, क्या इसका एक पैसा भी समाज के अंतिम आदमी को जाता है या नहीं और अगर नहीं जाता तो फिर इस हिसाब-किताब से क्या मतलब। कटु सत्य थोड़ा बुरा होता है। संसदीय लोकतंत्र में मीठा बोलकर गम गलत किया जाता है, इसलिए हो सकता है कि हम इतना मधुर न बोले पाते हों, लेकिन यह सच है कि वह आदमी, जो अन-खाए रह जाता है, केवल दो-तीन महीने ही कायदे से खाना खाता है, इन दो-तीन महीनों के बाद उसको कायदे से भोजन नहीं मिला करता, उनकी तादाद कितनी है। यह सरकारी अफसरों पर नहीं छोड़ा जा सकता। अगर देश की गरीबी, भुखमरी, बेहाली जानने की इनको फुर्सत होती तो ये गांव छोड़कर शहर क्यों भाग आते नौकरी करने। राजनीति-तंत्र इतना बेकार हो गया है कि वहां तक अब पहुंच नहीं बन पा रही है क्योंकि चट्टी-चौराहे पर ही वे घेर लिया करते हैं, उनके बीच से दलाल निकल रहे हैं। आप ही की पार्टी के एक प्रधान मंत्री ने कहा था कि देश के विकास के लिए जो पैसा भेजा जाता है, यदि 100 रुपया भेजा जाता है तो उस 100 रुपया में से केवल 17 रुपए ही गांव में पहुंच पाते हैं। मैं नहीं जानता कि आपके बजट में से गांव के लिए कितना जाएगा। लेकिन यह श्री राजीव गांधी ने कहा था।

**श्री ललितभाई मेहता (गुजरात):** जनेश्वर जी, अगर आप मुझको इजाजत दें तो मैं एक बात कहना चाहता हूँ। प्लानिंग कमीशन ने एक अभ्यास किया है, वह अभ्यास यह कहता है कि यदि एक रुपया केन्द्र सरकार से जाता है तो उसमें से वहाँ पांच पैसे ही पहुंच पाते हैं।

**श्री जनेश्वर मिश्र:** मैं प्लानिंग कमीशन की बात नहीं कर रहा था, चूंकि यह सरकार राजीव गांधी की विरासत की सरकार कही जाएगी, इसलिए मैं उन्हीं का उद्घरण पेश कर रहा था। चिदम्बरम साहब, मैं यह जानना चाहूंगा कि जो भी पैसा आप भेजेंगे और जिसके लिए भेजेंगे, उसमें से कितना पैसा जाएगा गांव को? क्या मैकेनिकल इंतजाम हैं आपके पास? कौन सा ताना-बाना है कि आप सही-सही भेज देंगे? सभापति महोदय, यह असंभव स होता जा रहा है कि हम उन तक पूरा पैसा भेज पाएं। खेती की बात जब की जाती है, कैसी खेती होगी, इस पर मैं बहस नहीं करूंगा, लेकिन एक क्विंटल गेहूं तैयार करने में किसान का खर्चा आता है 800 रुपए से ऊपर और केन्द्र से लेकर सूबे की सरकारें भाव तय करती हैं 600 रुपए के आसपास। उस किसान का बेटा गांव के कोने में दुकान खोलकर पान बेचता है तो दिनभर में दो-तीन रुपए मुनाफा कमाता है और वह किसान, जो खेत में हल चलाता है, उसको उसकी खेती का उचित दाम नहीं मिलता। गांव कभी तरक्की कर नहीं सकता क्योंकि जो वहां का धंधा है, उसकी हिफाजत का कोई इंतजाम नहीं है। मान लीजिए कि गेहूं और धान की हिफाजत का वह अगर इंतजाम कर भी ले, तो वह साल भर नहीं खराब होगा, लेकिन टमाटर तो सुबह का शाम को खराब हो जाता है। सुबह बाजार में टमाटर अगर 8 रुपए किलो हैं तो शाम को मैं जब उसी बाजार से लौटता हूँ तो वही टमाटर हमको 2 रुपए और एक रुपए किलो मिला है। इस दर्द को पता नहीं वित्त मंत्रालय समझेगा या नहीं, बजट बनाते समय, इनके अधिकारी समझें या न समझें, लेकिन यह किसान का दर्द है और किसान के पास बोलने के लिए शब्द नहीं है। किसी जमाने में "गरीबी हटाओ" बोला गया था। गरीब केवल बोलने का शब्द नहीं है, वह राजनीति की नारेबाजी का विषय नहीं बनेगा। कृषि, गांव, गरीब-जब कभी यह बात बोलेंगे तो यह इंसान की एक हकीकत है जिन्दगी की और और उस हकीकत को पढ़ने के लिए अभी तक क्या इंतजाम हुआ? मैं जानता हूँ कि अभी यह केवल एक महीने पुरानी सरकार है। अभी इस सरकार को आए केवल एक महीना हुआ है। एकबारगी दिशा परिवर्तन करना, इस सरकार के लिए मुश्किल होगा। यह सच है कि यह सरकार नयी कहलाती है। यशवंत जी ने ऐसा कहा था लेकिन मेरा ख्याल है कि यह नयी सरकार नहीं है। बोटल भी नयी नहीं है और उसके भीतर का माल भी नया नहीं है, सब पुराने हैं। उस पुराने का तजुर्बा लेकर वित्त मंत्री जी को यह जवाब देना पड़ेगा कि जो पैसा आपने लोगों से लिया, उसका आवंटन कैसे किया। यह पैसा होता कुछ भी नहीं है, यह तो कुदरत के नियम जैसा है। जैसे समुद्र है, समुद्र में पानी भरा रहता है, लेकिन वह नहाने लायक नहीं है, पीने लायक नहीं है, वह खारा है। जब सूरज की गरमी, उस पानी को भाप बनाकर उड़ाती है, तो वह पानी बादल बनता है, उसके बाद जब वह जमीन पर बरसता है, तो वह पीने लायक भी हो जाता है, नहाने लायक भी हो जाता है, खेत की सिंचाई लायक भी हो जाता है। जब हम कपड़ा खरीदेंगे, तो भी चिदम्बरम साहब को टैक्स देंगे, हम जब साबुन खरीदेंगे, तब भी टैक्स देंगे, जब हम मिट्टी का तेल खरीदेंगे, तब भी टैक्स देंगे, जब दवाई खरीदेंगे, तब भी टैक्स देंगे। इनके खजाने में पैसा रोज जा रहा है। मैंने कहा कि यह समुद्र है। बजट बनाते समय देखा जाता है कि हमने भाप बनाकर जो बादल निकाला, वह सब जगह बराबर-बराबर बरसे, कहीं थोड़ा ज्यादा बरस जाए और कहीं बिल्कुल न बरसे, तो उस बादल को बेईमान कहा जाता है। आपका बादल, लोग कह रहे हैं कि बिहार में जरा ज्यादा बरस गया है, लोग कह रहे हैं कि

उत्तर प्रदेश में लोग हाथ जोड़कर खड़े हैं, तब भी नहीं बरस रहा है, लोग कह रहे हैं कि बंगाल में भी नहीं बरस रहा है, लोग कह रहे हैं कि आंध्र प्रदेश में भी नहीं बरस रहा है। वह बादल, जो जगह चुन-चुनकर बरसा करता है, वह बेईमान बादल कहलाता है।

आपके पास समुद्र है, आपको दिया है खजाना, सबने दिया है, हमने भी दिया है, उत्तर प्रदेश के लोगों ने भी दिया होगा, बंगाल के गरीब ने भी जब बोतल में मिट्टी का तेल खरीदा होगा, तो आपको दिया होगा, जब अपने लिए बीड़ी खरीदी होगी, तो तंबाकू पर जो टैक्स दिया होगा, उससे आपके खजाने में पैसा आया होगा। यह मत समझ लेना कि खजाने में पैसा केवल बड़े घरानों से आया करता है। यह महासमुद्र है और यह महासमुद्र, आपका खजाना है। बजट की कलाकारी यही है कि सूरज की रोशनी से भाप बनकर जाए, और पानी बराबर-बराबर बरसे, यह नहीं कि जहां चाहे ज्यादा बरस जाए, जहां चाहे कम बरस जाए। हम यह नहीं कहते कि बिहार को पैसा मत दीजिए, और दीजिए। लोग कह रहे हैं कि बिहार को खूब दे दिया। यह भी सही है कि राजनीतिक दृष्टिकोण से उत्तर प्रदेश के लोग, केन्द्र के कृपाभाजन नहीं हैं, क्योंकि जब से आजादी मिली है, तब से मैं जानता हूँ कि कैबिनेट में उत्तर प्रदेश के 4-5 मंत्री हुआ करते थे, अब की बार डेढ़ हुए हैं। शायद चुनाव में उत्तर प्रदेश वालों ने, इन लोगों को अच्छा जवाब नहीं दिया है। लेकिन जितना उत्तर प्रदेश में जिताया होगा, उससे बहुत कम लालू ने टिकट दिए थे, उन्होंने चार ही टिकट दिए थे शायद। हां, उत्तर प्रदेश वाले को फिर जिताया, उत्तर प्रदेश-उत्तर प्रदेश। राजनीतिक अन्याय हुआ, इस पर मैं बहस नहीं करूंगा। कि उत्तर प्रदेश के बहुत से पिछड़े जिले-पूर्वी जिले से लेकर के बुंदेलखंड तक, जहां पीने का पानी भी नहीं होता। यह हालत आपके राजस्थान की भी है, यह हालत मध्य प्रदेश के जिलों की भी है, उड़ीसा की भी है, बंगाल के जिलों की भी है। थोड़ा बहुत उन पर तवज्जह कीजिए। बादल अगर एक जगह बरसेगा बाकी जगह नहीं बरसेगा तो अच्छा नहीं होगा। सिंचाई केवल बादल से नहीं हुआ करती और खेत हरा भरा केवल बादल के पानी से नहीं होता। जमीन के नीचे का पानी भी निकाला जाता है। यह बादल वाला पानी तो फिर समुद्र में जाएगा। हम इस विभाग के मंत्रालय को देख रहे थे। हमने पता किया था कि आसमान से जो पानी बरसता है वह जमीन पर कितना रह जाता है। तो लोगों ने बताया कि 60 सैकड़ा पानी समुद्र में चला जाता है। कई बार लोग कहते हैं नदियों को रोक कर समुद्र में जाने से रोक दिया जाए। 10 सैकड़ा भी रोक दिया जाए, वह कहा जाता था कि नदियों को जोड़ों योजना चलेगी। के.एल.राव साहब जब सिंचाई मंत्री थे उस जमाने में मैंने यह बात सुनी थी, देवगौड़ा साहब के जमाने में भी यह बात सुनी थी, अटल जी के जमाने में भी सुना था कि नदियों को जोड़ा जाएगा। काम असंभव है क्योंकि राज्यों के स्वार्थ-राजनीतिक स्वार्थ टकराते हैं। अभी पंजाब और हरियाणा का टकराव रहा। दक्षिण में भी टकरा रहे हैं। हमारे मित्र लोग कह रहे थे कि आर्टोमोमी का सवाल है, संविधान में राज्यों को आर्टोमोमी मिली है। एक इलाके से नदी का पानी जाने नहीं देंगे। लेकिन इस बात को छोड़ा गया है कि पानी केवल आसमान में नहीं रहता वह जमीन के नीचे भी है और जरूरत है कि जमीन के नीचे का पानी निकाल करके ऊपर खेत की सिंचाई की जाए। क्योंकि हिन्दुस्तान में केवल 40 सैकड़ा जमीन सींची जाती है, 60 सैकड़ा भगवान को देखती रहती है। 40 सैकड़ा में भी 22-23 सैकड़ा अंग्रेजी जमाने में सींची गई है। 50 साल, 55 साल की हुकूमत में हम लोगों ने 16 सैकड़ा सींचा। 55 साल में 16 सैकड़ा सींचने में कितने साल लगेंगे यह अपना गणित बजट में जोड़िएगा। हम लोग नहीं रहेंगे, आप भी नहीं रहेंगे। क्यों नहीं इतना ही कर लेते कि सारा बजट काट करके देश में सम्पूर्ण सिंचाई की योजना चला दी जाए।

सिंचाई कोई भिखमंगी नहीं है। किसान खेत में जो फसल तैयार करता है वह अकेले नहीं खाता। वह सैक्रेटरिएट के बाबू लोगों को भी भेजता है, किसान को भी भेजता है, दिल्ली शहर के लोगों को भी भेजता है। किसान आज भी दुर्दशा की जिंदगी जी रहा है। मैं चाहूंगा कि उसकी स्थिति को गंभीरता से सोचिए और यह पैकेज मत बताइए कि हमने सिंचाई के मद में इतना दे दिया, खाद पर सब्सिडी इतनी देंगे, यह मत बताइए। जोड़ लीजिए, जैसे कि कारखाने के माल के उत्पादक मूल्य, कार की एक्स फैक्टरी प्राइस जिसको कहते हैं, आप जोड़ लेते हैं। जोड़ लीजिए किसान का एक्स खेती प्राइस, खेत के दाम से लेकर के हर फसल की तैयारी तक-आठ सौ, नौ सौ रुपए क्विंटल जितना पड़ता हो, वह सारा आप पांच सौ रुपए बेचिए, छः सौ रुपए बेचिए, चूंकि दूसरे लोगों को रोटी सस्ती खानी है, वह देना चाहिए। लेकिन जो बाकी पड़ता है मार्जन वह सरकारी खजाने से ही एकमुश्त किसानों को मिलना चाहिए ताकि यह नहीं अहसास हो सके कि हमको घाटा हो गया। उसकी हालत सुधारने के लिए अगर सभी मुनाफे की कमाई करेंगे तो अकेले किसान को छोड़ दिया जाएगा कि वह घाटे का सौदा करे तो कभी हिन्दुस्तान के गांव तरक्की नहीं कर सकते हैं। सिंचाई के बारे में मेने बतला दिया। नदियों को जोड़ने के बारे में कहां-कहां राज्य सरकारें रास्ते में आएंगी, इसको केन्द्र सरकार आज नहीं पहले से भी जानती है, हम लोग भी जानते हैं, हम लोग भी जानते हैं। उसकी बाधा को दूर करने के लिए कोई रास्ता बनाना और बनाने की हिम्मत हम वोट लेने लोगों में वह आ सकती है, अभी यह कहना मुश्किल है। लेकिन जिस दिन यह हिम्मत आ जाएगी, हम पानी का प्रबंधन जमीन के नीचे का कर लेंगे जो कि बहुत जरूरी है। मुझे बच्चों की पढ़ाई का सवाल अच्छा लगा, मैं स्वागत करता हूँ कि आपने दो फीसदी सेस लिया है। सबके बच्चे, सबके कहलाते हैं, केवल अपने मां-बाप के ही नहीं कहलाते हैं। अगर इसमें भी कमी पड़ती हो, तो मैं सलाह दूंगा कि इसको चार फीसदी कर दो। लेकिन सभी को गारंटी के साथ, जैसा कि मैंने कहा है कि सम्पूर्ण सिंचाई, चार सैकड़ा कर लो, पांच सैकड़ा कर लो, वैसे ही सम्पूर्ण शिक्षा, कोई भी हिन्दुस्तान का बच्चा अंगूठा छाप न रह जाये, आपको योजना इस प्रकार की बनानी पड़ेगी। कहीं ऐसा न हो कि आप दो सैकड़ा सेस लें और वह एशो-आराम पर खर्च हो जाए और अफसरों पर खर्च हो जाए। इन्हीं शब्दों के साथ, चिदम्बरम साहब, आप आ गए, मैं आपके बजट का समर्थन करता हूँ। मैं कड़वा जरूर बोला हूँ, मैं कड़वा बोलने की पुरानी आदत के हिसाब से बोला हूँ, आप मुझे माफ कर दीजिएगा। धन्यवाद।

SHRIMATI S.G. INDIRA (Tamil Nadu): Thank you very much, Sir, for giving me this opportunity. First, I must congratulate the Union Finance Minister and the Minister of State for Finance because this is their first Budget. Also, because both the Ministers are from Tamil Nadu, I specially congratulate them.

At the outset, I would like to say that it is a Budget, Mr. Finance Minister is present here, where he has indulged in cosmetic exercise, paying lip sympathy to the fuzzy Budget, set out in the Common Minimum Programme. Sir, I think, it is a Budget to satisfy the coalition partners. Probably, we can call this Budget as a political Budget because some special care has been taken of some States in this Budget. The

Government has adopted this Budget as a National Common Minimum Programme, and it has also mentioned as 'National Common', but on seeing the facts and allocations we can call it 'National Compulsion Minimum Programme.

In his Budget, the hon. Finance Minister has mentioned that the programme has given priority to seven clear objectives, like, maintaining the growth rate, providing universal access to the quality basic education and health, generating gainful employment in agriculture and manufacturing services, promoting investment, assuring hundred days' employment to the bread-winner in each family, focussing on agriculture and infrastructure development, and also accelerating fiscal consolidation and reform, and also ensuring higher and more efficient system of fiscal devolution.

Sir, if you see the Budget, the Finance Minister has tried to create an impression that he has given great importance to agriculture, education, health, rural development, etc. But the theme is neither for growth, nor for industry, nor for economic development, nor for external sector, but this Budget is only for foreign trade. That is the only importance he has given. If he really intends to help the poor agriculturists, first of all the cooperative credit structure should be reformed. He should also have aimed to reform the cooperative banking system. In this regard, the expectation of allocation to recapitalise and strengthen the cooperative credit sector has been totally belied. He has not given any allocation and importance to it. This has to be regularised in a task-force manner because in every State, there is failure of monsoon. The agriculturists cannot repay the debt amount. They are suffering a lot. So, this should be reconstructed. They should be helped. Sir, as far as allocation for rural development is concerned, he has mentioned in his Budget Speech that he has given importance to rural development. In the previous Budget, Rs. 19,200/- crores were allocated, but in this Budget only Rs. 16,000/- crores have been allocated. How can he bring reforms and what importance can he give to rural development with this reduced allocation? Sir, I want to know from the hon. Finance Minister how give requisite importance to rural development with this reduced allocation. Sir, the hon. Finance Minister has called the two percentage cess as education cess. This two per cent cess will be allocated for providing education to children. But if we see the allocation for the Ministry of Human Resource Development, he has increased its allocation by Rs. 1000/- crores. This additional two per cent cess will yield Rs. 2,500/- to Rs. 3,000/- crores. But he has increased the allocation for

the Ministry of Human Resource Development only by Rs. 1000/- crores. Where is he going to allocate the remaining amount collected under the cess? For which Department is he going to divert that amount? I want to know this because he has promised that this cess has been levied for the development of education only.

Then, Sir, he has promised the Employment Guarantee Scheme for the breadwinner of a family. But he has not given any special allocation for this programme. How, then, is he going to give employment to the breadwinner of a family?

For the Accelerated Rural Water Supply Programme, he has allocated Rs. 2,610 crores. Even under this Programme, it is seen that the State of Tamil Nadu has been completely ignored. Both the Ministers belong to the State of Tamil Nadu, and they know very well about the problem of water scarcity, which the city of Chennai is facing. There is acute scarcity of drinking water in Chennai. The State Government is supplying water through lorries and, as such, it is facing a big financial crisis. But, he has simply ignored that problem, and no funds have been allocated in this Budget for the State of Tamil Nadu.. *(Interruptions)*...Please don't disturb ...*(Interruptions)*...Your turn will come, then, you can speak...*(Interruptions)*...

MR. CHAIRMAN: Let her speak...*(Interruptions)*...Please take your seats...*(Interruptions)*...Please take your seats..*(Interruptions)*...

SHRIMATI S.G. INDIRA: Sir, both the Ministers know that there has been successive failure of monsoon in Tamil Nadu. So, I am seeking a special allocation for my State of Tamil Nadu...*(Interruptions)*...When your turn comes, you can speak for the Tamil Nadu *people*...*(Interruptions)*... The Tamil Nadu people sent them to the Centre as Ministers. What have the Ministers done for the people of Tamil Nadu when they are facing acute shortage of water?

Sir, here the United Progressive Alliance Government has not taken any initiative to start the programme for the inter-linking of rivers. It will help farmers and this will serve as a permanent remedy for the water scarcity problems faced by farmers. Sir, this programme will serve as a true foundation for the rejuvenation of the farm sector in the country. This Government has not proposed any long-term programmes. It is just a show, and just a cosmetic work; he has done some tinkering work only.

The Finance Minister promised in the Budget, schemes for the development of agriculture. But, nothing has been provided as relief to the farmers. He very well knows that farmers throughout the country are suffering due to the failure of monsoon. How is he going to protect farmers who are faced with successive droughts? The announcement of the Crop Insurance Scheme shows that the Finance Minister has just done some tinkering work in the already existing scheme.

Sir, the Finance Minister himself accepted this point, and in the Budget Speech he has specially stated: "The city of Chennai and other cities are facing severe scarcity of drinking water. It is proposed to install the first large desalination plant near Chennai in the State sector, and more such plants will be installed along the Coromandel coast." He has mentioned that. Sir, I request the Finance Minister...(Interruptions)...

**डा.कुमकुम राय (बिहार):**सर, यह गलत बात है। ...(व्यवधान)...

**श्री सभापति:** बैठिए... बैठिए... ...(व्यवधान)...

SHRIMATI S.G. INDIRA: And, he has also mentioned that the estimated cost of the project is Rs. 1000 crores. So, I would like to inform the Finance Minister that the Government of Tamil Nadu has already initiated a proposal in this regard. The proposal is ready. If this plant is set up, the utilities are going to be managed by the State Government. Sir, why couldn't the Finance Minister and the Union Government take care of this existing proposal? Why don't the Union Government financially assist the Tamil Nadu Government? This is what the Government of Tamil Nadu is asking for finding a permanent solution to the drinking water problem in Tamil Nadu.

The Finance Minister has himself admitted that the *Sethusamudram* Ship Canal project is a long-standing demand and dream of the peninsular India. He has specially mentioned about it in the Budget. But, in the Budget, no allocation has been made for this purpose. It is vague and mere eyewash. There is no financial allocation for this project in this Budget. He has also mentioned that 'the report of the National Environmental Engineering Research Institute is expected shortly, and we will implement the project very shortly,' but no fund has been allotted. He has mentioned that for raising the fund for this proposal, he will introduce a new proposal, called Special Purpose Vehicle which comes under the Shipping Ministry. But, Sir, that project also is very new. The Government is going to create new projects for raising funds, but no fund has been allocated for



*Sethusamudram Canal Project* which is a long-standing demand and dream of the Tamil Nadu people. Sir, the Finance Minister is from Tamil Nadu. Why don't he take care of this long-standing project? I request the Finance Minister to please allocate the fund for this project directly from the Budget itself, and not from any new scheme or new proposal.

Sir, in the Budget, there is an indication that Government is planning an Experimental Food Stamp Programme thereby placing a question mark on the PDS. In all States, especially, in Tamil Nadu which ranks first in the Public Distribution System, the ration cards have already been issued. I would like to inform the hon. Finance Minister that the State Government has already issued ration cards and the food items are distributed through the PDS, as a result of which the poor people of Tamil Nadu are benefited. So, I request the Finance Minister to allocate the foodgrains to the State Government of Tamil Nadu as per its demand. The Finance Minister has to take into consideration the demand made by the State of Tamil Nadu in this regard because farmers are badly affected due to failure of monsoons.

The Finance Minister announced special economic package for some States. He has also mentioned that there are a number of projects pending in Bihar, and so, special allocation had to be made. Sir, the hon. Railway Minister is having a lot of love for his State and he has initiated a lot of projects for the State of Bihar. And, the Finance Minister has allocated huge sums of money to the State of Bihar. I would like to say that this Budget is not only for Bihar; it is for the whole nation. ...*(Interruptions)*...

श्री सभापति: बैटिए.... बैटिए... ...*(व्यवधान)*...

SHRIMATI S.G. INDIRA: The Finance Minister has announced separate Backward States Grant Commission which will completely spoil the Centre-State fiscal relations. The Congress supremo has said that there is no development in Uttar Pradesh. She said that the law and order situation there is far below the desired level. Why don't the Government give more importance to Uttar Pradesh? Why a step-motherly treatment has been meted out to all other States? I would like to request the hon. Minister to please give importance to developing States like Tamil Nadu. Sir, the hon. Union Minister for Railways has more faith in his own State. There are 12 Ministers from Tamil Nadu; why don't they come forward and ask for more

allocations for their State? I am putting a question to all the Ministers from Tamil Nadu...*(Interruption)*...

MR. CHAIRMAN : You are all being taken to task.

SHRIMATI S. G. INDIRA : The hon. Finance Minister has mentioned that Foreign Direct Investment has the potential to provide a competitive edge, especially, in the industrial sector. I hope, the Communists will take care of the statistical report and everything else. But I would like to tell the hon. Minister that as far as Foreign Direct Investment is concerned, even now, debates are going on in the WTO regarding the merits and demerits of Foreign Direct Investment. Hence, I would like to know from the hon. Finance Minister, in what way is the announcement of FDI related to income and expenditure in this Budget? He has just made a show of FDI in his Budget. In no way, is the FDI related to the income and expenditure part of the Budget.

For basic infrastructure, he has allocated Rs. 40,000 crores, but he has not mentioned about the source of revenue. I think he is going to raise funds only hereafter. No special allocation has been made for the development of infrastructure.

Sir, for the textile sector, CENVAT chain has been relaxed and exempted. At the same time, he has announced that VAT will come into effect from March, 2005. If that is done, every State Government would be affected. As far as Tamil Nadu is concerned, Rs.10,000 crores have been realised per annum through Sales Tax. Out of this 15 per cent, i.e., Rs. 1,500 crores, are realized from the Central Sales Tax, levied and collected in Tamil Nadu for Inter-State trade and commerce. When VAT is introduced, the Central Sales Tax should be abolished immediately, which cause heavy loss of revenue to the State Government. What is the compensation that the Finance Minister has, given for the State Government which incurs heavy losses, for the implementation of VAT?

After having promised to the States on 18th June, 2004, at the meeting of the Empowered Committee of the State Finance Ministers, that all issues of taxation on services would be reconsidered and brought back for further consultation to the Empowered Committee of the State Finance Ministers, the Union Finance Minister has not called for any meeting regarding the tax changes and reforms. The Union Minister has now expanded the tax net by including more services to be taxed by the Centre,

besides raising the rates on existing services. On this, there is no consultation with the State Governments.

Finally, there is nothing in the Budget, which encourages the manufacturing sector. Nothing has been done to improve the investment climate. Altogether, it is a most disappointing Budget, not only for the people of Tamil Nadu, but also, to the people of the nation, as a whole. The Finance Minister has not come out with statistical figures Plan funds. Thank you.

SHRI ANAND SHARMA (Himachal Pradesh): Mr. Chairman, Sir, I rise here to support the Budget which has been presented by hon. Finance Minister, Shri P. Chidambaram. This happens to be the first time when I am making a speech after my return to Rajya Sabha, that too after a long gap. Though I have made few interventions earlier, I was listening to the former Finance Minister, Shri Yashwant Sinha, and also to a very illuminating maiden speech from my dear friend, Shri Jairam Ramesh. The last election, hon. Chairman, Sir, was an important verdict, a verdict for change, a verdict which was not merely for change of one regime by another regime, the change of the BJP-led NDA Government to the Congress-led UPA Government. It was clearly a mandate for the change of direction of the economic policies, social policies pursued by the Union Government. It was an expression by a vast majority of our people, who somehow felt neglected, felt ignored by the previous regime. When we talk of that, it is not merely a question of a political party. It was the direction which was followed. And, it appeared to me, while listening to Shri Yashwant Sinha, that they still believe that there was nothing wrong and what they were able to achieve and sustain, was remarkable and unprecedented. I am afraid, that is not true. So, this Budget by Shri P. Chidambaram, is reflective of the commitments which have been made to the people of this country during the run-up to the elections and during the debates. The commitments which were made by the Congress and its allies, have been incorporated in the Common Minimum Programme. A clear commitment was given to the neglected, disadvantaged sections of this country, especially to the farmers, to the younger generation, to the youth in the Common Minimum Programme. That is the official programme of this Government and has defined the thrust and priority areas. What are the priorities - massive investment in agriculture, in industry and in infrastructure to ensure a growth of 8 to 10 per cent per annum. The priorities are also education and health.

[The Vice-Chairman (SHRI SANTOSH BAGRODIA) IN THE CHAIR]

Mr. Vice-Chairman, Sir, I do compliment the hon. Finance Minister. What I was saying, Sir, the proposal to double the rural credit is indeed laudable. Shri Yashwant Sinhaji was giving certain figures during the last five years, when they were in Government, how it had more than doubled. Here, a commitment to double the rural credit has been made and that too in three years. But, earlier, if all what was being claimed, an increase from Rs. 32000 to Rs. 80000 crores, as he was quoting from the Economic Survey, where did it go? What went wrong? Have you thought about it? The high interest rates; the near collapse of the rural credit infrastructure; the rural credit infrastructure had become weak. Is it a fact or not that during your regime, 7000 branches of the public sector banks in rural areas were closed down? It is more than seven thousand. Seven thousand is the approximate number, and, I would like the Finance Minister to confirm this to this House as to what was the disbursement. If everything was all right with your scheme, your investment in agriculture, and, the doubling of the rural credit, why did we witness a sorry state of affairs when the country was reeling under successive years of drought? There were crop failures. Farmers had taken loans, and, they were unable to repay the loans. The State did not step in. I am sad to point out that the State was insensitive, and, we witnessed across-the-board suicides by farmers and their families.

It is true that that situation has not abated. It is a carry over. It will take time before the present Government stabilises the situation, and, ensures that the farmers in distress, through State intervention, get adequate support, and, that is what Mr. Nilotpal Basu was talking about providing credit to the farmers at lower interest rates. This is, of course, for the Finance Minister, the economist, to look at. It is not only the lower interest rates to the farmers, but when we talk of interest regime, we have to reconsider how to balance the desired low interest regime for investment in industry, and, at the same time, we have to ensure higher interest rates to pensioners, house-wives, poor people, those who depend on their savings, be it the savings account in banks, the accounts with the postal department, the NSCs and the various other schemes. This is where I will request the Finance Minister to look at carefully, so that the people do feel reassured, especially the vulnerable sections who have lost much during the last five years when the interest rates fell steadily, who lost heavily in the UTI scam. They have not been compensated. There has been no

accountability of that scam. So, these are the vulnerable sections who do need protection, who do need careful support through the Government policies, and, also their implementation.

Sir, another important area towards which, as I was said, there is a firm commitment of the Common Minimum Programme, is of employment generation. We have a situation where, as per the official figures, more than five crores are unemployed, and, this figure is not accurate figure. There are people who are under-employed; there are tens of millions who do not qualify to be registered in the employment exchanges, and, there are tens of millions who have crossed the eligible age for employment. It is a massive problem, and, unless and until, it is addressed adequately, we will have a huge social divide in the society. The gap is increasing, and, so is the restiveness. In the last five years, irrespective of the claims being made of development, and, as we were hearing day in, day out during the elections, something which had never happened in the first fifty years, for the first time this country witnessed negative job growth.

Yashwantji was giving the figures that it was 84 lakhs, and, not one crore, as was promised by Shri Atal Behari Vajpayeeji, the then Prime Minister. So, five crores in five years did not come. Shri Jairam Ramesh pointed out that even 84 lakhs was not the accurate figure. What I understand and what the youth of this country realise, it is not the question of figures, accuracy or inaccuracy of figures, the fact is that there was negative job growth. If there was development, if there was investment taking place, it is a layman's understanding that investment is a prerequisite for any development and if there is development in both the industry and the agriculture, there would be generation of employment. That did not happen. There was de-acceleration of economy. There was loss of job, as was pointed out, in the organised sector. But what about the unorganised sector? The loss of jobs is in the agriculture sector. That is a problem, an area, which this Government is committed to look at seriously and the Finance Minister, while assuring of investment in industry and agriculture, is giving the commitment to the youth of this country, specially the unemployed, the Government's sincerity to look at their problems and correct the course. The correctives have to be put in place now to change the direction because the previous Government's priorities were skewed. They were looking at the microcosm of the society. Sir, here, I must draw the attention of this House to the debate which this country heard. It was not only the feel good, not only the India shining, these poor

people, whether the farmers committing suicide or the unemployed youth, they were being told by the Government, a regime, that "everything is alright, feel good". But they did not feel good and they made you feel bad. That is why you are sitting in that direction. But, you have not realised. You are still quarrelling with the verdict; you are still quarrelling with the fact that the direction was wrong. I hope there is some introspection, on the other side, they reflect and acknowledge as to what went wrong. But, that debate is particularly of five years versus fifty years.

पांच साल बनाम पचास साल, पचास साल में कुछ नहीं हुआ, पांच साल में देश बदल गया।

The message was sought to be conveyed that nothing happened in India in fifty years since independence, and, in five years, there was a revolutionary leap forward. I have commented on that. But, let me remind my friends on the other side, that in those first fifty years, after India became free, that is where India started progressing. It was the vision of the leadership, which had led the national movement, of Jawaharlal Nehru and the Congress party. His first decision to set up the institutions of excellence, NTs and IIMs, the industrial policy, the decision to invest in infrastructure, to create the public sector undertakings ensured that India embarked on the path of development and progress. Not only that, I would also like to place on record here that this country consciously made an entry and moved fast in the field of science and technology. There was attention, priority attention, given to irrigation, hydel generation and power generation. We saw BHAKRA, Nagarjuna Sagar and Hirakud coming up. We saw Trombay and Kalapakkam, the nuclear reactors coming up. This country saw Bokaro, Bhilai, Rourkela and other industrial giants coming up. Indians, through those institutes of excellence, became globally competitive. It is a matter of fact and record what was referred to earlier about Green Revolution. I was listening to Yashwant Sinhaji when he said that 'for the first time, India became self-sufficient'. Though Shri Jairam Ramesh has commented on that, I would like to expand it a bit more. The Green Revolution, the White Revolution, what we talk today about the telecom and the IT revolution, they tried to hijack everything. Through this debate, they insulted, I must say, they insulted, the collective efforts of the Indians, the scientists, the farmers, the industrial workers who made these achievements possible, who ensured that India was already launching satellites into space. India had become a nuclear power in 1974, but yours was a Government which tried to give an impression that before the BJP-led NDA Government came to power, India was one of the most backward undeveloped countries in the world. And because of insulting the memory of people, the wisdom of people, they

decided to give you a message, and I am just repeating it because the BJP, my friend Arun Shourieji is also there, created a campaign for the consumption of voters and got swept away by its own campaign. It was a collective self hypnosis. सामूहिक स्तुतिगान में बह गए आप । You started believing in a campaign which you had created to mislead the people of this country. I compliment the Finance Minister, my friend Chidambaramji, for looking at these critical areas carefully. I need to make just one or two short comments. One, on what is being proposed for the Food for Work Programme as extended coverage, the Finance Minister has promised to include two crore families and the provision of Rs.3500 crores as food subsidy. He has also assured that the PDS will be strengthened. Sir, earlier when I was listening to Yashwant Sinha and later to Jairamji on the availability of adequate food stocks, the buffer stocks as we call it, and also that India is now a net food exporting country, though it was not correctly stated that for the first time it became when you took power. But, Sir, that credit goes to the Green Revolution, to the efforts of the farmers, the policies of the successive previous Governments. More than 16 years before they came to power, India was self-sufficient in food grains and was also exporting foodgrains. But during those four successive years of drought, when granaries were full, did the previous Government intervene judiciously, with sensitivity, to the needs and demands of the drought-affected States? The answer is, 'No'. There was discrimination, discrimination on political grounds. The Congress-ruled States were discriminated against, whether it was Rajasthan or Madhya Pradesh or Chhattisgarh. And we know the treatment which was given to one of the favoured States, one of the allies, and what went wrong with the additional allocations which were made to that State of Andhra Pradesh. The foodgrains, rice, which was allocated, found its way to the black markets in Assam. It is a matter of fact and record. But, Sir, what I have to say here about foodgrains ...*(Interruptions)*...

SHRI RAVULA CHANDRA SEKAR REDDY (Andhra Pradesh) : They are making wild allegations. ...*(Interruptions)*...

SHRI ANAND SHARMA: I am not making wild allegations. When you get your time, you can answer. I am not yielding. ...*(Interruptions)*...

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): Go ahead.

**4.00 p.m.**

SHRI ANAND SHARMA: Sir, this was the time when the PDS broke down. Figures have been given, I need not repeat as to what was lifted under the PDS scheme. But what is more important, at the same time, the exports were going on. Sir, I would like to know and the House would be interested to know from the hon. Finance Minister what the quantum of exports between 1999 and 2003 was when major States were reeling under drought. What was the price at which they were exported? I was horrified to find out that the price of export which the previous Government was talking about and being very proud of, was less than the price at which rice and foodgrains were made available through the Public Distribution System. That is why people were not going to the PDS. Here, you have a people-friendly regime, where food is exported at a price lower than the PDS. People were suffering from starvation and malnutrition. But the previous Government did not pay heed to that. Sir, this is one of the notable features of the previous regime. When we talk of mandate, when we talk of the heart of the people who were being told 'feel good', this is how they were feeling bad. These are facts. Sir, I may also make two observations, again, on the commendable features of this Budget. One is the cess on education, 2 per cent cess. I have heard some sections of the society saying something on this issue. But I have not heard, of course, that complaint from any Member of this House, cribbing about it. But this is a commitment. It is a part of the National Common Minimum Programme, the 2 per cent cess, and the Finance Minister hopes to raise 4,000 to 5,000 crores of rupees. Through that, the Government will ensure the spread of education. Education and literacy is integral, an essential prerequisite not only of development but also of empowerment. People will remain unempowered as long as they do not have, through the State intervention and support, enough facilities to ensure education for all our children.

I have two more observations before I conclude. I will leave out other areas except the public sector undertakings with public sector enterprises. One good assurance which has come in this Budget is the reconstruction of the public sector enterprises and the setting up of a Board for that purpose. I hope the Finance Minister will ensure that the composition of the Board is such that it includes experienced professionals, who have the same social commitment and also the PSUs, especially, the profit-making PSUs, the PSUs in the strategic and sensitive sector are given autonomy and professional leadership. Unless and until these PSUs have professionals as



leaders, as captains, and also have functional autonomy, maybe, they will not be able to attain the desired objectives and goals. But while you have this commitment, what were we witnessing earlier? It is not a debate of disinvestment and investment or disinvestments or privatisation. Common people of this country some times get confused. You and we will not. There is a broad national consensus when it comes to certain areas of disinvestments. What was being done earlier was not transparent. It was directionless. The PSUs were disinvested or privatised to meet the fiscal profligacy of the previous Government. The assets which we created assiduously, national assets, were sold off for a song. There was a grand clearance sale going on. That is what I say. It looked like a grand clearance sale. In every meeting, they will sell off this much from the IOC, this much from the ONGC and this much from here. After those five years, here we have an Investment Commission being set up. You had a Ministry for disinvestment and privatisation. You have much to answer, whether for this Government or any Government; when we come, we are the custodians of the people, we are the trustees. The properties of the nation, the assets of the nation are held in trust by any Government. They cannot just be sold off. So, that was the policy which the people did not approve, which the people did not endorse.

And lastly, Sir, another area which suffered from intriguing neglect is defence. Hon. Jaswant Singhji was there for some time as Defence Minister also.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA): No, no; External Affairs Minister.

SHRI ANAND SHARMA: If I am correct, Sir, for a brief period.

THE VICE-CHAIRMAN (SHRI SANTOSH BAGRODIA) : Yes.

SHRI ANAND SHARMA: Sir, I do not suffer from a loss of memory like the BJP friends!

And his other colleagues were there. Year after year, a Government which talked of national security and defence as the first priority neglected this critical area. For three successive years the Budgetary allocations were made for Defence, modernisation of defence, to meet the needs of three services, but were not spent! Rs.24,000 crores were surrendered. And when you went in for purchases, you created, the previous Government created, emergency like situations, and purchases

were made in a non-transparent manner, creating situations where the regular procedures got suspended. I am not saying it as a Member from the Congress Party in this House. But the Reports of the Comptroller and Auditor General are there—those Reports have been tabled—which clearly talk of (a) the neglect of that sector and (b) the questionable mode of acquisition, the non-transparent mode.

I compliment this Government and the Finance Minister for enhancing the allocation for Defence by Rs.14,000 crores. Though, as per the Defence Minister, much of it will also go towards meeting the commitments which were made or the contractual commitments which were made during the last few months of the previous regime. But the commitments made by any Government are carried forward by the next Government. The very fact that this area has been looked at, the neglect is noted, the course is corrected, the allocation is enhanced, boosts the morale of the Armed Forces, and I hope that in this year and also in the coming years, the Finance Minister and the UPA Government will ensure that India's defence preparedness which was compromised because of the neglect and short-sighted policies of the previous regime is adequately compensated. The Force modernisation, the acquisition which the three Services have asked for, goes ahead, and then only we can ensure a strong vibrant India, which is the dream of our people.

To conclude, Sir, I will only say that this Government has identified itself with the *Kisan*, the *Naujawan* and the *Aam Admi*. They are the ones who needed that assurance. And this Budget is a reassurance to them as well as to the disadvantaged sections of the society. With these words, I commend this Budget. Thank you, Sir.

SHRI ARUN SHOURIE (Uttar Pradesh): Sir, I must begin by declaring a conflict of interests while speaking on the Budget because of my very, very high regards for Mr. Chidambaram for many, many years; and not just high regards, but, if I may be permitted by him to say so, my affectionate regards for him. Therefore, much of what I will say will be conflicting with my great regards for him. Sir, I have been puzzled, after reading the Budget and listening to him, as to how such an astute person, one of the most knowledgeable persons on corporate law, had produced such a non-Budget. सर, मुझे इसका राज बहुत देर में पता लगा कि इसमें मेरे दूसरे मित्र श्री लालू प्रसाद जी का हाथ बहुत ज्यादा है। उसी के कारण, आप देखेंगे कि कई चीजें चिदम्बरम जी ने ...(व्यवधान)...

**श्री जीवन राय:**आपका हाथ तो नहीं है। ... (व्यवधान)...

**श्री अरुण शौरी:**अभी आयेगा। अभी आप देखिएगा। ... (व्यवधान)... नहीं, नहीं जरा, आप सुनिये। ... (व्यवधान)... सर, यह इनकी पुरानी टेक्नीक है। ... (व्यवधान)... सर, इनकी टेक्नीक है कि जब कोई बोलने लगे, तो उसको बीच में इंटरप्ट कर दो। ... (व्यवधान)...

**श्री रुद्रनारायण पणि (उड़ीसा):**सर, जब आनन्द जी, बोल रहे थे, तो हम उन्हें ध्यान से सुन रहे थे। ... (व्यवधान)...

**श्री अरुण शौरी:**सर, यह इनकी टेक्नीक है। Mr. Chidambaram, let me refer to paragraph 13. As you know, Sir, the President has been emphasising--Mr. Vajpayee used to emphasise on it--on PURA, the Provision of Urban Amenities in Rural Areas. This has become in paragraph 13, Provision of Rural Amenities in Urban Areas.

**SHRI P. CHIDAMBARAM:** You look at the parenthesis. It that all you can find in my speech.

**SHRI ARUN SHOURIE:** I know, Sir. This is yet another printing mistake that you would like to attempt to. I am sure. Secondly, kindly see what you have said in the document called "Budget At A Glance".

For Accelerated Rural Water Supply Programme, the allocation is Rs.2,900 crores. Now, in your Budget Speech and in some other places, it becomes Rs.2,610 crores. Between one document and the other, about Rs.290 crores disappeared, इसीलिए मैंने कहा कि किसी का influence है।

सर, तीसरा आप देखिये। In this "Budget At A Glance", for Central Rural Sanitation Programme, the allocation is Rs.400 crores. By the time we come to the Blue Document, it becomes Rs.360 crores. It is less by 10 per cent. So, there are several such printing mistakes which are not up to your standard. I am sure, in the coming weeks you will ask someone to go through this. There is another most intriguing mistake. I hope it is a mistake because I am very fond of this Ministry. Shri Nilotpal Basu was recalling the licensing system which was changed by our Government. Kindly see the allocation to the Department of Telecommunications. I am not on the point that Shri Jairam Ramesh was making about the Budget Estimates that the figure was even larger than the Revised Estimates. From Budget Estimates to Budget Estimates, the allocation to the Department of Telecommunications diminishes from Rs.14,955 crores to Rs.11,660 crores. So, I was quite surprised because much of this depends on internal generation of resources. And what has happened? An amount of Rs.3,000 or Rs.4,000 are just getting diminished. सर, मैंने इसका राज ढूँढने की कोशिश की।

What is happening in this case? I understand that in the Budget Estimates for 2003-04 there were two entries, one was for the USO Fund-Jaswantji will remember this because he was kind enough to increase it for us--and the second was for the refund to BSNL of the licence fee and the spectrum charge. Now, when the Budget proposals for 2004-05 were sent to the Planning Commission, the Planning Commission said that these two items were not Plan items, but non-Plan items.

चलिए, इतना ठीक रहेगा। So they were taken out of the Plan allocation, but they had to be put into the Non-Plan allocation and that entry somehow did not come तीन-चार हजार करोड़ वहां चले जाते हैं, 10 परसेंट रुरल सेनीटेशन में चले जाते हैं, 2,900 करोड़ की फिगर 2,600 करोड़ बन जाता है, एक डाक्यूमेंट और दूसरे डाक्यूमेंट में।

Provision of urban facilities in rural areas becomes a provision of rural facilities in urban areas, उसका क्या मतलब है कि हमें यहां खुली आबो-हवा मिलेगी या फिर वहां बिजली नहीं है इसलिए यहां भी बिजली नहीं होगी या फिर वहां भी फ्री पॉवर है, इसलिए यहां भी फ्री पॉवर होगी? This shows what Shri Yashwant Sinha has politely put out about the non-exercise of mind. But it is actually endemic to the document. I am sure, as everybody here is very concerned about the public money, Shri Chidambaram, who is a master of details also, apart from his very great perspectives would bring this to the attention of his colleagues and officers in the Ministry that this should not become the pattern for the future when everybody is talking about accountability and so on.

My second point is to continue, what Shri Yashwant Sinha was saying, about an impression which has been created and I do not want to join the debate with my very dear friend, Shri Jairam and Shri Yashwant Sinha, on the question of who is responsible; who can take credit for it. I am on the impression that has been created. I will begin with what has been said in regard to employment. Shri Jairam Ramesh was reading out figures of how employment has declined and so on. I want to draw your attention to one thing. Everything in this Budget predicated on this CMP as if that is incantation that justifies everything. Let us see what does this Common Minimum Programme promise. What does it say at page 3? Every word is important because somebody said it was the Bhagwat Gita and no syllable and no mantra should be changed. उसमें है। आप पेज तीन पर देखिए कि वे क्या कहते हैं। What are they promising? It says, "To begin with, at least 100 days of employment on asset creating public works programmes every year, at minimum wages, for at least one able-bodied person in every rural household, in every urban poor and lower middle class household..." "तीन

केटागरीज हैं। रुरल, अर्बन पुअर , रुरल ऍड लोअर मिडल क्लास। सर, जब तक प्रेजीडेंट का ऐड्रेस आया तो This was changed to guaranteed employment for 100 days. "ऐटलीस्ट" चला गया, "टू बिगेन विद" चला गया। Guaranteed employment for 100 days in a year to at least one able-bodied person in each rural household. "अर्बन" गया, "लोअर मिडल क्लास" गया। आप बड़े गार्जियन्स हो, आप कहते हो-लोगों ने कहा कि the Left is the conscience. अभी पता लग रहा है। ये देख रहे हैं कि क्या क्या हो रहा है। अब बजट पर आइए।

**श्री दीपांकर मुखर्जी:** आपको पसंद आया या नहीं? ...(व्यवधान)...

**श्री अरुण शौरी:** बजट देखिए। पहले सीएमपी, फिर प्रेजीडेंट्स ऐड्रेस। उसमें नॉक आउट टू बिगेन विद, दो बार "ऐटलीस्ट" खत्म, "ऐसेट क्रिएटिंग पब्लिक वर्क्स प्रोग्राम" खत्म, प्राइवेट इम्प्लाइज को भी आप इनकरेज कर सकते हो। अर्बन, पुअर और लोअर मिडल क्लास हाउसहोल्ड खत्म। अब बजट में क्या है? Guaranteed 100 days of employment in a year one able-bodied person in every poor household. The context is rural. And this is not only through assets; it may be through anything. उसमें था- Public works of asset creating varieties, मगर उससे भी ज्यादा चीज़ यह है कि अच्छा चलो, आपने डाइल्यूट कर दिया, आपका प्रिविलेज है मगर इसके लिए करेंगे क्या? बजट में इसको इतना महत्व क्यों दिया गया है? आप इसके लिए क्या करेंगे? वे कहते हैं-"I propose to launch a new 'Food for Work' programme - वह तो है ही - for 150 districts." अगला सेंटेंस है- - "Allocations under different schemes will be pooled together to support the 'Food for Work' programme." मतलब एक भी पैसा और नहीं आएगा। जो वर्बल कमिटमेंट थी, वह भी हरेक स्टेप में रियलिस्टिक बनाई जा रही है। दूसरे सर, मैं आपका ध्यान चाहूंगा, आप जरा देखें पेज 8 पर, चिदम्बरम साहब कहते हैं- "I now turn to one of my big dreams." वाटर के बारे में भी उन्होंने बहुत कुछ कहा। फिर कहा- "There is an impending crisis." फिर कहा-"I, therefore, want to propose an ambitious scheme. There are 1 million traditional water bodies; 5 lakh repairs required just now; many of them have fallen into disuse; many of them have accumulated silt; many require urgent repairs. Therefore, I propose a massive scheme". मैसिव स्कीम क्या है? "We should select at least one district in each of the five regions of the country." That means, five districts, चलिए वह भी ठीक है। उसकी ऐस्टिमेटेड कॉस्ट क्या है- 100 करोड़, मगर 100 करोड़ है या नहीं, वह अगले सेंटेंस में स्पष्ट है। वह है- - Funds for the five pilot projects will be drawn from the existing programmes such as SGRY, PMGJSY, DPAP, DDP and IWDP. So, the big dreams are then to be diluted to pilot schemes and, for that, money to be found from the existing schemes. सर, उसके बाद वे कहते हैं-"A nationwide water harvesting scheme which is to cost Rs.100 crores..." rrfrcr 100 चलिए 100 करोड़ भी बहुत बड़ी चीज़ है मगर it then turns out that this is the one that has to be done actually through NABARD which will be supplying Rs.50 crores or even this amount of

Rs. 100 crores, and the Government will give only 50 per cent capital subsidy in this regard. अब है फ्लड कंट्रोल। सर, फ्लड कंट्रोल में तो बहुत ही कमाल की beginning की गई है। वे अपनी स्पीच में कहते हैं — "Thousands of lives and thousands of heads of cattle are lost every year due to floods." बिल्कुल ठीक बात है। And that it is perennial in States like... फिर उन्होंने example दिए हैं। आज हम देख ही रहे हैं। फिर उन्होंने enumeration किया है। एक तो ब्रह्मपुत्र का, फिर उत्तरांचल से लेकर बंगाल तक-उत्तरांचल, उत्तर प्रदेश, बिहार, बंगाल- इनके लिए 30 करोड़ दिए हैं, मगर उसमें यह कहा है, एक सेंटेंस आप देखिए- सफाई का सेंटेंस- पहले तो 30 करोड़, फिर सेंटेंस यह कहा कि the Brahmaputra Board has prepared a plan for anti-erosion and flood control in the Brahmaputra and Barakh valleys. Now I do not know whether Mr. Chidambaram had a chance to go to the Brahmaputra Board. Just to assist you, if I may report, -- I have been to the Brahmaputra Board -- it is a poor orphan whom I am sure you would, in the compassion of your heart, ultimately want to rescue. But nothing has happened in the Board for almost 12 years...

SHRI P. CHIDAMBARAM: You were the Minister then.

SHRI ARUN SHOURIE: I know; that is why I am reporting to you. Actually, if we keep the debates like this, then, we are departing from Jairamji's principle of co-operation; if all that happens is that I keep telling you that you were the Minister in your previous incarnation, and you keep telling me that I was the Minister and what you could do. Therefore, I am giving you the first-hand report. You say, "We have prepared a plan. Actually, when you go there, you will find that the Plan which they will show you are the old tight copies. Single copies lying in shelves to which nobody has paid much attention all these years. I am not saying that these irrigation plans and flood control plans get outdated that soon. But the fact of the matter is that in any segment of that, to control the Brahmaputra alone, you will require, at least, Rs. 20,000 to 30,000 crores, and, therefore, this beginning of Rs. 30 crore is a very good beginning, but just a beginning.

Sir, now, I come to my next point. I heard with great interest when the Finance Minister said on page 4 of the document about the public distribution system. He says that we must reform the public distribution system. He says, "Fair price shops constitute the backbone of this food security system for the poor. We shall address the weaknesses in the system and strengthen public distribution. I shall return to this subject a little later." So, I waited with bated breath and the reform comes on page 17. What is the reform? The only sentence is that in the Tenth Plan document the Planning Commission -- it is now being revamped and the Tenth Plan

Document is to be thrown into the dustbin because it does not reflect national priorities, by the very Deputy-Chairman who was a member of the whole thing -- has suggested a system of distributing food stamps. This is the only idea of reform promised at page 4 to which the Finance Minister shall return. So, he says, "Food stamps should be tested on a pilot basis." Another 'pilot'! तो यह सब होगा।

"Now, I propose to introduce a pilot scheme for distributing food stamps in two or three contiguous districts in a selected State." One State has a huge network of public distribution system.

[THE VICE-CHAIRMAN, (SHRI BALWANT *alias* BAL APTE) IN THE CHAIR]

"Fair price shops are the backbone, its weaknesses have to be addressed, I am going to return to it, and I shall return with a food stamp which I start in two or three districts of one State." Even we don't know that State because he says, "I sincerely hope that one of the States will come forward to associate with the Central Government in this experiment. ...*(Interruptions)*... No, Sir. This is some wishful thinking.

Sir, I come to another very great announcement, for which everybody clapped, like the Bihar Package, i.e., the Backward States Grant Fund. उसमें लिखा है, "A corpus of Rs.25,000 crores." बहुत बड़ी चीज लगती है। It comes to Rs.5000 crores a year. Sir, the next sentence is, 'Of this Rs.5000 crores, Rs. 1,800 crores will come from the existing Backward District Initiative Scheme.' 1800 करोड़ तो वहां से ले लिया। The balance amount required will be earmarked from out of the total Central support to the fund. It is not an addition. It will be earmarked out of what is already going all these years.

Now, Sir, I made a rough calculation. मतलब 5000 करोड़। उसमें से 1800 करोड़ एक जगह से आ गया। जो आपका था, वह चार और स्कीमों से आ गया, उससे आगे क्या है "The Annual Plan Outlay on the backward States today is about Rs.40,000 crores per year. So, there is no addition which is coming. एक प्रोग्राम से आप 18000 करोड़ लगे और बाकी 2300 किसी और में से लगे। इयर मार्क जो करोगे from the existing allocations, and that is to be compared to Rs.40,000 crores which are already devolving to the States from the Planning Commission to the backward States for this purpose, इसी तरह से कहा गया कि स्ट्रोंग वडर्स यूज नहीं करने चाहिए। in respect to my friend, Shri Jairam Ramesh, who has asked for cooperation. मगर जो बात यशवंत सिन्हा जी ने आज बिहार पैकेज के बारे में बतलाई है, I must confess it had escaped my notice. But if it is the case that Rs.3225 crores are not for Bihar and are actually for any other

development plan, then certainly it would be a very peculiar thing that we have conveyed to the people of Bihar who in this very House since the commissioning of Jharkhand have been saying क्योंकि हमें पैकेज नहीं दिया गया। उस दिन लालू यादव जी वगैरह, सबने कहा भी।

**श्री रवि शंकर प्रसाद:** 1,80,000 करोड़ रुपए मांगे।

**श्री अरुण शोरी:** हां, मांगे थे। And I understand from Mr. Yashwant Sinha that actually Mr. Chidambaram has been so kind as to acknowledge the fact in answer to a Written Question in Lok Sabha that the amount that is to be given to Bihar is exactly Rs.2125 -crores which is what was promised already in the past. But, maybe, we are all wrong. Therefore, I am sure that the Finance Minister who used to always ask during the speeches of Mr. Yashwant Sinha and others, "Are you for the transaction tax or not? Yes or no; yes or no." He will probably tell us in 'yes or no' whether Bihar is getting Rs.3225 crores or not. Yes or no. *...(Interruptions)...* Then he says, 'the welfare of Scheduled Castes and Scheduled Tribes is very close to my heart. Therefore, for Scheduled Castes, which is 25 per of the one billion population, he gives an extra amount of Rs.43 crores. For Scheduled Tribes *...(Interruptions)...*

Mr. Vice-Chairman, Sir, it is very interesting मैं उस पर आता हूँ that on the one side, as Mr. Yashwant Sinha read out, the Finance Minister says, 'I am going to continue the expenditure pattern of the present thing', on the other side, everybody is claiming — Mr. Anand Sharma was just claiming — that revolutionary changes have been made. वेलफेयर माइनोरिटीज की एजुकेशन, मैं इसी करामात के बारे में बोल रहा हूँ। अर्जुन सिंह जी ने धूमधाम से अपना इतना बड़ा कंवेंशन किया।

**श्री शत्रुघ्न सिन्हा (बिहार):** सो गए।

**श्री अरुण शोरी:** दूसरे कंवेंशन में सो गए। मुंबई में सो गए, दिल्ली में जाग रहे हैं, लेकिन उनके जागते हुए सिर्फ 50 करोड़ दिए गए। ग्रुप हेल्थ इश्योरेंस स्कीम पर बहुत तालियां बजी थीं। Actually Group Health Insurance Scheme is an LIC driven scheme and which I understand from another paper that I have not been able to locate from the orange book -- Mr. Jairam was reading out it, but Mr. Jairam will tell me how much it is for the members of the Self-help Groups Health Insurance Scheme -- I read a figure somewhere outside this Budget document that this is going to be an allocation of Rs.3 crores from the Government because LIC is doing it. Bold and determined efforts need to be made to achieve zero growth of HIV and AIDS, शत्रुघ्न जी बैठे हैं, इसमें देखिए हेल्थ मिनिस्टर जाग गए The amount specified is Rs.259 crores. But actually, I believe that the Government will set aside only Rs.18 crores and



the rest of the money will be externally-aided component. Sir, my first point was about ...(*Interruptions*)... Sir, my first point was about typographical and mistaken entries. The second point was a fantasy, which has been created. The third point is about these proposals. I am really at disadvantage because I really do not know, जो हम करते थे, वह तो रोल बैक था, जो ये करने वाले हैं, वह क्या है? आपने क्या कहा "I will revisit the numbers. This is responsive open mindedness and not rollback." Whether it is on FDI again, बुद्धदेव भट्टाचार्य जी, किसी बाहर वाले ने कहा था कि we have brought about a situation in which we can tell the Central Government to stand up, they have to stand up and if we say, sit down, they have to sit down. अभी उन्हें दो हफ्ते की मोहलत दी है, एक हफ्ता हो गया।

आज नीलोत्पल जी ने शुरु में कहा कि I am speaking on behalf of a political force which has made this Budget possible. I am making a very serious point which has both economic and political consequences. So, I do not know what will survive of the proposals, क्योंकि एक तरफ नबर्स revisit हो रहे हैं, एक तरफ ये सब चीजें आ रही हैं, मगर इस में से एक point है On the business of sanctity of the Budget, I share Jairam's perspective. Actually, Sir, now we have three Finance Ministers sitting here, along with the existing Finance Minister. It gives me little joy to notice how people attack a particular proposal and it almost becomes a pact and makes the Finance Minister roll back a particular proposal, पिछले 10 सालों में तकरीबन एक गेम हो गयी है And this has serious consequences. मैं आप को एक example देता हूँ The day preceding the budget, we were all just sitting and chatting and the question came up सर्विस टैक्स में चिदम्बरम साहब ने कुछ extend करेंगे। तो यशवन्त सिन्हा जी ने कहा He will not mind my repeating it, I will love to see him do something on the trucking, कोई टच नहीं कर सकता। So I was very intrigued Sir, exactly that thing happened. Why? Because last time when something was done about trucks . आप को याद है, मुंबई में ट्रक्स की कैसे स्ट्राइक हुई? Mr. Chidambaram went out of his way to say, सर्विस टैक्स के बारे में I may clarify that there is no intention to levy service tax on truck owners and truck operators. तो यह एक डर आ गया है। अब इस तरह पहले तो ट्रक ऑपरेटर्स, इस बार 1500 ब्रोकर्स, they can put pressure. Some power looms can put pressure on Mr. Jaswant Singh. Here Jairam is completely right. These are political decisions and there is need for everyone to see that the Budget does not become a victim to pacts and successive Finance Ministers will be disabled if this pattern is repeated again and again. I want to rush through one or two points. So, the first point is, we do not know what will survive in the proposals. The second point is, the business of loose drafting. The Economic Survey tabled by the Finance Minister which gives credit and

takes credit for doing those things, the Budget Speech takes credit and appropriates it for undoing them. टैक्सटाइल की बात हो रही है, क्योंकि Shastras have been quoted. Page 136 of the Economic Survey says -- this is what Mr. Jaswant Singh says -- "Major reforms took place on the indirect tax treatment of the textile sector in 2003-04, seeking to remove tax-induced distortions." This is the paper tabled by Mr. Chidambaram. "A key theme was the completion of the CENVAT chain to improve compliance, reduce the extent to which taxation influences the decisions of firms on choice of technology, and encourage modernisation and global competitiveness." Then it describes these in details. Then it says, "These developments have helped set the stage for large-scale investments in the Indian textile industry and improvements in export competitiveness." And in the budget we now are responsive and take credit for withdrawing all those schemes and measures which were taken. So some consistency should be ensured even by my own colleagues and friends who are officers in the departments of this kind. The same thing you will find in Steel. You please contrast that with what Mr. Chidambaram has tabled here. He gives credit and takes credit. The Finance Ministry at least takes credit. On page 137, it says: "World steel prices rose from December 2001 onward." It gives details. "The Government actively responded to these market developments, and came out with a stream of 'industrial policy' actions which would affect the prices of steel." And, he described those. Having rolled back those, the same Ministry assumes credit for that also.

Look at the drinking water supply. Look at what you have said and how everybody is starving for this in recent years. There has been drinking water supply, but he has gone out of his way to condemn what has been done by saying, "In recent years, however, new programmes have sprung up obscuring the original Mission -- Rajiv Gandhi Drinking Water Mission." See what you had said in the Budget on this very point. The Budget says, "With an investment of over Rs. 45,000 crores, considerable success has been achieved in meeting the drinking water needs of the rural population." I am not on the point whether this is right or wrong. I am on the care or the lack of care that has been devoted in preparing these most important documents relating to the economy during a year. There, things are being obscured. Here, we are being told that Rs. 45,000 crores is being spent on this programme over the last few years and a considerable success has been achieved. There are more than 3.7 million hand-pumps and 1.73 lakh piped water schemes installed in the rural areas. As of March, 2004, 95 per cent of the rural habitations have been fully covered,

5 per cent are partially covered and only 0.4 per cent remain uncovered. Maybe, all this is wrong. For that, there is a big table given here. It contains in three-quarters of a page. It has been given State-wise on the great success achieved and how only 0.4 per cent of the habitations remain. But, in the Budget Speech, we are told the opposite. As I just now showed you, as far as allocations are concerned, between one document and the other, Rs. 300 crores vanished! Is this a Budget? I am not on the point of Mr. Chidambaram. I am really on this point that we have become casual about these things. I have difficulty with the proposals. They have praised here for doing something; undoing them we take credit here. The other point really is this. I would be very grateful if the hon. Finance Minister, in his usual "Yes" or "No" style, will please give clarifications on the two other proposals.

SHRI P. CHIDAMBARAM: You want to know from where the money for the Accelerated Rural Drinking Water is to be found? Do you want to know how to read the document?

SHRI ARUN SHOURIE: Sir, I will come to that.

SHRI P. CHIDAMBARAM: You are repeatedly saying that Rs. 300 crores has vanished...(Interruptions)...I thought that I wish to say a few lines as to how these figures come.....(Interruptions) .....

SHRI ARUN SHOURIE: You please let me complete. We will all listen to you with great attention when you reply to the debate.

SHRI P. CHIDAMBARAM: You seemed to say that I should say "Yes" or "No" now...(Interruptions)...

SHRI ARUN SHOURIE: No, no. You please say "Yes" or "No" later...(Interruptions)...Many of our friends had not allowed us to put questions at the time when we wanted to raise them. So, pleasea.-interruptions)...I am not yielding.

SHRI P. CHIDAMBARAM: You have raised a question.

SHRI ARUN SHOURIE: Sir, I am not yielding.

SHRI DIPANKAR MUKHERJEE: This whole thing will come in *The Indian Express* you can read it from that.

SHRI ARUN SHOURIE: You can certainly read it there also... (Interruptions)...

Then, Sir, today, Mr. Nilotpal made a very serious point on telecom. I want to ask two questions in this regard. I do this in all seriousness. Yes; you know and I know that I was the person who put forward this proposal for increase of FDI from 49 per cent to 74 per cent and the same sort of voices were heard at that time. Knowing that, therefore, I want to ask two *questions...(Interruptions)...*

SHRI JIBON ROY: You want to take the credit..*(Interruptions)...*

SHRI ARUN SHOURIE: Therefore, I speak with some knowledge... *(Interruptions)...*

SHRI NILOTPAL BASU: Will you yield for a minute? What is the stand of your party on that? ...*(Interruptions)...* Will you please yield for a minute? ...*(Interruptions)...*

SHRI ARUN SHOURIE: No, no. I am following Nilotpal's example.

SHRI NILOTPAL BASU: What is the stand of your party?

SHRI ARUN SHOURIE: Sir, I am not yielding like Nilotpal. Sir, the point is that at that time the Intelligence Bureau had filed an objection, saying, "It is not good for security". Fine! Then, we met their security concerns. They agreed with the proposal that was put forward. Then, in the end, they again filed another letter saying, "No security concerns make it imperative that FDI in telecom should not be increased beyond 49 per cent." So, my question is: Have the intelligence agencies, under the new dispensation, been gracious enough to, now, again reverse their view and revise their view?. It is not a matter of ideology only, but an intelligence thing on record, saying, "Don't do this". Not only don't do this to the FDI, but do not allow even the FII increase because there is going to be a roundabout method of solving this problem. The FDI will not be increased, but FIIs will be allowed. So, the IB had said, "Even that is not right because FIIs are also controlled by foreigners, they will all be the same company, and shareholders, and same management and same companies. Therefore, do not allow it\*.

(MR. CHAIRMAN IN THE CHAIR)

I would like an answer on this question whether they have done it or not.

My second point is on the civil aviation -- a sector which always entreats me because, while in this House, there is a great sympathy for the

Indian Airlines and the Air India, whenever the subject comes up. But whenever a proposal comes up, it always seems to hurt the Indian Airlines and the Air India, and always help one or two scheduled airlines, as I shall, now, just show. The Finance Minister has been gracious enough to say that he is withdrawing the exemption from the tax of any expenditure on leasing aircraft or aircraft engines. So, now, I would like all persons who are so committed to the Indian Airlines and the Air India to deflect on this matter because this will entail an additional cost of 41.82 per cent on leasing aircraft or aircraft engines -- corporate tax 40 per cent; surcharge 2.5 per cent; education 2 per cent. The Indian Airlines and the Air India are the two airlines which are to, now, lease these aircrafts. The Indian Airlines is now coming up with a proposal for the forthcoming winter schedule for leasing six 320s plus eleven A319S to place its aged B77 fleet. The Air India too has requested for, and has planned for a large number of aircrafts to be leased. My information, from absolutely reliable sources within the airlines, is that this will impose an incidence on them, on Indian Airlines of about 90 crores, and on the Air India of about 100 crores, per year. They are already neck-deep, hardly able to survive. ...*(Interruptions)*... No; No. My next point is, but private scheduled airlines have already leased the aircrafts that they need. In fact, they have been complaining of over-capacity, that is. Jet and Sahara. And, they, in any case, are free to purchase aircraft, which, by our system, these two airlines are not able to do for good or bad reason because they were autonomous. Therefore, this will also disable the proposed low-cost airlines because they will also have to depend on leasing of aircraft. So, I will be very grateful if, by elaborating this question of this particular proposal, the Finance Minister is kind enough to tell us what is the relative incidence of this proposal on the Indian Airlines, the Air India and the two main scheduled private airlines. Of course, he would be so kind to tell us as to who owns one of those private airlines. It will be even better. This is what we see in the Budget, क्योंकि यह एक पेटर्न बन गया है। पेटर्न यह है कि जिसकी आवाज पहुँच गई दरबार तक, उसकी प्रपोजल किसी न किसी तरह आ जाती है, कंसेशन आ जाता है, टैक्स आ जाते हैं, मगर एक कम्प्रिहेंसिव ब्यू.... of what you want, and where you want India to be growing; not this poetry, without allocations. The allocation is there in words, and there is no allocation in terms of money. This is the package. But, other than that there is no concept of a strategy. It is a fact that only 30 days were available for preparing the Budget. But, obviously, these very distinguished Members have had occasion to think about where India should be going, which are the industries and areas in which India would be 10 or 25 years from now,

and they would have thought of proposals for achieving that. I will mention two or three proposals in the end. But what was required is this. I will give you two examples, रेल बजट के ऊपर हमारे यहां डिस्कशन हुआ। आप राकेश मोहन कमेटी की रिपोर्ट पढ़ें, आप 10वां प्लान डाक्युमेंट पढ़िए, they have said that the Railways are going into a debt trap. मगर सब वाह-वाह कर रहे हैं कि फेयर में कोई वृद्धि नहीं हुई। इसी तरह मेरे दोस्त श्री मोंटेक सिंह जब आई.एम.एफ. से वापस आए तो लैंड करते ही उन्होंने कहा कि, The Government will have to take hard economic decisions. अब मैं पूछना चाहता हूँ कि Are their hard decisions reflected in the Railway Budget when nothing has been rationalised? And, mind you, the Economic Survey tabled by Mr. P. Chidambaram compliments the Government for a significant effort at tariff rebalancing and rationalisation of fare and tariff structure. It is given on page 192-193. But, second...*(Interruptions)*... अभी तो ये क्रेडिट है कि हमने नहीं किया और न हम करेंगे। Is there a hard economic decision in the continuation of subsidies at the level of Rs. 44,000 crores per year in this Budget? Is it a hard economic decision in the free power, which has been announced for farmers in Andhra Pradesh, and, later for Tamil Nadu, and now, promised for farmers in Maharashtra? Is it to the deferment of VAT implementation by yet another year? Is it in the complete abandonment of even the thought of down-sizing the Government of current expenditure? Is it in the fact that the capital expenditure as a percentage of total expenditure continues to slide? This Economic Survey repeats five things twice as to what needs to be done. They mentioned about fiscal consolidation. They say that the economy is doing well, so, adjustments to eliminate the revenue deficit should be 'front-loaded'. They are saying that as the economic is doing very well, 'front-load' those adjustments. Mr. Yashwant Sinha was telling us about 'exemptions'. The whole pattern of discretionary exemptions has actually been enlarged in this Budget. If you see the detailed documents you will find this.

Similarly, they said that the second thing that requires to be done is to rethink about the Minimum Support Price System. They have given a long list, which Mr. P. Chidambaram has tabled, of what are the distortions, which are coming about because of the existing scheme.

Thirdly, they say about the flexible labour laws on which I need not elaborate because of my friends In the Left.

Fourthly, there should be less friction on the creation and closure of firms. It was tabled by Mr. P. Chidambaram. When we will discuss the other matters of public sector, I will return to this subject. Similarly, in the

Budget Speech many things that have been said are nothing but pious intonations. The Finance Minister says that six power projects have attained financial closure; closure of 12 power projects is imminent. Actually, my information is quite contrary. My information is that financial closure of 12 power projects, after this business of free power, after the minatory statements from many friends, has been delayed. And this information has been given by the principal Indian bankers. Now, maybe, this information is wrong. Maybe, it is outdated by 2-3 weeks. But, it will be very good to be reassured on this point again. Then, there is the usual ancient nostrum that consolidation and transfer of Centrally-sponsored scheme to States.

Mr. P. Chidambaram knows better than most of us that, actually, the National Development Council had set up a committee in the mid-90s' to do exactly that. And of the 360 Centrally-sponsored schemes, only 27 innocuous ones should be transferred to the States because the States don't want to meet the expenditure; they want the money, they don't want supervision. So, I would be very happy to see next year, after seven months, when you present us a new Budget to tell us how many Centrally-sponsored schemes which you have now promised will be transferred will actually be transferred.

Similarly, Sir, since I came to this House when Yashwant Singhji was the Finance Minister, उस समय बार-बार Shri Pranab Mukherjee would say, Dr. Manmohan Singh would say, "There is discordance between Budget Estimates and actual estimates." They said that this is the surest indication of fiscal mismanagement. Now, I have already told you what kind of fiscal management this document reflects. But other than that, the point that is to be noted, Sir, is that I sincerely hope that we will not be meeting subsequently to think that these forecasts of 25 per cent growth in revenue, against a trend growth of ten per cent, 40 per cent growth in corporation tax, in all these, there will be such a distraught between the Budgetary Estimates and the actuals that will turn up.

Sir, there are schemes that have been announced for the small-scale industries. Actually, this is the capital subsidy scheme, which according to my information, is a non-scheme. Two concessions have been announced. But, actually, I read in a report, not in your Budget documents, that out of 3.4 lakhs small-scale units in the country, only 100 units have been able to avail of that scheme. I may be wrong again, and, therefore, would be very happy to be corrected on that matter.

5.00 p.m.

But, the main points I want to conclude with, Sir, are three. One, I think, in Jairam's spirit, it is our common duty to ensure that there is less casualness in the preparation of these documents. Please, I am not holding you responsible for them. But, I am sure, all of us would join in it because, after all, this is the one document to which every Ministry would be referring back again and again. The second thing, Sir, is that this pattern to which I was alluding of Budget-making which, unfortunately, is reflected here also. It is like a *dobhi* - *list* दो बनियान हैं, चार रुमाल हैं, एक शर्ट हैं; it is a miscellaneous product. But, we should reverse-engineer it. We should see where do we expect the country to be, which are the growth sectors, is it going to be bio-technology, is it going to be the infrastructure as the great creator of jobs, etc., because it is an illusion. Jairam was quoting those figures. But, actually, the reasons for employment growth slackening are well known to him. And, those reasons are, Sir, two. One, to quote his own figures that were being mentioned, if you see the table that is given on gross domestic saving and investment, the reason for that, - you mentioned the difference between China and India - the real reason is in the pattern of gross domestic saving. And, in that, as you know, household sector saving has been continuously increasing. In the early 1990s, from 19 per cent it has risen to 23 per cent now, and the savings of the private corporate sector has also increased. It is the saving of the public sector which has become negative. It is not only because of the question of the Fifth Pay Commission that was partly responsible for it, but because of many other factors. So, that is a common problem. But even greater problem is Sir, that to be competitive in the world today we will have automated manufacturers. Sir, I was just in Pune. Now, if you go and see because of this great success that India has had in the last three-four years in automobile components, today there is not an automobile in the world which does not have one Indian component. Not one automobile; we are supplying components to almost every car-maker in the world. But when you go and see there, the components are tested to the accuracy of microns, one million thousand millimetres. You can't do it by eyesight and by hathodies. It is done completely by computer-aided design, by computer-aided manufacturing. These are almost Japanese factories.

But, day after day, they are earning us profit. Two years ago, this export was to the tune of \$375 million, this year, it is going to be, as Shri



Chidambaram knows, almost \$2 billion. But the employment potential that will come out of this will be very small. That was what Shri Vajpayee emphasis was - and, I am sure, you will continue it — on investment in infrastructure. It was not just about Sher Shah Suri being emulated, it was actually that these were going to provide jobs in the future. The river water linking schemes, other rural infrastructure development schemes, rural road schemes, were all meant to do the same.

Now, the problem, Sir, is that while many of the allocations have been continued, as we mentioned the case of National Highways Authority programme -- Shri Jairam Ramesh wouldn't leave the allocations to the National Highways Authority -- in other matters, only two new schemes for infrastructure have been mentioned here. One is the very good, Dissemination Scheme, on which many innovations could be made in India, using solar energy rather than conventional sources of energy.

The other scheme is the Container Port near Kochi. But, Sir, as you know so well, the Container Port decision based on the mid-1990s. In fact, the second round of bidding is going on. And the reason why the first round did not succeed was that PLO, which had won the contract for the eastern port, was also winning the contract for the western port, and we did not want monopoly. That is why, the Government then struck down the bid and said that they should go for another round of bidding. Actually, Shri Chidambaram knows that case very well. The PLO challenged the decision of the Government.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): You are mixing up two things. Anyway, please, carry on; I won't interrupt you.

SHRI ARUN SHOURIE: The point, Sir, is that we did not find here the emphasis on infrastructure, for employment, which should have been there.

Sir, my last point is that the great themes that we would expect from the Finance Minister, and from other Finance Ministers also, about where India would be competitive, whether it would be bio-technology, whether it would be environment converted from a problem into a greater economic opportunity, whether it would be on subsidies being altered, whether it would be in delivery of systems, delivery systems being improved. Those great themes, as yet, at least, the Government has not given any indication of, of course, and we do not find them reflected in this Budget also.

My last sentence, Sir, is that just as the Economic Survey showed that the propaganda about running down the achievements of India, not just of the previous government, was wrong. The Economy Survey showed that, the Budget shows that the patterns of expenditure, schemes and all set for the country, approved by the Parliament, set by these distinguished Finance Ministers were right, because they are the ones that are being continued now. Thank you, very much.

SHRI V. NARAYANASAMY (Pondichery) : Mr. Chairman, Sir, I have a point of order. If you would permit me, I would be brief and conclude it within a minute.

MR. CHAIRMAN: What is your point of order?

SHRI V. NARAYANASAMY: Sir, Shri Arun Shourie was the Cabinet Minister. *...(Interruption)...*

DR. MURLI MANOHAR JOSHI (Uttar Pradesh) : Sir, how can he reply to a point of order? He cannot do that.

SHRI V. NARAYANASAMY: No, he need not reply. I am only drawing the attention of the hon. Chairman...*(interruption)...*I am only drawing the attention of the hon. Chairman. I don't want any reply from him.

Sir, as I gathered while he was speaking, he was a Cabinet Minister in the NDA Government. He was privy to certain classified and secret documents of the Government of India. While the Government decision to increase the *F0*...*(interruption)...**hon.* Member has mentioned... *...(Interruption)...*

SHRI RUDRA NARAYAN PANY: What is the point of order? *...(interruption)...*

MR. CHAIRMAN: There is no point of order...*(interruption)...*

SHRI V. NARAYANASAMY: Sir, they should have the patience to hear me out fully...*(Interruption)...*Sir, my point of order is...*(Interruption)...*

MR. CHAIRMAN: I have heard your point of order. Thank you.

SHRI V. NARAYANASAMY: Sir, he was quoting from the Intelligence Report to which he was privy...*(interruption)...*Sir, this is a very serious matter.

MR. CHAIRMAN: Please, take your seat. Please, take your seat.

SHRI V. NARAYANASAMY: Sir, I need your observation on this...*(Interruption)*... I need the hon. Chairman's observation on this. ... *(Interruption)*...Sir, it must be expunged from the records, because the confidential document to which he was privy...*(interruption)*..he quoted the Intelligence Report.

SHRI ARUN SHOURIE: Yes, I did, and I will publish it, too. You go ahead with your decision. You convince your friends on the decision.

SHRI V. NARAYANASAMY: You will have to face the consequences... *(Interruption)*...

MR. CHAIRMAN: Please, take your seat. I have heard your point of order.

SHRI V. NARAYANSAMY: Sir, I need your observations on this.

MR. CHAIRMAN : Okay, please, take your seat.

SHRI V. NARAYANSAMY : Sir, kindly go through the records. You quote from a report and say that you will also publish...*(Interruptions)*...You will have to face the consequences.

MR. CHAIRMAN: Mr. Narayanasamy, please, take your seat. I have heard your point of order...*(Interruptions)*...

SHRI V. NARAYANASAMY: Sir, I need your...*(Interruptions)*...

MR. CHAIRMAN: Please take your seat.

SHRI V. NARAYANASAMY: Sir, kindly go through the record ...*(Interruptions)*...Sir, he took oath of secrecy as a Cabinet Minister ...*(Interruptions)*...He had also used the document ...*(Interruptions)*...] am talking to the hon. Chairman ...*(Interruptions)*...] want the hon. Chairman to ...*(Interruptions)*.. .Sir, kindly see that ...*(Interruptions)*...

MR. CHAIRMAN: Okay, please take your seat. I have heard your point of order.

SHRI ARUN SHOURIE: Sir, could I say for one second?

MR. CHAIRMAN: Dr. Kasturirangan.

SHRI ARUN SHOURIE: Sir, could I just say one sentence that I have been threatened by saying that I will have to face the consequences of what I have said in the House. Now, this is very interesting thing it should be noted, it should be a part of the record and, Sir, I give you my word that if these characters that have been threatening me of consequences for 30 years under the Official Secrets Act ...*(Interruptions...you try and prosecute me ...**(Interruptions)*... I repeat all ...*(Interruptions)*...

MR. CHAIRMAN: Please let him speak.

DR. K. KASTURIRANGAN (Nominated): Sir, this is my maiden speech, even though I have spent, I think, more time here than most of others who are newly elected or nominated to the Rajya Sabha. I think, it is a great privilege for me, hon. Chairman, Sir, to be a part of this forum and over the last few times, when I had the privilege of seeing the working of this system, I felt, in fact, in a very modest way of expressing my feelings about a democracy that is in action. I think, Indian democracy is the mother of all the democracies in the world because I don't think that even if you look at the other democratic institutions across the world, here, you have an institution where 18 to 19 parties, with different views, political views, work together and the only analogy. I can see is with respect to how we make an alloy in Physics. You add several components to an alloy and that strengthens the whole system. I think, here, we see a democracy, which is truly strong and vibrant one, and so I am really excited to be a part of this great institution and thank you, Mr. Chairman, Sir, for giving me the privilege to share my own views. I don't want to talk too much about the allocation of Budgets because I am sure, everybody knows the type of Budgets that are allocated for science and technology and if you ask me to summarise the Budget in one line, I can say that the Budget has never been a constraint. All across, so many years that I have spent in this Governmental system, cutting across the party lines, I have found that the science and technology has always received support from different Governments. So, that is not an issue. Mr. Chairman, Sir, 1958 saw the Science Policy Resolution that was a very important milestone in the development of science and technology in our country. Over the past 50 years, we have seen substantial progress in science and technology. Today, we have, as a part of the Central institutions and State institutions, nearly 3000 of them, that are working in the area of science, technology, research and development. As we enter the 21<sup>st</sup> century, one of the

important things is that we want to be a pre-eminent nation in this particular area and which essentially means that we need to have an educational system and research endeavour that will put us where we want to be. About many important things, I don't have to say what has been achieved by this country in this particular area, but I would like to examine this in the perspective of the 21<sup>st</sup> century, how we should look at some of the concerns which, I think, is more important for this august forum to address. For this, I just give you one example. There has been a recent survey by one of the Universities abroad as to where do the academic institutions stand in the global context, where do our educational institutions stand vis-a-vis the various institutions across the world and what kind of research output they create. When this was gone through, selecting nearly 2000 institutions and checked with regard to their performance in terms of creativity, in terms of publications, in terms of Nobel laureates and all kinds of similar things. And, finally, this study came up with 500 institutions that are ranked at the top across the world. As all of us who are interested in science and technology know, we immediately got on to the job of searching as to where do we stand in the top ranking 500 institutions, and, we found that our first institution that occupies a place in the first 500 is between the level of 251 to 300; this is not a very satisfactory thing to speak about in terms of levels of research that is carried out, in terms of various types of accomplishments that we have done. Again, we searched up to 500, to see as to how many more institutions are there in this country, which will come within that, and, then it was found that between 350, may be 450 and 500, we have two more institutions. To summarise, we have just three institutions which are top ranking according to the criteria, and, the type of criteria that is applied to rank the institutions are verifiable in terms of publications, in terms of research activity, in terms of recognition across the world of the various scientists who are associated with these institutions.

So, this is what the situation is. So, what do we need to do? We certainly have built up quite a large number of universities. We have research institutions like IIT, IISc, and so on. So, the most important thing is to see as to how do we improve the ambience in these institutions, how do we put a certain criteria so that, in the next three to four years, or, even five years, we try to come within the first 100 at least, and, for the kind of verifiable criteria that we can put.

So, this is one of the exercise that we need to do because Indian universities cannot lag behind other universities and research and development institutions in the context of being ranked very high, even though we claim that we have the third largest scientific man power in the world and so on.

So, ultimately, we should identify some of the institutions, at least, 25 of them that can be upgraded with respect to improving their infrastructure, and, ensure that we create the requisite institutional framework, and, if necessary, modify the institutional framework. Often, when we talk of universities, they say that it is a State subject, and, we cannot do much about it. Sir, we cannot allow the universities to languish in the way in which they are languishing at the expense of creating excellence. Sir, the third important thing is that the education has to be coupled with research. There is no way in which we can have excellence, if we don't couple it with research. So, we need to obviously bring the educational part of it along with the research part of it, and thereby, make sure that, at least, the above institutions, in the first instance, play a role by coupling education and research for achieving excellence.

So, on the whole, I would like to recommend to this august House that we should keep a close assessment on how are we moving in the educational system, how can we bring, at least, 25 institutions into the top fold, and, in the next five years, how can we bring, at least, 10 institutions within those 100 institutions which have been identified in the 500, where we do not find a place today.

The second point, hon. Chairman, Sir, that I would like to make is with respect to regional and sectoral imbalances of science and technology in India. The question that we ask is whether there is a gap between the various parts of our own country with regard to the progress in the science and technology, higher education and research. Then, this disparity can have socio-economic implications. A cursory review of how the Centre and the State institutions today have been functioning clearly brings out that the States have been rarely in the forefront in the scientific arena of science and technology, higher education, and, research. If we look at the indices with respect to this, the Plan allocations, in the Ninth Plan allocation, the Central sector received Rs. 21,800 crores, and, if you look at the corresponding allocation for the State sector, it was more like Rs. 400 crores, which is hardly two per cent. Now, if you see the allocation in the Tenth Plan, Rs. 46,300 crores have been allocated for the Central sector, but the

corresponding allocation for the State sector is about Rs. 1,200 crores. So, the message is very clear. Obviously, the 638 institutions that come under the Central sector today get a majority of the share of the support in terms of finances, whereas the State institutions which are nearly 2,300 in number, get hardly 2 - 3 per cent of the total allocation. But, on the other hand, if you look at some of the institutions that have been created at the State level, like the State agricultural universities, certainly, they have been good organisation and the support in terms of the State development has been extensive and intensive. But this is not so in the health care. Now, to look at how does it affect the socio-economic development of the States, I have some numbers with respect to how the intake of students for engineering and professional courses have been in the States. Nearly, four States in the country have been taking something like 64 per cent of the intake in terms of engineering and other professions, whereas if you look at the business processing outsourcing or IT-enabled services, the same four States account for 56 per cent of those employed in this section. So, the disparity with respect to the States, with respect to the allocation of funds and implication with respect to the socio-economic development is quite clear from these kinds of numbers. Here we should put a conscious effort to see how these imbalances both sectoral as well as from the State point of view, we can improve.

The third point, hon. Chairman, I would like to make is with respect to aeronautics. This year is the 100<sup>th</sup> year of the powered flight and also it happens to be the birth centenary of the Indian aviation pioneer, J.R.D. Tata. Since independence, again, India has made substantial investments in infrastructure with respect to aeronautics. Also, we have big institutions that have come up not only in the context of maintaining aircraft, servicing aircraft but also design and development of aircraft. HAL, for example, has done 23 aircraft with 11 of them being designed within the country. LCA is a very successful example of the type of developments that we have done for Defence. And, nearly two fifty test flights have been flown in recent times out of which several have crossed the sound barrier. The advanced light helicopter is another example. The Saras, the first important civilian aircraft, has been developed by the National Aerospace Laboratory. Also, intermediate jet trainer as well as light combat helicopter and 100-seater aircraft are presently under design/development in some of these institutions. Here what we like to say is that all the elements of an aircraft-design capability, development capability, production capability -- they are all in place in this country at this particular point. Five years back, if you ask

me, whether this kind of readiness was there, I would say that the technology had been limited, but today, it is no longer technology limited, but it is policy limited. So, in this context, on this 100<sup>th</sup> year of powered flight, it is my suggestion to the Government whether we can create an 'Aeronautics Commission' to give a focus and thrust on the aeronautical activities in this country. In fact, I would say that we have excellent infrastructure today, we have also excellent academic institutions which provide courses in aeronautical engineering, we have excellent R&D institutions that provide support for research and development. So, constitution of an Aeronautics Commission which can provide a focus and thrust in this particular area will go a long way in improving the aeronautical activities in this country. And, certainly, India has to be in the forefront in the 21<sup>st</sup> century in this area of aeronautics because to create an aircraft of, say, 100-150 seats is not something which is impossible for this country in a timeframe of 3-4 years. So, with the direction that we build a 100-150 seater aircraft we set up a system to carry out this particular task in the next 3-4 years as the primary focus and, at the same time, to provide a direction and a policy framework in the context of aeronautical development are the basis of my recommendation that we set up an Aeronautics Commission. This will also expand considerable activity from -the research point of view which is so much important because, it is becoming less and less possible for many people to carry out aeronautics research abroad because of various considerations, including the question of aeronautics technology transfer as well as strategic nature of things of that kind. So, these three aspects, one which is related to improving the state of education in the country, coupling it with research and the second with respect to improving the regional and sectoral imbalances in the science and technology and, lastly, to create an 'Aeronautics Commission' to support aeronautical related activities, I recommend these three for consideration of the new Government in the context of science and technology while taking India towards the 21<sup>st</sup> century. I am sure we have the necessary capability; we have the necessary people with conviction and dedication to carry out these kinds of activities. The question is the support and the direction from the Government not only in terms of finances but also in terms of policy framework as well as many other aspects including creating the right ambience for these kinds of activities. I am sure this is well within our reach. Let us take India into the 21<sup>st</sup> Century as a real science and technology power, and give specific thrust to the area of



aeronautics, which, I think, has a tremendous scope for the development of this country. Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you, Dr. Kasturirangan for your excellent maiden speech.

SHRI ASHWANI KUMAR (Punjab): Thank you, Mr. Chairman, Sir, for giving me this opportunity of making my intervention on the Budget. Sir, I have always believed and do believe to this day that the Budget exercise is the single heaviest burden of any democratic government, and perhaps 'the burden' for any Finance Minister by which he must vindicate his position in office. And every Finance Minister, Sir, is in a sense an agent of the vote that propels him to the seat of power. He is also in a sense subordinate to the ethic of politics that sees his party in power. I think, Sir, when we debate the Budget, we, in fact, debate the measures by which we must judge the Budget. My esteemed friends who preceded me have argued at length with the help of facts. I would not make a jugglery of facts, or an argumentation of figures as the basis of my intervention. With your permission, Sir, I would like to sketch the philosophical and theoretical framework of this Budget. Does it do justice to the sentiment of the people of India? Does it live up to the expectations of the people who voted this Government to power? Does it show an intellectual integrity and as someone said, acceptance of the 'despotism of the facts'. Does it sketch an image of the future of India? Does it lay the foundation of "a good society and of a good state"? Does it retain the ethic of equity? That, Sir, is the sum total of the measure of any Budget where power is accountable, where power cannot be justified for its own sake, where it must be used to redeem the pledges that we make to the vast majority of our people every year, every five years, the vast majority who continue to live on the margins and who must necessarily be the centre of our concern. This Sir, is not only the measure of our Budget; it is, in a much larger sense, the measure of any responsive Government. My friend, Mr. Shourie, for whom I have the utmost regard, in every possible sense, said that the Budget lacks the themes. These, Sir, what I have just said, are the themes of the Budget, which, in my respectful submission, are reflected and reflected in good measure, convincingly, credibly in every sentence, in every page of this Budget. Yes, no Finance Minister can satisfy everyone. Every responsible Finance Minister must retain a degree of credibility and Intellectual Integrity, without which his own credentials and certainly the credentials of his Budget, would be in serious doubt. And Sir, when I talk about these hard

facts, what are the hard facts? The hard facts are; that over the last couple of years, the burden of subsidies has risen ten times, to about Rs. 48,000 crores. The hard facts are that India today, unfortunately for all of us, is seen to be catching up with Sub-Saharan Africa as far as AIDs numbers are concerned, and the hard fact and the unfortunate fact is that my Finance Minister has been able to allocate only 210 crores rupees odd for that. Certainly, that is not adequate. Certainly, something more could have been done. Yes, he has allocated only Rs. 152 crores for the urban water problems. Yes, it is not adequate. I think, the Finance Minister admits that it is not adequate. Even Rs. 2,600 odd crores for water resource rejuvenation programme in rural India is not enough, considering the magnitude of the problem. At one stage, we talked of interlinking of waters costing Rs. 5 lakh crores, and if that is not enough, certainly, Rs. 2,600 crores is not enough. But it can be nobody's case that we can redeem the backlog of the past decades and we can meet all the challenges of the future immediately and within the limited resources that we have. So, what did he do? He talked of fiscal prudence. Why? Sir, I ask myself this question. I think, he talked of fiscal prudence not only because it is fashionable in the laissez-faire economics and the economics of the liberal economic tradition to talk about it. He said that if we were to ensure fiscal prudence, we will be able to release 3 per cent of GDP space for enhanced expenditure in the public domain, which in turn, could be invested in infrastructure; it could be invested in employment generation, it could be invested in health and education. And Sir, people have asked about what are you going to do with 2 per cent cess on education and similar cess on health? Sir, we have got to take into consideration inter-generational equities. Countries and civilization do not exist in the present or for the present. They carry the burden of the past and they carry a promise for the future, and it is the future that are seeks to deliver through a Budget. Has the Finance Minister, at least, made a beginning in seeking to lay the foundations of a strong and vibrant India in the future? I respectfully submit, Sir, he has made the beginning, maybe, a humble beginning, but an honest beginning, and it is by that beginning; that this Budget ought to be judged. Sir, it is always said that the Finance Minister is, in fact, a philosopher. In any democratic country, a Budget is not a chartered accountant's balance sheet which shows figures alone. The Budget must reflect a philosophy, it must reflect compassion, It must reflect sensitivity, it must reflect a broad picture, a big picture, and therefore, as a philosopher, he sets his ends in sight, and then sets about finding ways and means to achieve those ends. Now,

unfortunately for us, and most unfortunately, for the Finance Minister, the means are not at his will. They are certainly not under his control. If we have a deficit of 10.1 per cent, the collective deficit of States would be even more, and he knows that he cannot have sustainable growth at 8 per cent of GDP year-on-year unless he brings down the fiscal deficit to 4.4 per cent and the revenue deficit to 2.4 per cent. He has to go in for certain hard measures. My friend, Shri Arun Shourie said: "Where are the hard decisions?" Well, the hard decisions are there, and they ought to be there, and the Finance Minister has been wrongly condemned for those hard decisions. He has also been wrongly condemned by some for not taking hard decisions. Well, the Opposition must make up its mind and say whether there are hard decisions or there are no hard decisions. I respectfully submit that there are some hard decisions. In that sense, it is a statement of fiscal prudence; it is a statement of responsibility. The Finance Minister has, indeed, done a lot of tight rope walking. What else could we expect of him? He had the burden of the profligacy of the past Government to carry and to redeem, and there was no other way than to give less where he would have wanted to give more, and spend less where he would have wanted to spend more. There are only two ways of balancing a Budget. Either you find more income or you reduce your expenditure. The only way he could have found more income was to go in for heavy taxation, which he has avoided, and rightly so. We have seen, Sir, the spectacle of farmers committing suicides; we have seen the spectacle of anguish, of misery, rooted in acute financial distress not only in rural India but also in urban India. We see great cities abounding us. But what do we see, Sir, in the reality of those cities? The cities are now not centres of affluence, of wealth; There is impoverishment, there is exploitation, there is tragedy, there is despair, there is no light at the end of the tunnel for a huge number of people who live in the cities, who come here leaving their villages, their homes in search of two-meals-a-day. They can't get them. And, Sir, what did we do? We promised a National Employment Scheme. Some fault as for this, "Why only 100 days? People have to eat all the 365 days!" Somebody could say, "Well, this is also a mockery because from where are you going to get the money because you have not even produced a legislation!" Sir, all this is going to come in good time, and it will come in good time because the Finance Minister has to keep faith. And that, Sir, is the glory of democracy. You can't fool all people for all time. None of us can. And anybody who was trying to do that has only come unstuck and becomes a bygone. And I know this

Finance Minister; he is known for his intellectual integrity, he is known for not consciously misstating the facts in a court and certainly, not in this august House. And, therefore, when he says something, we must give him at least the benefit of reasonable doubt. Sir, I know that the misery of people has not left him aside and he has not remained untouched by the misery of our countrymen. And, Sir, if you were to ask me 'what is the one single virtue of this Budget', I would say that this Budget has brought ideology and the role of the State at the centre stage of our politics. And that, Sir, is the qualitative distinction of this Budget; that is the virtue of this Budget, which we must not lose in going ahead, trying to explain how you have arrived at certain figures. Yes, of course, these figures are not of his own making; he has had his accountants to tell him how he is going to put one and one together. And of course, one could have done it slightly differently. If there would have been another Finance Minister, perhaps, he could have done it differently, depending upon his priorities, depending upon his preferences, depending upon his own ideological commitments and convictions. But what did he do? He did see clearly, cutting through the haze and the maze of the Budgetary Document, why he is in the Finance Minister's seat. He is in the Finance Minister's seat not because a few people in the capital markets will get a couple of hundred thousand dollars more or a million dollars more. He is in the Finance Minister's seat to ensure that those who live on the margins are brought to the centre of our concerns. And yet, he has not forgotten infrastructure, Sir; he has not forgotten investment. When he talks of the Manufacturing Competitive Council, when he talks of the Investment Commission, when he talks of raising the cap on certain sectors as far as FDI is concerned, when he talks of streamlining the capital markets and their regulatory framework, he has his eyes set on foreign institutional investments as well as FDI as a trigger of growth, as a trigger of economic development, as a complement to our own domestic savings. When he talked about lowering of interest rates, yes, there was a certain loss in the savings rates. But they need to balance it with the need to have a competitive economy. Sir, a global economy is not something which we made. It is not something which we will make. But a global economy is a *fait accompli*. It is a reality. Either we become integrated into this global structure or we become a laggard. And India, certainly, refuses to be a laggard. A country of a billion people, huge potential, huge resilience can ill afford to be dubbed as a laggard in the comity of nations. And, Sir, today, even in inter-national diplomacy, if a country is to be judged for respect, the measure is not the quantum of

armament, at its disposal, but the measure is always the economic might of that country, the economic resources at disposal of that country and the economic competitiveness of its corporates. That is, whether we like it or not, the measure of a nation's strength. I think, the Finance Minister, true to expectation, has sought to deliver on that promise. But, Sir, if I were really to find one reason to commend this Budget, it would be this. That despite the type of economy that surrounds us, that despite the concerns of the corporates who have shown a way to India's growth-some of their concerns are legitimate and, I am sure, he will address those concerns, be it turnover tax, be it certain provisions of VAT or CENVAT; he is going to address those concerns and I hope he will-- He did see through the need for compassion; he did see the reality of the multitude of this country expecting from their Finance Minister to use the power of the State to better their lot. Those crying people-Mrs. Sonia Gandhi, as the leader of the UPA and as the leader of the Congress Party, went around every single corner of the country speaking on behalf of those poor, speaking on behalf of those impoverished-have been the centre of the concern of the Finance Minister. Sir, I came across two telling lines of Faiz Ahmed Faiz which I must recount. He was talking about two Indias living in tenuous co-existence, an impoverished lot and an affluent lot. A huge ocean of humanity is living on the margins alongside tiny islands of affluence. What did Faiz Ahmed Faiz see? What did he question? This is what he said about the cities where impoverishment, exploitation and despair stared at him in his eyes. He said and I quote:

इन दहकते हुए शहरों की फरावान मखलूक  
 क्यों फकत मरने की हसरत में जिया करते हैं?  
 ये हसीं खेत, फटा पड़ता है यौवन जिनका  
 किसलिए इनमें फकत भूख उगा करती है?

These are the concerns that this Finance Minister addressed himself through this Budget. With these words, I would only commend the Finance Minister for doing a near impossible task. He has fine-tuned the Budget so that it addresses the concerns of the future of India and he has also addressed, at the same time, the concerns of those who are crying out for help from him. Thank you.

**श्री ललितभाई मेहता:** सभापति जी, श्री जय राम रमेश जी ने जो तीन बातें बताई-रेट ऑफ ग्रोथ, इन्वेस्टमेंट एंड एम्प्लॉयमेंट, मैं उनके आंकड़ों में, ग्रोथ रेट के आंकड़ों में या वास्तविक परिस्थिति क्या है- एम्प्लॉयमेंट बढ़ा है या घटा है, इन्वेस्टमेंट बढ़ा है या घटा है,

उसमें नहीं जाना चाहूंगा, लेकिन 1998-99 में जब पहली बार श्री अटल जी प्रधान मंत्री बने थे, उस समय से लेकर जब एन.डी.ए. की सरकार गई, उस 6 साल के पीरियड के दौरान जो परिस्थिति देश में रही, उसे एक ऐब्सल्यूट फिगर में आपके ध्यान में लाना चाहूंगा। The GDP, which was at Rs.15,98,127 crores in the year 1998-99, grew to Rs.25,16,912 crores in the year 2003-04. The exports, which were at Rs. 1,39,752 crores, grew to Rs.2,83,604 crores. The net national product, which was at Rs. 14,15,093 crores, grew to Rs.22,38,246 crores. The gross domestic savings, which was at 21.5 per cent of the GDP, rose to 24.2 per cent of the GDP. The foreign exchange reserves, which were at Rs. 1,38,005 crores, rose to Rs.4,84,441 crores. The inflation rate was contained at 4.5 per cent beginning with 2 per cent only. The fiscal deficit which was 5.2 per cent, at that time, was brought down to 4.6 per cent. 90 far as the performance of small-scale industries is concerned, the production was to the tune of Rs. 2,12,901 crores which rose to Rs. 3,48,059 crores. Employment opportunities given in this sector were 220.55 lakhs, which rose to 273.97 lakhs. Exports in the small-scale industries, which were to the tune of Rs. 48,979 crores, rose to Rs. 96,013 crores in the year 2003-2004. आप कह सकते हैं कि इन्वेस्टमेंट की दृष्टि से, इम्प्लॉयमेंट की दृष्टि से, ग्रोथ रेट की दृष्टि से हमारी परफॉरमेंस अच्छी रही है या नहीं रही है। आंकड़े यह बताते हैं, जिनसे आपको जज करना चाहिए।

सभापति महोदय, मैं वित्त मंत्री जी का ध्यान एक और बात की ओर दिलाना चाहता हूँ। हमारे यहां जो संसाधनों का शोध है, Search for resources has narrowed down. Our search is in terms of capital to monetary terms, अगर आप रिसोर्स की दृष्टि से सोचेंगे, तो सबसे बड़ा रिसोर्स अगर कोई है, तो वह मैन-पावर है। हमारे यहां कैटल वैल्यू है, वह भी बहुत बड़ा रिसोर्स है, हमारे यहां जमीन पड़ी हुई है, वह भी बहुत बड़ा रिसोर्स है, हमारे यहां रिन्युएबल ऐनर्जी सोर्स जो है, उनको अगर हम ध्यान में लें, तो वह भी एक बहुत बड़ा रिसोर्स है। क्या हम यह नहीं सोच सकते कि हम सौर ऊर्जा को ज्यादा से ज्यादा उपयोग में ला सकें? ऐसा अनुमान लगाया गया है कि पूरे विश्व में ऊर्जा के जितने भी स्रोत हैं, उनमें सिर्फ सौर ऊर्जा का स्रोत 1,500 गुना ज्यादा है। इस देश में सौर ऊर्जा को उपयोग में लाने के लिए, न तो मल्टी नेशनल कंपनियों की आवश्यकता है, न बहुत बड़ी कैपिटल की आवश्यकता है, न कोई विशेष जगह चाहिए, जहां पर इन्फ्रास्ट्रक्चर होने पर ही सौर ऊर्जा लगाई जा सके। इसका उपयोग हम कर सकते हैं। इसी तरह हमारे देश में जो विंड पावर पोटेंशियल है, उसका 10 प्रतिशत भी उपयोग नहीं किया जा रहा है। हमारे यहां 45,000 मैगावाट विंड पावर की कैपेसिटी है, लेकिन अभी 1,500 मैगावाट से ज्यादा विंड पावर का जनरेशन नहीं हो रहा है। इस रिसोर्स को भी हम उपयोग में ला सकें, इसके लिए हमें सोचना चाहिए।

सभापति महोदय, जब मैं पशु-धन की बात कर रहा था, तो मैं अपना प्रत्यक्ष अनुभव आपको बताना चाहता हूँ। मैंने कई बार इस सदन में यह बात कही है कि हमारे यहां गुजरात में हमने एक प्रयोग किया है, जिसके तहत गोशालाओं में हमने ढाई सौ, पांच सौ, साढ़े सात सौ,

ऐसे करके तीन यूनिट बनाए हैं ड्राउट ऐनीमल्स के और उनसे खाद, आर्गेनिक, मैन्योर, कंपोस्ट और 15-20 परिवारों के लिए बिजली भी मिलती है। इसकी लागत 90 पैसे प्रति यूनिट आती है। इस देश में हमारे पास जो 29 करोड़ का पशु-धन है, उसमें से ड्राउट ऐनीमल्स के रूप में 5 करोड़ का पशु-धन अगर आप उपयोग में लाएंगे, तो जो हिसाब बैठता है, वह यह है कि एक पशु को आपने चारा देना है, उसका रख-रखाव करना है, उसको देखेंगे, तो भी वह 12 से 15 हजार रुपए का सरप्लस आपको देगा। यदि 5 करोड़ पशुओं का हमने उपयोग किया तो मुझे लगता है कि 75,000 करोड़ रुपए से ज्यादा आय हम जुटा पाएंगे। तो वित्त मंत्री जी से मेरी यह विनती है कि इसके बारे में सोचें क्योंकि देश में जो होड़ चल रही है नए कत्लखाने खोलने की, कत्लखाने मॉडर्नाइज करने की और ज्यादा पशुओं को कत्ल कर बेचने की, मुझे लगता है कि यह आवश्यक नहीं है। इसके बजाए इस बात पर हम सोचें तो बहुत अच्छा रहेगा। समापति महोदय, कृषि के बारे में सरकार की प्राथमिकता है, ऐसा कहा गया है। हमारे पूर्व कृषि मंत्री भानु प्रताप सिंह जी जिन्होंने एक लेख लिखा है जिसका ऑब्जर्वेशन मैं यहां पर कोट करना चाहूंगा:

"During the period of reforms, from 1991-2002, the farm sector grew at 1.6 per cent per annum which was less than the rate of growth of population. During the same period, the employment grew by less than 1 per cent leading to growing unemployment and poverty." He further adds: "During the 11 years of reforms, out of the total additionally generated national income, only 14 per cent accrued to farmers who constitute 70 per cent of our workforce."

अब देखिए कि कृषि के क्षेत्र में उनको जो हिस्सा मिलना चाहिए था वह 86 प्रतिशत अन्य लोगों को मिला और 14 प्रतिशत, जो 70 प्रतिशत हमारे किसान वर्क फोर्स हैं, उनको मिला। उसको ध्यान में रखते हुए हम यह बात सोच सकते हैं कि हमारे पास इस देश में जो जमीन पड़ी हुई है उस जमीन का हम उपयोग कर सकते हैं। "The total degraded land area in India is estimated to be 107 million hectares out of which 64 million hectares is said to be waste land. By the year 2020 India may be requiring 340 million tonnes of food grains to feed its population. For that, it is necessary to utilise all the waste lands in the country by allotting them to landless persons belonging to the Scheduled Castes, Scheduled Tribes and also to small and marginal farmers and proper persons under different categories."

[उपसभाध्यक्ष (श्री बलवंत उर्फ बाल आपटे) पीठासीन हुए]

कृषि की दृष्टि से अगर हम सोचते हैं तो मेरा यह सुझाव रहेगा कि जो वैस्ट लैंड है इसका उपयोग कैसे कर सकते हैं और इसको उपयोग में लाकर के कृषि को कैसे बढ़ावा दे सकते हैं, इस पर ध्यान देने की आवश्यकता है। दूसरा, कृषि की दृष्टि से मेरा निवेदन यह है कि जो एक बात वित्त मंत्री जी ने कही है कि ट्रैक्टर पर से उत्पाद शुल्क हटा दिया है। मुझे लगता है कि इस देश में ट्रैक्टर का उपयोग करने वाले किसानों की जितनी संख्या है और ट्रैक्टर का जितना उपयोग है और उनके पास जो लैंड की अवेलेबिलिटी है उसके संदर्भ में देखेंगे तो बात

यह आती है कि हमारे यहां जो सीमांत किसान हैं, वे 59.50 परसेंट हैं और जो छोटे किसान हैं, वे 18.80 परसेंट हैं। जो सीमांत किसान हैं, मार्जिनल फार्मर हैं उनके पास एवरेज लैंड होल्डिंग 0.39 हेक्टेयर और छोटे किसानों की एक से दो हेक्टेयर है। आप इनको ट्रैक्टर देते हैं। कम ब्याज से मिलने लगेगा, ऐसा भी आप कहते हैं। लेकिन अगर 10 एकड़ से कम कृषि योग्य जमीन जिस किसान के पास है तो वह ट्रैक्टर का उपयोग कैसे कर पाएगा? इसकी कॉस्ट भी इसमें से नहीं निकल पाएगी। अनुमान यह आ रहा है कि किसान ऐसे संसाधन लेता है और फिर इसका जो कर्ज वापिस करना है, इंटरेस्ट वापिस करना है, तो वह नहीं कर पाता है। इस दृष्टि से मेरा सुझाव यह होगा कि ट्रैक्टर के बजाए अगर किसान को जो उपयोग है तो वह पॉवर टिलर का ज्यादा उपयोग है और अगर पॉवर टिलर के बारे में आप कुछ सोचेंगे तो मुझे लगता है कि यह बात और लाभदायी होगी। मैं एक बात और कृषि के बारे में आपके ध्यान में लाना चाहूंगा। हमारी जो राष्ट्रीय आय है, उसमें कृषि का हिस्सा 23.16 परसेंट है और उद्योगों का हिस्सा 26.97 परसेंट है। लेकिन कृषि में जो निवेश किया जाता है, वह उद्योगों में जितना निवेश किया जाता है, उसका 10 प्रतिशत ही होता है। यानी कृषि क्षेत्र में चार-साढ़े चार हजार करोड़ रुपये का इन्वेस्टमेंट होता है, लेकिन उद्योगों में 55 हजार से 60 हजार करोड़ का इन्वेस्टमेंट होता है। कृषि पर कम निवेश करने के क्या कारण हैं, इसके बारे में माननीय जनेश्वर मिश्र जी ने यहां पर बताया है। किसानों की समस्या कृषि में इन्वेस्टमेंट करना नहीं है। वे कृषि में इन्वेस्टमेंट इसलिए नहीं कर पाते हैं, क्योंकि उनको कृषि का रेग्युलरेटिव प्राइस तक भी नहीं मिल पाता है। इसलिए किसान कभी भी इसमें इन्वेस्टमेंट नहीं कर पायेगा। इस दृष्टि से एग्रीकल्चरल क्षेत्र में, अगर आपने कुछ सोचना है, तो पहली बात तो यह है कि किसानों की कृषि संसाधनों के लिए, एग्रीकल्चरल इन पुट्स के लिए जो भी लागत आती है, जो भी लागत पड़ती है, कीमतें बढ़ती हैं, उसको मीट विद कैसे कर सकता है। दूसरा, किसानों की दिन-प्रति-दिन की जो दिनचर्या है, जो जन-जीवन है, किसान अपने जीवन की आवश्यकताओं की पूर्ति कैसे कर सकता है?

तीसरी बात यह है कि उसको अगर अगले वर्ष कृषि में कुछ निवेश करना है, उसके लिए उसके पास कुछ सरप्लस रहता है या नहीं रहता है, मिलता है या नहीं मिलता है। मैं एक और बात की ओर भी आपका ध्यान दिलाना चाहूंगा कि फर्टिलाइजर के उपयोग की दृष्टि से और फर्टिलाइजर के कारण, हमारे देश में उत्पादन बढ़ेगा, इसकी सब्सिडी बढ़ाई जाए, इसका उपयोग बढ़ाया जाए, ऐसा कहा जाता है लेकिन जो अनुभव आया है, उसको मैं यहां पर पढ़कर सुनाना चाहता हूँ।

"The farmer started using these chemicals as fertilizers and pesticides, herbicides, etc. Though in the first phase, it resulted in increase in production, but it had its effects on the health of human beings, live-stock, soil and the environment." In a study, it was detected that the breast milk in Ludhiana district of Punjab contained the highest percentage of poison in the world. It was also found that in the days prior to chemical farming, input of one joule energy in the soil could get a return of 4.60 joule energy through agricultural produce. But it was detected before some years that as a result of chemical farming, the ratio of input and output has declined to 1:1.16. It was also detected that fertilizer use in the country has



increased deficiency of micronutrients in the soil, which is affecting its productivity.

इसको ध्यान में रखते हुए, अगर हम इस देश में प्रयोगात्मक दृष्टि से, क्योंकि मंत्री जी ने अपने बजट भाषण में कई पायलेट प्रोजेक्ट्स लाने का आह्वान किया है। मैं यह चाहता हूँ कि पूरे देश में जहां भी संभव है, यह केमिकल फर्टिलाइजर का उपयोग बंद करके आर्गेनिक फार्मिंग की ओर हम बढ़ें और इस दृष्टि से एक नया प्रयोग करके हम आगे चलेंगे, तो इसका भी कृषि की दृष्टि से हमारे यहां लाभ हो सकता है।

उपसभाध्यक्ष जी, मैं वित्त मंत्री जी का ध्यान किसानों को दिए जाने वाले ऋण की तरफ भी दिलाना चाहता हूँ। बजट में इन्होंने कहा है कि इस साल ऋण 80 हजार करोड़ से बढ़ाकर एक लाख पांच हजार करोड़ रुपये कर दिया जायेगा। आप दसवीं पंचवर्षीय योजना के डायक्यूमेंट को देखिए। That is the target set in the Tenth Five Year Plan document is Rs.7,36,750 crores. During the first two years of the Tenth Five Year Plan, the total credit made available to the farmers comes to Rs.1,50,810 crores. So, there is a wide gap. You have set this target. How are you going to achieve that target? Or, are you going to revise it?

**उपसभाध्यक्ष (श्री बलवंत उर्फ बाल आपटे):** ललितभाई मेहता जी, आप और कितना समय लेना चाहेंगे? अभी एक स्टेटमेंट भी होना है।

**श्री ललितभाई मेहता:** सर, मैं 6 बजे खत्म कर दूंगा। मेरी दृष्टि में किसानों को ऋण उपलब्ध कराना, ज्यादा ऋण उपलब्ध कराना कोई समस्या नहीं है बल्कि किसानों को मिलने वाली जो आय है, वह कितनी है, इस समस्या की ओर अगर हम ध्यान देंगे तो अच्छा होगा। महोदय, कृषि मूल्य एवं लागत आयोग की रिपोर्ट है, वह यह बताती है कि कृषि से होने वाली आय लगातार घटती जा रही है। बंगाल के किसानों को चावल का जो दाम मिला, वह as compared to the year 1996, 28 परसेंट लैस मिला। इसी प्रकार उत्तर प्रदेश और महाराष्ट्र के किसानों को जो गन्ने का दाम मिला, वह 32 परसेंट और 40 परसेंट लैस ऐज़ कम्पेयर टू 1996 मिला। इस 6-7 साल की अवधि के दौरान सारे देश में औसत दृष्टि से देखें तो किसानों की आय 10 प्रतिशत 1996 में थी, उससे कम हुई है। इस प्रकार मेरी दृष्टि में सस्ते ब्याज की दर पर किसानों को ऋण उपलब्ध कराया जाए, यह समस्या नहीं है बल्कि किसानों को उनका remunerative प्राइस मिले, वह उससे सरप्लस पैदा कर सके तथा वह ऐग्रीकल्चर में इनवेस्टमेंट में जा सके, यह सोचने की आवश्यकता है।

उपसभाध्यक्ष महोदय, मुझे एक छोटे बिन्दु की ओर वित्त मंत्री जी का ध्यान आकर्षित करना है। पेट्रोलियम प्राइसिज़ के संबंध में हम कहते हैं कि अंतर्राष्ट्रीय बाजार में जो बैरल के भाव होते हैं, कूड ऑयल के भावों में जो घट-बढ़ होती है, उसके कारण हमें यह निर्णय लेना पड़ता है। पिछली बार भी भाव बढ़ाया गया है। ऑयल कम्पनियां भी अभी मांग कर रही हैं कि भाव बढ़ाए जाएं। बजट आने से पहले कोयले के भावों में पूरे देश में 16.7 प्रतिशत इन्क्रीज कर दिया गया है। जो हमारे सोर्सिज़ हैं-पेट्रोलियम प्रोडक्ट्स और कोयला-कोयले के कारण बिजली, ट्रांसपोर्ट तथा बाकी जो चीजें हैं, उनके दामों में भी बढ़ोतरी होगी। इसलिए मुझे ऐसा लगता है, मुझे आशंका है कि आप जो यह मानते हैं कि इनफ्लेशन दर टिककर वहीं रहेगी-

**6.00 p.m.**

ऐसा नहीं होगा, इनफ्लेशन दर बढ़ जाएगी। इसके अतिरिक्त राज्यों के बारे में आपने जो बात कही है कि आप राज्यों की मदद करना चाहते हैं। राज्यों की वित्तीय व्यवस्था में ऋण की अदला-बदली के द्वारा आप उनकी मदद करना चाहते हैं। हायर रेट ऑफ इंटरस्ट वाले जो लोन्स राज्यों के पास हैं, उनकी जगह कम रेट ऑफ इंटरस्ट के लोन देकर उनकी मदद करना चाहते हैं। लेकिन इसके लिए प्रावधान क्या है? उसके लिए केवल 379 करोड़ का प्रावधान किया गया है। और दूसरा आपके ध्यान में यह दिलाना चाहता हूँ कि राज्यों को दिये जाने वाले ब्याज की दर आप 9 प्रतिशत रखेंगे लेकिन आपको किस ब्याज दर पर ऋण मिलता है? पांच प्रतिशत, साढ़े पांच प्रतिशत, 6 प्रतिशत की दर पर? तीन प्रतिशत मुनाफा आप राज्यों से क्यों लेना चाहते हैं? अगर कुछ ऐडमिनिस्ट्रेटिव कॉस्ट लेना है तो प्वाइंट 5 प्रतिशत बढ़ाकर राज्यों को 6 प्रतिशत की ब्याज दर पर आप ऋण देने के लिए सोंचे, ऐसा मेरा मानना है। इसके अतिरिक्त विकसित राज्यों के साथ अन्याय हो रहा है। यह अन्याय केन्द्र की सरकार सीधे-सीधे करती है, ऐसा मैं नहीं कह रहा हूँ। मेरी सरकार जब थी, वह भी यह कहती थी कि 11 वें फाइनेंस कमीशन की जो रिपोर्ट है, उनकी जो रिकमेंडेशंस हैं, उसके आधार पर हम राज्यों को धन आर्बिट्रि कर रहे हैं, राशि आर्बिट्रि करते हैं, फंड्स डीवॉल्व होते हैं। 2000-2005 के पांच साल के इस समय में

"The implications of the ECF with reference to better performing States like Gujarat are adverse and do not do justice to the progress done by the States so far. It is disappointing that the Finance Commission has made Gujarat to pay a heavy development rent for growth of other less efficient backward States." मैं सिर्फ गुजरात की वकालत करता हूँ, ऐसी बात नहीं है। जितने भी विकसित राज्य हैं, जहाँ विकास तेजी से हो रहा है उसमें महाराष्ट्र को 5 साल में 5,622 करोड़ का नुकसान होगा। तमिलनाडु को 471 करोड़ का नुकसान होगा, गुजरात को 4610 करोड़ का नुकसान होगा, केरल को 3078 करोड़ का नुकसान होगा, आंध्र प्रदेश को 2875 करोड़ का नुकसान होगा, कर्नाटक को 1540 करोड़ का नुकसान, पंजाब को 1182 करोड़ का नुकसान, हरियाणा को 1107 करोड़ का नुकसान, राजस्थान को 293 करोड़ का नुकसान और हिमाचल प्रदेश को 79 करोड़ का नुकसान होगा। साथ ही जो बैकवर्ड स्टेट्स हैं, उनका आप ज्यादा ध्यान रखेंगे, मैं इसके लिए कुछ नहीं कहूंगा, लेकिन यह 2000-05 के पांच साल में 11 वें फाइनेंस कमीशन की रिकमेंडेशन्स के कारण उत्तर प्रदेश को 7476 करोड़ का लाभ होता है, बिहार को 6536 करोड़ का लाभ होता है, वेस्ट बंगाल को 2425 करोड़ का लाभ होता है, मध्य प्रदेश को 2062 करोड़ का लाभ होता है, उड़ीसा को 2112 करोड़ का, असम को 1185 करोड़ का, जम्मू-कश्मीर को 727 करोड़ का और त्रिपुरा को 411 करोड़ का लाभ होता है। जो 12वां वित्त आयोग बैठा है, उस फाइनेंस कमीशन के सामने प्रत्येक राज्य ने अपनी बातें रखी हैं, लेकिन केन्द्र की सरकार यह बात ध्यान में रखे कि....

**उपसभाध्यक्ष (श्री बलवंत उर्फ बाल आपटे):** ललितभाई जी, मैंने आपसे इसलिए पूछा था कि आप यदि ज्यादा न बोलना चाहें तो हम आपको अभी बुलाते हैं, वरना हम कल आपको समय दे सकते थे।

**श्री ललितभाई मेहता:** बस साहब, खत्म हो गया है।

**उपसभाध्यक्ष (श्री बलवंत उर्फ आपटे):**आपने कहा था कि मैं दो मिनट में खत्म करूंगा, नहीं तो हम आपको कल समय दे सकते थे। अभी एक स्टेटमेंट होना है।

**श्री ललितभाई मेहता:**बस दो वाक्य ही और हैं, फिर मैं खत्म करता हूँ। ... (व्यवधान)... मैं खत्म करता हूँ। I am concluding. इसको ध्यान में रखते हुए राज्यों के साथ अन्याय न हो, जो विकास करते हैं, ऐसे राज्यों के साथ अन्याय न हो, इसके लिए भी केंद्र की सरकार डिवायल्यूशन ऑफ फंड्स की दृष्टि से कुछ विशेष व्यवस्था करे। 12वां फाइनेंस कमीशन जो भी रिकमंडेशन दे, उसको भी ध्यान में रखे। उपसभाध्यक्ष जी, मैंने थोड़ा ज्यादा समय लिया है, दो मिनट और लिए हैं....

**उपसभाध्यक्ष (श्री बलवंत उर्फ बाल आपटे):**आपके समय ज्यादा नहीं लिया है लेकिन ज्यादा समय लेने से....

**श्री ललितभाई मेहता:**लेकिन आपने मुझे बोलने का अवसर दिया है, इसके लिए बहुत धन्यवाद के साथ मैं अपनी बात समाप्त करता हूँ, धन्यवाद।

THE VICE-CHAIRMAN (SHRI BALWANT *Alias* BAL APTE) : Now, there is a Statement to be made by the Minister of State on the fire accident in Tamil Nadu.

#### STATEMENT BY MINISTER

##### Fire accident in a School at Kumbakonam in Tamil Nadu.

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI S. REGUPATHY): Vice-Chairman, Sir, The Hon. Home Minister Is busy in a cabinet Meeting. Hence, I be permitted to Make a Statement in the House regarding a fire accident in a school at Kumbakonam in Tamil Nadu.

There was a major fire accident on 16.7.2004 in an aided private school at Kasiraman Street, Kumbakonam, Thanjavur District. This aided private school houses Sri Krishna Aided Primary School (Private), Sri Krishna Girls High School, Saraswathi Nursery and Primary School. In the said incident 90 children have died and 19 children have sustained burn injuries.

The school has got only one narrow staircase leading from a common entrance, which also serves as an exit. All the students have to use only this common entrance and the common staircase. No emergency exit or fire escape has been provided to the building. More than 870 students are studying in these three schools. The Sri Krishna Aided Primary