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## Budget proposals 'will only deepen crises'

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Most speakers at a meeting on Budget proposals 1992-93 organised by the Institute of Economic Studies were critical of it, stressing that it would be inflationary, cause further unemployment, discourage savings and deepen the balance of payments crisis.

The speakers included Mr S. Jaipal Reddy, MP, Associate Professor at the Centre for Economic Studies and Planning, JNU Mr Arun Kumar, Mr Man Mohan Singh, industrialist and past president of PHD Chamber of Commerce and Industry, Mr Ved Prakash, industrialist, Mr R. N. Lakhotia, tax expert, Prof J. D. Agarwal gave the valedictory address.

Mr S. Jaipal Reddy said that countries which were going in for World Bank help and adopting its conditions were also going in for massive anti-poverty programmes; the countries like Thailand and Korea were spending 20 to 25 per cent of their budgetary

allocation on health and education, whereas India was reducing outlay in rural development, health, education.

He said there was a lot of talk about opening up economy, giving boost to exports, but the main hard currency countries like America, Western Europe and Japan were facing recession and were looking towards India as their future market following the opening out. The Budget is likely to cause hyper inflation, slow growth and deeper payments crisis, he added.

Mr Lakhotia said that promotion of savings in was one of the objectives of the tax policy but by taking away relief provided earlier the Budget was not providing any incentive to save.

Tax in areas of food production could garner a lot of investment and lead to a curb on price rise.

Some LIC schemes which were highly publicised by government last year and on which tax concessions have been removed now would force the person to continue the policy because in some policies surrender value in a year or two is nil and the man "will not get a single rupee back if he surrenders his policy".